

NIT ISLAMIC INCOME FUND



FUND MANAGER REPORT - JANUARY 2019

Fund's Basic Informations		Objective of the fund	
Fund Type	Open-End	<p>The objective of the NIT Islamic Income Fund is to generate a stable Shariah compliant income stream, while seeking maximum possible preservation of capital, over the medium to long-term period, by investing in a diversified portfolio of Shariah Compliant fixed income and money market instruments.</p> <p>Profile of Investment Managers</p> <p>National Investment Trust Ltd. (NITL) is the first and the largest Asset Management Company of Pakistan, formed in 1962. With approximately Rs. 90 billion assets under management as on 31 January 2019, the family of Funds of NIT comprises of ten funds including 4 equity funds, 2 fixed income funds, 1 money market fund, 1 Islamic income 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 NITL managed Funds and day to day inquiries/issues of their 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 a nominee of Govt. of Pakistan. The Company has been assigned an Asset Manager rating of "AM2++" by PACRA, which reflects the company's high investment management industry standards and benchmarks with noted strengths in several of the rating factors. All Investment decisions are taken by the Investment Committee of the respective fund</p>	
Category	Shariah Compliant (Islamic) Income		
Launch Date	4th July 2016		
Listing	Applied for listing		
Stability Rating	AA- (I) (PACRA) 31-Dec-18		
Management Fee	7.5% of Gross Earnings, subject to a minimum fee of 0.25% p.a. and maximum fee of 1% p.a. of Average Annual Net Assets.		
Front End Load	Nil		
Back End Load	Nil		
Cutt-off timing	3:30 PM		
Par Value	PKR 10.00		
Min Subscription	Growth Unit PKR 1,000 Income Unit PKR 100,000		
Trustee	Central Depository Co. (CDC)	Fund Performance Review	
Auditors	EY Ford Rhodes	<p>The Fund posted an annualized return of 8.41% p.a for the month of January against its benchmark return of 3.73% p.a. The YTD return for FY19 stood at 6.64% p.a. against the benchmark return of 2.98% p.a.</p> <p>State Bank of Pakistan announced its Monetary Policy during the month and decided to increase Policy Rates by 25 bps to 10.25%. In its statement, the SBP highlighted need to continue with monetary tightening amidst the fiscal and current account deficit and inflationary concerns.</p> <p>The Consumer Price Index (CPI) for the month of January increased to 7.19% versus 6.17% over the previous month. The 7MFY19 average CPI inflation now stands at 6.21% compared to 3.85% during the previous fiscal year.</p> <p>As at January 31, 2019, the Fund had an exposure of about 61% of total assets in cash at bank, about 18% in corporate sukuk, 10% in Commercial Paper, 10% in TDRs and the remaining was in the form of other assets. The weighted average time to maturity of the portfolio stood at 371 days.</p>	
Registrar	National Investment Trust Ltd.		
Pricing Mechanism	Forward Day Pricing		
Valuation Days	Daily (Monday to Friday) except public holiday		
Redemption Days	Daily (Monday to Friday) except public holiday		
Subscription Days	Each valuation day		
AMC Rating	AM2++ (PACRA) 05-Nov-18		
Risk Profile	Medium		
Benchmark	6.Mth avg. deposit rates of three A-rated Islamic Bank or Islamic windows of Conventional Banks as selected by MUFAP.		
Fund Manager	Shoaib Ahmad Khan		
Total Expense Ratio (Annualized)	1.39% (This includes 0.31% representing Govt. Levy, Sindh Workers Welfare Fund & SECP Fee.)		
Total Expense Ratio (Absolute)	0.82% (This includes 0.18% representing Govt. Levy, Sindh Workers Welfare Fund & SECP Fee.)		
Technical Information		TFC / Sukuk Holdings (% of TA)	
Net Assets	PKR 489 Mln	DAWOOD HERC - SUKUK II	8.08%
NAV per Unit (January 31, 2019)	10.2735	DUBAI ISLAMIC BANK	5.14%
Weighted Avg. Maturity (Days)	371	GHANI GASES LTD. - SUKUK	4.07%
Leveraging	Nil	FATIMA FERTILIZER - SUKUK	1.05%
Standard Deviation of Return	0.017		18.35%
Fund's Return v/s Benchmark		NIT IIF Year to Date Return v/s Benchmark	
	NIT-IIF	Benchmark	
January-19	8.41%	3.73%	
Year to Date	6.64%	2.98%	
12 M Trailing	5.85%	2.74%	
3 Years	-	-	
Since Inception	5.39%	2.82%	
<i>(Returns are calculated inclusive of dividends)</i>			
Asset Allocation (% of TA)		SINDH-WWF Disclosure - The Scheme has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs. 1.33m, if the same were not made the NAV per unit/ current year to date return of the Scheme would be higher by Rs. 0.0279/ 0.48%. For details investors are advised to read the latest financial statement of the scheme.	
	Dec-18	Jan-19	
Cash	73.27%	60.84%	
Sukuk	16.51%	18.35%	
TDRs	0.00%	10.10%	
CP	9.09%	9.57%	
Others	1.13%	1.14%	
Performance Period			
	FY18	FY17	FY15
NIT-IIF	4.41%	4.61%	
Benchmark	2.44%	3.11%	
Launched on 4th July, 2016			
Members of the Investment Committee			
Manzoor Ahmed, COO/Managing Director	Aamir Amin, Head of Finance	Ali Kamal, Head of Research	
Shoaib. A. Khan, EVP/ Fund Manager	Syed Ali Raza Bukhari, Head of Marketing	Faisal Aslam, Head of Compliance	
Salman H. Chawala, Incharge Risk Mgmt.			
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.		National Investment Trust Ltd, National Bank Building, (6th Floor) I.I. Chundrigar Road, P.O Box # 5671. Karachi - 74000, Pakistan Tel: 111-648-648	
Note: Performance data does not include the cost incurred directly by an investor in the form of sales load etc.			