

NIT ISLAMIC INCOME FUND



FUND MANAGER REPORT - July 2018

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. 97 billion assets under management as on 31 July 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</p>
Category	Shariah Compliant (Islamic) Income	
Launch Date	4th July 2016	
Listing	Applied for listing	
Stability Rating	AA- (f) (PACRA) 30-June-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)	<p>Fund Performance Review</p> <p>The Fund posted an annualized return of 5.49% p.a for the month of July against its benchmark return of 2.56% p.a.</p> <p>State Bank of Pakistan announced its Monetary Policy during the month and decided to increase Policy Rates by 100 bps to 7.50%. In its statement, the SBP highlighted multiple macroeconomic issues, such as shortage of water which is likely to constrain agriculture production below the target in FY19, deterioration of the balance of payment due to sharp increase in international oil prices, higher imports (machinery, metal, transport and petroleum) to support economic activity and limited financial inflows.</p> <p>The Consumer Price Index (CPI) for the month of July increased to 5.83% versus 5.21% over the previous month. CPI inflation for July 2018 stood at 5.83% compared to 2.91% during the same period last year.</p> <p>As at July 31, 2018, the Fund had an exposure of about 81% of total assets in cash at bank, about 18% in corporate sukuk and the remaining was in the form of other assets. The weighted average time to maturity of the portfolio stood at 393 days.</p>
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	

Technical Information		TFC / Sukuk Holdings (% of TA)	Asset Quality as of 31 July 2018 (% of TA)
Net Assets	PKR 498 Min	DAWOOD HERC - SUKUK II 7.53%	
NAV per Unit (July 31, 2018)	9.9330	GHANI GASES LTD. - SUKUK 4.79%	
Weighted Avg. Maturity (Days)	393	DUBAI ISLAMIC BANK 4.33%	
Leveraging	Nil	FATIMA FERTILIZER - SUKUK 1.13%	
Standard Deviation of Return	0.015	17.78%	
Total Expense Ratio *	1.21%		
*This includes 0.27% representing Govt. Levy, Sindh Workers Welfare Fund & SECP Fee.			

Fund's Return v/s Benchmark		
	NIT-IIF	Benchmark
July-18	5.49%	2.56%
Year to Date	5.49%	2.56%
12 M Trailing	4.52%	2.46%
3 Years	-	-
Since Inception	4.67%	2.77%

Asset Allocation (% of TA)		NIT IIF Year to Date Return v/s Benchmark																						
Cash	82.53% (Jun-18) / 81.44% (Jul-18)	<p>SINOH-WWF Disclosure - The Scheme has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs. 0.98m, if the same were not made the NAV per unit / current year to date return of the Scheme would be higher by Rs. 0.0196/ 2.33%. For details investors are advised to read the latest financial statement of the scheme.</p>																						
Sukuk	16.66% (Jun-18) / 17.78% (Jul-18)	<table border="1"> <thead> <tr> <th>Performance Period</th> <th>FY18</th> <th>FY17</th> <th>FY15</th> <th>FY14</th> <th>FY13</th> </tr> </thead> <tbody> <tr> <td>NIT-IIF</td> <td>4.41%</td> <td>4.61%</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Benchmark</td> <td>2.44%</td> <td>3.11%</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>					Performance Period	FY18	FY17	FY15	FY14	FY13	NIT-IIF	4.41%	4.61%				Benchmark	2.44%	3.11%			
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Others	0.82% (Jun-18) / 0.78% (Jul-18)	<p>Launched on 4th July, 2016</p>																						

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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