

**NIT-PAKISTAN GATEWAY EXCHANGE TRADED FUND**

**FUND MANAGER REPORT - August 2020**

**Fund Returns\***

	NIT PGETF	NIT PGI
Aug-20	2.46%	2.55%
YTD	15.03%	15.60%
CYTD	23.32%	25.72%
Since Inception	23.32%	25.72%

\* The returns are calculated inclusive of dividend.

**Leverage**

Nil

**NIT - Pakistan Gateway Exchange Traded Fund**

NIT Pakistan Gateway Exchange Traded Fund (NIT PG ETF) is an open-ended scheme that is traded on Pakistan Stock Exchange and aims to track the authorized index constituted by the Management Company - the NIT Pakistan Gateway index which comprises of the basket of equity securities, in order to provide long-term capital appreciation and dividends yield to the investors.

**Fund Commentary & Performance Review**

The NITPGI posted a return of 2.55% during the month of August, 2020. The positive market sentiments during the month were driven by the recovery in Covid infection rate in Pakistan and restoration of economic activities at full pace after the lifting of lock down in the country post 10th of August 2020. Lower interest rate environment and recovery in real estate sector grabbed the attention of the investors. Cement, Steel and construction materials were the major beneficiaries. Despite lower cement offtake number MoM, the sector remained in focus for investors. The prime reason being the new wave of mega projects in the country that will increase the demand for cement in the upcoming periods. In addition, government's agreement with IPPs supported performance of the KSE-100 index. Average volumes during Aug'20 rose by 36.2% MoM to 518mn shares (highest since Sep'16) whereas average value traded jumped up by 34.2% MoM to USD 118mn (highest since Jan'17).

During the month of August, 2020, the benchmark NITPG index increased by 2.55% whereas your Fund's NAV increased by 2.46% during the same period thus showing an underperformance of 0.09%.

**Fund's Information**

<b>Fund Type</b>	Open-End Exchange Traded Fund	<b>Trustee</b>	Central Depository Company
<b>Launch Date</b>	March 24, 2020	<b>Auditors</b>	EY Ford Rhodes Chartered Accountants
<b>Management Fee</b>	0.40%	<b>Pricing Mechanism</b>	Historical Pricing
<b>Front End Load</b>	0.00%	<b>Dealing Days*</b>	Daily (Monday to Friday)
<b>Back End Load</b>	0.00%	<b>Valuation Days*</b>	Daily (Monday to Friday)
<b>Benchmark</b>	NIT Pakistan Gateway Index	<b>AMC Rating</b>	AM2++ (PACRA)
<b>Par Value</b>	PKR 10.00	<b>Fund Manager</b>	Wasim Akram
<b>Minimum Investment</b>	N/A	<b>Cut-off timing**</b>	Monday to Friday 3:30 PM
<b>Category of Fund</b>	Exchange Traded Equity	<b>Risk Profile</b>	High
<b>Risk of Principal Erosion</b>	Principal at High Risk	<b>Risk of Principal Erosion</b>	Principal at High Risk

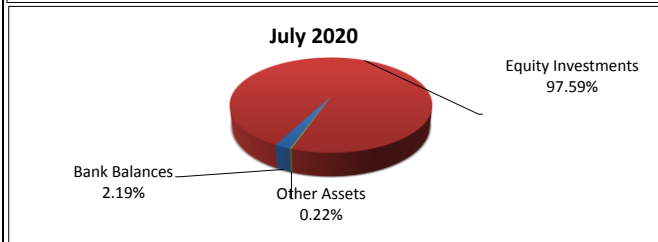
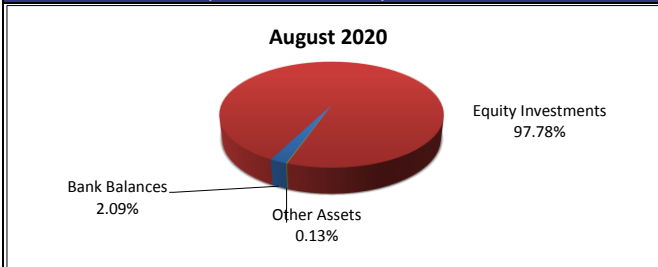
\*Except public holiday

