

Director's Report

I am pleased to present the financial performance of collective investment schemes and pension funds being managed by National Investment Trust Limited (NITL) for the first quarter ended 30th September 2020.

Macroeconomic Overview

Fiscal and monetary measures taken by the Government to counter the economic impact of the pandemic, have started to bear fruit in 1QFY21, evident by the recovery in economic activity. Volumetric growth has been witnessed across several sectors including Autos, cements and oil etc. Trade deficit jumped 40% MoM to USD 2,432 million during September 2020 compared to USD 1,732 million in August 2020. Rising trade deficit suggests signs of improving economic activity led by increase in imports. On cumulative basis, trade deficit increased 2% YoY in 1QFY21.

After a long gap of nine years, Pakistan current account reported surplus of USD 805 million for the two consecutive months (July and August 2020). Current account surplus can be attributed to record high remittances which stood at USD 4.9 billion in 2MFY21 as compared to USD 3.7 billion in the same period last year exhibiting a massive growth of 31% YoY.

Inflation picked up at 8.2% YoY in 2MFY21, with higher food prices and rise in electricity tariffs (fuel price adjustment) driving growth in inflation. Although the central bank maintained status quo stance in the policy announced on September 21, 2020, it has lifted its inflation expectation for FY21 and a rate increase in the near future cannot be ruled out.

Capital Market review

Pakistan Stock Exchange was one of the best performing equity bourse in the world during 1QFY21 (source: Bloomberg). Benchmark index (KSE 100) kept its strong momentum from 4QFY20 (PKR: +18%, USD: 17%), in 1QFY21 by registering an impressive return of 18% (PKR term) and 19% (USD term). It took KSE 100 index rebound from its recent low on March 25, 2020 to 48%.

Pakistan Stock Market investors remained optimistic on the back of measures taken by Government coupled with rise in economic activity, improvement in economic indicators and decline in COVID – 19 cases. Investors optimism was reflected by their hefty increase in participation to 296 million of average daily traded volume in KSE – 100 during 1QFY21 as compared to 137 million and 78 million in 4QFY20 and 1QFY20 respectively.

The Individuals were again top buyers during the 1QFY21 with net buying of USD 108mn, while Foreigners and Banks/ DFIs were net sellers with net selling of USD 95 mn and USD 53 mn, respectively. Key sectors that outperformed during the 1QFY21 were Refinery and Engineering, while Oil & Gas Exploration and Fertilizers underperformed the market.

National Investment (Unit) Trust – NI(U)T Fund

NI(U)T posted a return of 18.20 percent, against benchmark return of 17.87 percent during 1QFY2021. Hence, NI(U)T outperformed benchmark of KSE-100 by a margin of 0.33 percent. Unit price of NI(U)T was recorded at Rs. 64.93 on 30th September 2020 as against NAV of Rs. 54.93 (Ex-Dividend) on 30th June 2020. Net Assets of NI(U)T Fund stood at Rs. 59.48 billion as on 30th September 2020.

NIT – Islamic Equity Fund (NIT-IEF)

Unit price of NIT-IEF was at Rs. 8.52 as on 30th September 2020, as against Rs. 7.26 (Ex-Dividend) on 30th June 2020. YTD Return for the Fund was 17.36 percent, against KMI-30 return of 17.72 percent. The Fund underperformed the benchmark by 0.36 percent. Assets Under Management for NIT-IEF as of 30th September 2020 were Rs. 3.40 billion.

NIT – Income Fund (NIT-IF)

NIT-IF posted an annualized return of 3.36 percent during 1QFY2021. Unit price of NIT-IF was at Rs. 10.1680 as on 30th September 2020, as compared to Rs. 10.0825 (Ex-Dividend) as on 30th June 2020. Weighted Average Maturity of 753 days as on 30th September 2020. Assets Under Management for NIT-IF as of 30th September 2020 was Rs. 3.98 billion.

