

# NIT ISLAMIC INCOME FUND



## FUND MANAGER REPORT - MARCH 2019

Fund's Basic Informations		Objective of the fund				
<b>Fund Type</b>	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><b>Profile of Investment Managers</b></p> <p>National Investment Trust Ltd. (NITL) is the first and the largest Asset Management Company of Pakistan, formed in 1962. With approximately Rs. 85 billion assets under management as on 31 March 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>				
<b>Category</b>	Shariah Compliant (Islamic) Income					
<b>Launch Date</b>	4th July 2016					
<b>Listing</b>	Applied for listing					
<b>Stability Rating</b>	AA- (I) (PACRA) 31-Dec-18					
<b>Management Fee</b>	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.					
<b>Front End Load</b>	Nil					
<b>Back End Load</b>	Nil					
<b>Cutt-off timing</b>	3:30 PM					
<b>Par Value</b>	PKR 10.00					
<b>Min Subscription</b>	Growth Unit PKR 1,000 Income Unit PKR 100,000					
<b>Trustee</b>	Central Depository Co. (CDC)	Fund Performance Review				
<b>Auditors</b>	EY Ford Rhodes	<p>The Fund posted an annualized return of 9.83% p.a for the month of March against its benchmark return of 4.54% p.a. The YTD return for FY19 stood at 7.18% p.a. against the benchmark return of 3.27% p.a.</p> <p>State Bank of Pakistan announced its Monetary Policy during the month and decided to increase Policy Rates by 50 bps to 10.75%. In its statement, the SBP highlighted need to continue with monetary tightening amidst continued inflationary pressure, elevated fiscal and current account deficit.</p> <p>The Consumer Price Index (CPI) for the month of March increased to 9.42% versus 8.21% over the previous month. The 9MFY19 average CPI inflation now stands at 6.79% compared to 3.78% during the previous fiscal year.</p> <p>As at March 31, 2019, the Fund had an exposure of about 60% of total assets in cash at bank, about 30% in corporate sukuk, 9% in Commercial Paper and the remaining was in the form of other assets. The weighted average time to maturity of the portfolio stood at 393 days.</p>				
<b>Registrar</b>	National Investment Trust Ltd.					
<b>Pricing Mechanism</b>	Forward Day Pricing					
<b>Valuation Days</b>	Daily (Monday to Friday) except public holiday					
<b>Redemption Days</b>	Daily (Monday to Friday) except public holiday					
<b>Subscription Days</b>	Each valuation day					
<b>AMC Rating</b>	AM2++ (PACRA) 05-Nov-18					
<b>Risk Profile</b>	Medium					
<b>Benchmark</b>	6-Mth avg. deposit rates of three A rated Islamic Bank or Islamic windows of Conventional Banks as selected by MUFAP.					
<b>Fund Manager</b>	Shoab Ahmad Khan					
<b>Total Expense Ratio (Annualized)</b>	1.51% (This includes 0.33% representing Govt. Levy, Sindh Workers Welfare Fund & SECP Fee.)					
<b>Total Expense Ratio (Absolute)</b>	1.13% (This includes 0.24% representing Govt. Levy, Sindh Workers Welfare Fund & SECP Fee.)					
Technical Information		TFC / Sukuk Holdings (% of TA)	Asset Quality as of 31 March 2019 (% of TA)			
<b>Net Assets</b>	PKR 550 Mln	HUBCO SUKUK				
<b>NAV per Unit (March 31, 2019)</b>	10.4201	DAWOOD HERC - SUKUK II				
<b>Weighted Avg. Maturity (Days)</b>	393	DUBAI ISLAMIC BANK				
<b>Leveraging</b>	Nil	DAWOOD HERC - SUKUK I				
<b>Standard Deviation of Return</b>	0.042	GHANI GASES LTD. - SUKUK				
		FATIMA FERTILIZER - SUKUK				
		29.67%				
Fund's Return v/s Benchmark		NIT IIF Year to Date Return v/s Benchmark				
<b>March-19</b>	NIT-IIF: 9.83% Benchmark: 4.54%					
<b>Year to Date</b>	7.18% vs 3.27%					
<b>12 M Trailing</b>	6.57% vs 3.04%					
<b>3 Years</b>	- vs -					
<b>Since Inception</b>	5.67% vs 2.91%					
<i>(Returns are calculated inclusive of dividends)</i>		<p><b>SINDH-WWF Disclosure:</b> The Scheme has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs. 1.48m. If the same were not made the NAV per unit/ current year to date return of the Scheme would be higher by Rs. 0.0280/ 0.38%. For details investors are advised to read the latest financial statement of the scheme.</p>				
Asset Allocation (% of TA)		Performance Period				
	<b>Feb-19</b>	<b>FY18</b>	<b>FY17</b>	<b>FY15</b>	<b>FY14</b>	<b>FY13</b>
<b>Cash</b>	47.21%	NIT-IIF	4.41%	4.61%	Launched on 4th July, 2016	
<b>Sukuk</b>	25.92%	Benchmark	2.44%	3.11%		
<b>TDRs</b>	0.00%					
<b>CP</b>	8.37%					
<b>Others</b>	9.61%					
Members of the Investment Committee						
Adnan Afridi, Managing Director		Manzoor Ahmed, Chief Operating Officer		Aamir Amin, Head of Finance		
Ali Kamal, Head of Research		Shoab A. Khan, EVP/ Fund Manager		Syed Ali Raza Bukhari, Head of Marketing		
Faisal Aslam, Head of Compliance		Salman H. Chawala, Incharge Risk Mgmt.				
<b>MUFAP's Recommended Format.</b>						
<p><b>Disclaimer:</b> 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.</p> <p><b>Note:</b> Performance data does not include the cost incurred directly by an investor in the form of sales load etc.</p>				<p>National Investment Trust Ltd, National Bank Building, (6th Floor) I.I. Chundrigar Road, P.O Box # 5671. Karachi - 74000, Pakistan Tel: 111-648-648</p>		