\*\* Ramadan Timing 10.00 AM to 2.00 PM (Mon to Thur), 10.00 AM to 12.30 PM (Fri)

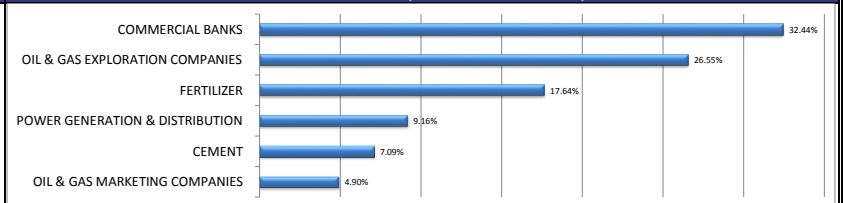
**Future Outlook**

Resumption of economic activity at full scale, continued progress on the Coronavirus front and amid lower yields on fixed income instruments, equities markets should stay as preferred asset class for investor's fraternity.

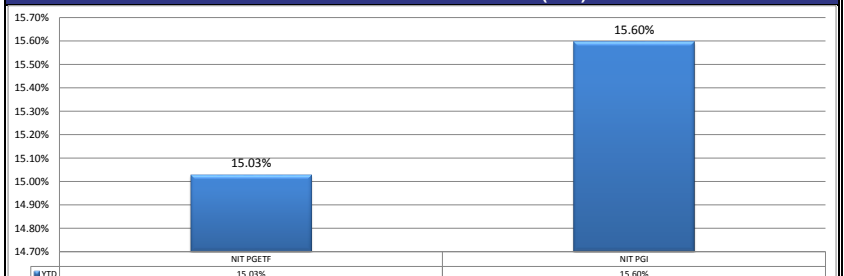
**Fund's Asset Allocation (As % of Total Assets)**



**Sector Allocation (As % of Total Assets)**



**Fund Performance Versus NITPGI (YTD)**



**Fund Holdings (As % of Total Assets)**

HABIB BANK LIMITED	11.42%
ENGRO CORPORATION LIMITED	10.07%
PAKISTAN PETROLEUM LIMITED	9.87%
OIL AND GAS DEVELOPMENT COMPANY	9.27%
HUB POWER COMPANY LIMITED	9.16%
MCB BANK LIMITED	8.18%
FAUJI FERTILIZER COMPANY LIMITED	7.57%
PAKISTAN OILFIELDS LIMITED	7.41%
UNITED BANK LIMITED	7.31%
LUCKY CEMENT LIMITED	7.09%
BANK ALHABIB LIMITED	5.54%
PAKISTAN STATE OIL COMPANY LIMITED	4.90%

**Technical Information 31-08-2020**

Net Assets NIT PGETF (PKR Million)	57.89
Nav per Unit NIT PGETF	11.8869
Total Expense Ratio (Incl. Govt Levy)**	3.03%
Tracking Error (Absolute)	0.42%

\*\*This includes 1.80% representing Govt. Levy, Sindh Workers Welfare Fund & SECP Fee.

**SWWF Disclosure:**

The Scheme has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs. 0.19 million, if the same were not made the NAV per unit/ year to date return of the Scheme would be higher by Rs. 0.0398/ 0.34%. For details investors are advised to read the latest Financial Statement of the Scheme.

**Compliance with Circular # 16 of 2010 / Non-compliant Investments**

Nil

**Members of the Investment Committee**

Adnan Afridi - Managing Director

Manzoor Ahmed - Chief Operating Officer

Amir Amin - Head of Finance

Wasim Akram - Fund Manager

Faisal Aslam - Head of Compliance

Raza Abbas Jaffery - Head of Equities & Trading

Attique-ur-Rehman Shaikh - Manager Risk

Ali Kamal - Head of Research

**MUFAP's Recommended Format.**

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

**DISPUTE RESOLUTION/ COMPLAINTS HANDLING**

Investors may lodge their complaints by using the link <https://nit.com.pk/Investor-Complaint-Centre>. In case your complaint has not been properly redressed by us, you may lodge your complaint with SECP at the link <https://sdms.secp.gov.pk/>.