NIT – Government Bond Fund (NIT-GBF)

During 1QFY2021, annualized return for NIT-GBF was 1.42 percent, against benchmark return of 6.96 percent, with the fund underperforming by 554 basis points. Unit price of NIT-GBF as on 30th September 2020 was Rs. 9.8431 as against Rs. 9.8079 (Ex-Dividend) on 30th June 2020. Weighted Average Maturity of NIT-GBF was maintained at 729 days as on 30th September 2020. Asset Under Management for NIT-GBF as on 30th September 2020 was Rs. 3.76 billion.

NIT – Money Market Fund (NIT-MMF)

Unit price of NIT-MMF was at Rs. 9.6920 (Ex- interim Dividends of Rs. 0.1492) as on 30th September 2020, compared to Rs. 9.6920 (Ex-Dividend) as on 30th June 2020. Annualized return of NIT-MMF during 1QFY2021 was 6.14 percent, against benchmark return of 6.72 percent. The Fund maintained a Weighted Average Maturity of 13 days as on 30th September 2020, against maximum limit of 90 days. Assets Under Management for NIT-MMF as on 30th September 2020 was Rs. 5.99 billion.

NIT – Islamic Income Fund (NIT-IIF)

Annualized return for NIT-IIF is at 5.69 percent, against benchmark return of 4.42 percent, outperforming by 127 basis points. Unit Price of NIT-IIF was at Rs. 9.6960 as on 30th September 2020, compared to Rs. 9.5588 (Ex-Dividend) as on 30th June 2020. Assets Under Management for NIT-IIF as on 30th September 2020 was Rs. 778.10 million.

NIT – Pension Fund (NIT-PF)

Equity Sub-Fund posted a return of 15.52 percent during 1QFY2021. Money Market Sub-Fund and Debt Sub-Fund posted annualized returns of 5.70 percent, and negative 1.42 percent respectively. Commodities sub-fund, which primarily invests in Gold futures, posted a positive return of 3.79 percent in absolute terms, for 1QFY2021. Assets Under Management for NIT-PF as on 30th September 2020 was Rs. 459.43 million.

NIT – Islamic Pension Fund (NIT-IPF)

Equity Sub-Fund posted a positive return of 16.24 percent during 1QFY2021. Money Market and Debt Sub-Funds posted annualized return of 4.54 percent, and 4.83 percent respectively during 1QFY2021. Assets Under Management for NIT-IPF as on 30th September 2020 was Rs. 387.36 million.

NIT Pakistan Gateway Exchange Traded Fund (NIT-PGETF)

During the period fund posted a return of 12.19 percent, against benchmark return of 13.32 percent. Unit price of NIT-PGETF was recorded at Rs. 11.5938 on 30th September 2020 as against NAV of Rs. 10.3339 on 30th June 2020. Net Assets of NIT-PGETF Fund stood at Rs. 56.46 million as on 30th September 2020.

NIT Asset Allocation Fund (NIT-AAF)

During the period fund posted a return of 10.63 percent, against benchmark return of 10.97 percent. Unit price of NIT-AAF was recorded at Rs. 11.0753 on 30th September 2020 as against NAV of Rs. 10.0114 (Ex-Dividend) as on 30th June 2020. Net Assets of NIT-AAF Fund stood at Rs. 672.64 million as on 30th September 2020.

Future Outlook


We expect market to continue to perform well over the expectation of positive outcome from FATF meeting due on October 23rd coupled with improvement in economic indicators. However, rising political noise and COVID – 19 cases may keep market upside in check.

Acknowledgment & Appreciation

I am thankful to the Unit Holders for their unfailing confidence and trust. I would like to acknowledge and appreciate the efforts of Government of Pakistan, and our regulator, Securities & Exchange Commission of Pakistan for the role they have played in developing and strengthening the financial services industry in the country. I am also grateful to our trustee, the Central Depository Company of Pakistan for their proactive role as trustee.

I would also like to thank the Board and Management, as well as investors for the trust that they have demonstrated. We assure continuous commitment for maintenance of high service standards, and a strong culture of corporate governance and compliance in all our endeavors. Finally, I would also thank our employees for their commitment, and efforts which have enabled us to attain sustainable growth over the years.

For and on behalf of the board.


Mr. Adnan Afridi
Managing Director
29 October, 2020