

NIT ISLAMIC INCOME FUND



FUND MANAGER REPORT - AUGUST 2019

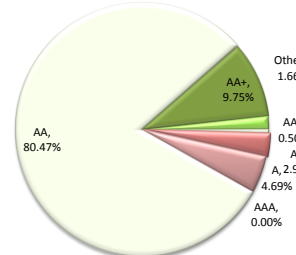
Fund's Basic Informations	Objective of the fund
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Fund Type	Open-End	The objective of the NIT Islamic Income Fund is to generate a stable Shariah compliant income stream, while seeking maximum possible preservation of capital, over the medium to long-term period, by investing in a diversified portfolio of Shariah Compliant fixed income and money market instruments.
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	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. 65 billion assets under management as on 31 August 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
Trustee	Central Depository Co. (CDC)	
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)	1.66% (This includes 0.38% representing Govt. Levy, Sindh Workers Welfare Fund & SECP Fee.)	
Total Expense Ratio (Absolute)	0.28% (This includes 0.22% representing Govt. Levy, Sindh Workers Welfare Fund & SECP Fee.)	

Fund Performance Review

	The Fund posted an annualized return of 11.50% p.a for the month of August against its benchmark return of 5.71% p.a. The YTD return for FY20 stood at 11.27% p.a. against the benchmark return of 5.57% p.a.
	After rebasing, the The Consumer Price Index (CPI) for the month of August arrived at 10.49% which is higher than 8.39% over the previous month. The 2MFY20 average CPI inflation now stands at 9.44% compared to 5.84% during the previous fiscal year.
	As at August 31, 2019, the Fund had an exposure of about 69% of total assets in cash at bank, about 8% in Commercial paper and about 22% in corporate sukuk while the remaining was in the form of other assets. The weighted average time to maturity of the portfolio stood at 272 days.

Technical Information	TFC / Sukuk Holdings (% of TA)	Asset Quality as of 31 August 2019 (% of TA)
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Net Assets	PKR 864 Min	HUBCO Sukuk-1	5.74%	
NAV per Unit (August 31, 2019)	9.9698	DAWOOD HERC - SUKUK II	4.58%	
Weighted Avg. Maturity (Days)	272	HUBCO Sukuk-2	3.45%	
Leveraging	Nil	DUBAI ISLAMIC BANK	2.93%	
Standard Deviation of Return	0.031	DAWOOD HERC - SUKUK I	2.55%	
		GHANI GASES LTD. - SUKUK	1.97%	
		FATIMA FERTILIZER - SUKUK	0.50%	
			21.71%	

Fund's Return v/s Benchmark	NIT IIF Year to Date Return v/s Benchmark	
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August-19	NIT-IIF	Benchmark	
	11.50%	5.71%	
Year to Date	11.27%	5.57%	
12 M Trailing	9.22%	4.18%	
3 Years	6.49%	3.15%	
Since Inception	6.62%	3.21%	

(Returns are calculated inclusive of dividends)

Asset Allocation (% of TA)

	Jul-19	Aug-19	
Cash	68.32%	68.57%	
Sukuk	23.80%	21.71%	
TDRs	0.00%	0.00%	
CP	0.00%	8.06%	
Others	4.40%	1.66%	

Performance Period					
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	NIT-IIF	FY19	FY18	FY17	FY16
	8.17%	4.41%	4.61%	3.11%	Launched on 4th July, 2016
	Benchmark	3.69%	2.44%	3.11%	

Members of the Investment Committee		
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Adnan Afridi, Managing Director	Manzoor Ahmed, Chief Operating Officer	Aamir Amin, Head of Finance
Ali Kamal, Head of Research	Shoaib A. Khan, Head of Fixed Income	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.

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

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