

NIT ISLAMIC INCOME FUND



FUND MANAGER REPORT - JUNE 2018

Fund's Basic Informations

Fund Type	Open-End
Category	Shariah Compliant (Islamic) Income
Launch Date	4th July 2016
Listing	Applied for listing
Stability Rating	AA- (f) (PACRA) 12-July-17
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)
Auditors	KPMG Taseer Hadi
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) 08-Dec-17
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	Shoab Ahmad Khan

Objective of the fund

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.

Profile of Investment Managers

National Investment Trust Ltd. (NITL) is the first and the largest Asset Management Company of Pakistan, formed in 1962. With approximately Rs. 98 billion assets under management as on 30 June 2018, 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 23, 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

Fund Performance Review

The YTD return for FY18 stood at 4.41% p.a. against the benchmark return of 2.44% p.a. The Fund posted an annualized return of 4.78% p.a. for the month of June against its benchmark return of 2.38% p.a.

The Fund has declared payout at the rate of Rs. 0.5810 per unit for the year ending June 30, 2018 as compared to Rs. 0.43 per unit for the year ended June 30, 2017.

The Consumer Price Index (CPI) for the month of June increased to 5.21% versus 4.19% over the previous month. CPI inflation for FY18 stands at 3.92% compared to 4.16% during the previous fiscal year.

As at June 30, 2018, the Fund had an exposure of about 83% of total assets in cash at bank, about 17% in corporate sukuk and the remaining was in the form of other assets. The weighted average time to maturity of the portfolio stood at 362 days.

Technical Information

Net Assets	PKR 549 Min
NAV per Unit (June 30, 2018)	10.4679
Weighted Avg. Maturity (Days)	362
Leveraging	Nil
Standard Deviation of Return	0.025
Total Expense Ratio *	1.16%

*This includes 0.24% representing Govt. Levy, Sindh Workers Welfare Fund & SECP Fee.

Fund's Return v/s Benchmark

	NIT-IIF	Benchmark
June-18	4.78%	2.38%
Year to Date	4.41%	2.44%
12 M Trailing	4.42%	2.44%
3 Years	-	-
Since Inception	4.61%	2.77%

(Returns are calculated inclusive of dividends)

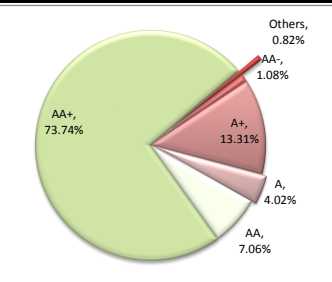
Asset Allocation (% of TA)

	May-18	Jun-18
Cash	86.47%	82.53%
Sukuk	12.81%	16.66%
Others	0.72%	0.82%

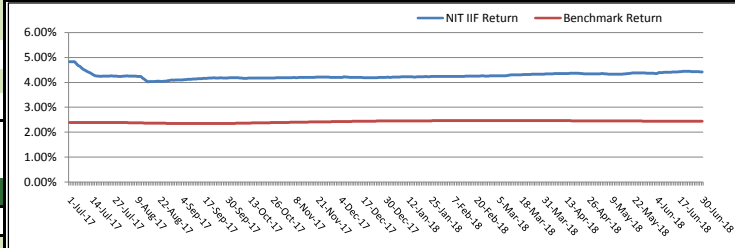
TFC / Sukuk Holdings (% of TA)

DAWOOD HERC - SUKUK II	7.06%
DUBAI ISLAMIC BANK	4.49%
GHANI GASES LTD. - SUKUK	4.02%
FATIMA FERTILIZER - SUKUK	1.08%
	16.66%

Asset Quality as of 30 June 2018 (% of TA)



NIT IIF Year to Date Return v/s Benchmark



SINDH-WWF Disclosure - The Scheme has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs. 0.93m, if the same were not made the NAV per unit/ current year to date return of the Scheme would be higher by Rs. 0.0177/ 0.18%. For details investors are advised to read the latest financial statement of the scheme.

Performance Period	FY17	FY16	FY15	FY14	FY13
NIT-IIF	4.61%				
Benchmark	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
Shoab A. Khan, SVP/ Fund Manager	Syed Ali Raza Bukhari, Head of Marketing	Faisal Aslam, Head of Compliance
Ammar Habib, Incharge/Manager 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.

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

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