

NIT ISLAMIC INCOME FUND



FUND MANAGER REPORT - JULY 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. 69 billion assets under management as on 31 July 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	PSX					
Stability Rating	AA- (i) (PACRA) 12-Apr-19					
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 10.94% p.a for the month of July against its benchmark return of 5.42% 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 13.25%. In its statement, the Monetary Policy Committee was of the view that the adjustment related to interest rates from previously accumulated imbalances has taken place. It was discussed that going forward the MPC will be ready to take action depending on economic developments and inflation which would provide grounds for either modest tightening or easing monetary conditions.</p> <p>The Consumer Price Index (CPI) for the month of July increased to 10.34% versus 8.89% over the previous month. CPI inflation for July 2019 stood at 10.34% compared to 5.83% during the same period last year.</p> <p>As at July 31, 2019, the Fund had an exposure of about 68% of total assets in cash at bank, about 3% in commercial paper and about 24% in corporate sukuk while the remaining was in the form of other assets. The weighted average time to maturity of the portfolio stood at 286 days.</p>				
Auditors	EY Ford Rhodes					
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)	1.64% (This includes 0.37% representing Govt. Levy, Sindh Workers Welfare Fund & SECP Fee.)					
Total Expense Ratio (Absolute)	0.14% (This includes 0.03% representing Govt. Levy, Sindh Workers Welfare Fund & SECP Fee.)					
Technical Information		TFC / Sukuk Holdings (% of TA)				
Net Assets	PKR 665 Min	HUBCO SUKUK 7.43%				
NAV per Unit (July 31, 2019)	9.8734	DAWOOD HERC - SUKUK II 5.89%				
Weighted Avg. Maturity (Days)	286	DUBAI ISLAMIC BANK 3.79%				
Leveraging	Nil	DAWOOD HERC - SUKUK I 3.32%				
Standard Deviation of Return	0.033	GHANI GASES LTD. - SUKUK 2.73%				
		FATIMA FERTILIZER - SUKUK 0.64%				
		23.80%				
Fund's Return v/s Benchmark						
	NIT-IIF	Benchmark				
July-19	10.94%	5.42%				
Year to Date	10.94%	5.42%				
12 M Trailing	8.66%	3.93%				
3 Years	6.29%	3.11%				
Since Inception	6.41%	3.14%				
(Returns are calculated inclusive of dividends)						
Asset Allocation (% of TA)						
	Jun-19	Jul-19				
Cash	63.09%	68.32%				
Sukuk	24.49%	23.80%				
TDRs	0.00%	0.00%				
CP	0.00%	3.47%				
Others	4.83%	4.40%				
NIT IIF Year to Date Return v/s Benchmark						
<p>SINDH-WWF Disclosure: The Scheme has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs. 1.91m. If the same were not made the NAV per unit/ current year to date return of the Scheme would be higher by Rs. 0.0284/ 3.42%. For details investors are advised to read the latest financial statement of the scheme.</p>						
Performance Period						
	NIT-IIF	FY19	FY18	FY17	FY16	FY15
	NIT-IIF	8.17%	4.41%	4.61%	Launched on 4th July, 2016	
	Benchmark	3.69%	2.44%	3.11%		
Members of the Investment Committee						
Adnan Afridi, Managing Director		Manzoor Ahmed, Chief Operating Officer		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.						
<p>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.</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>		
<p>Note: Performance data does not include the cost incurred directly by an investor in the form of sales load etc.</p>						