

FUND MANAGER REPORT - December 2021

Fund Returns*

| | NIT PGETF | NIT PGI |
|-----------------|-----------|---------|
| Dec-21 | -1.21% | -0.96% |
| YTD | -3.67% | -2.93% |
| CYTD | 4.55% | 1.49% |
| Since Inception | 23.63% | 31.02% |

* 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 benchmark index declined by 0.96% during the month of December, 2021. The month marked the close of CY 2021 with the market posting minor gain of 1.92% during the calendar year. Calendar year 2021 started well for the market as the index witnessed a massive jump on the back of reopening of global economies and a V-shaped recovery on the domestic economic front. However, in the later part of the year, pressure on the external account, devaluation of Pak Rupee rising inflationary reading, shift in SBP's monetary stance, delay in approval of IMF's sixth review, and transition from Emerging Market to the Frontier Market put pressure on the bourse. The month of December was marred by weak investor sentiment with anticipation of the mini budget and the resulting economic implications. SBP raised its policy rate by another 100 bps during the month. Inflation expectations also remained high due to which the market closed in the red during the month. Foreign selling showed some respite with net inflow of USD 5.3 million following a massive outflow of USD 141 million last month on account of Pakistan's exit from the MSCI EM Index. Average volumes during the month stood at 235 million shares, down 25% on a MoM basis.

During the month of December, 2021, the benchmark NITPG index decreased by 0.96% whereas your Fund's NAV decreased by 1.21% during the same period thus showing an underperformance of 0.25%.

Fund's Information

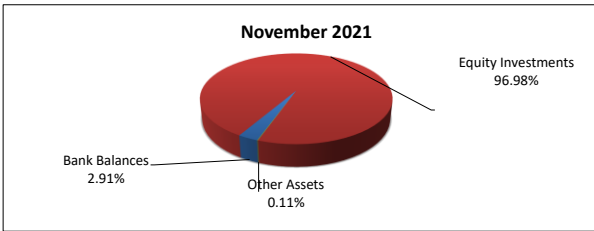
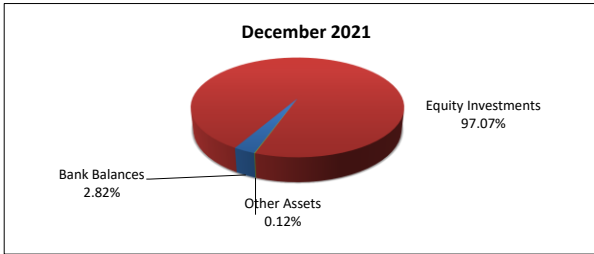
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|----------------------------------|-------------------------------|--------------------------|--|
| Fund Type | Open-End Exchange Traded Fund | Trustee | Central Depository Company |
| Launch Date | March 24, 2020 | Auditors | EY Ford Rhodes Chartered Accountants |
| Management Fee | 0.40% | Pricing Mechanism | Historical Pricing |
| Front End Load | 0.00% | Dealing Days* | Daily (Monday to Friday) |
| Back End Load | 0.00% | Valuation Days* | Daily (Monday to Friday) |
| Benchmark | NIT Pakistan Gateway Index | AMC Rating | AM1 PACRA (24-05-21) AM1 JCR (31-12-21) |
| Par Value | PKR 10.00 | Fund Manager | Wasim Akram |
| Minimum Investment | N/A | Cut-off timing | Monday to Friday 3:30 PM |
| Category of Fund | Exchange Traded Equity | | |
| Risk Profile | High | | |
| Risk of Principal Erosion | Principal at High Risk | | |

*Except public holiday

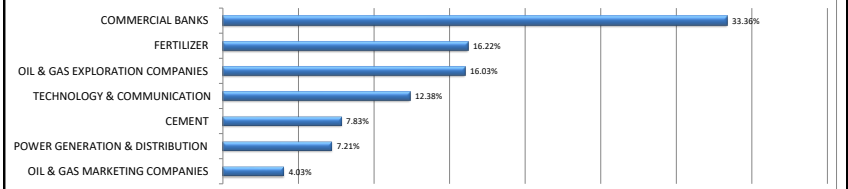
Future Outlook

Inflation coupled with international commodities prices and current account deficit numbers will determine the future direction of the market.

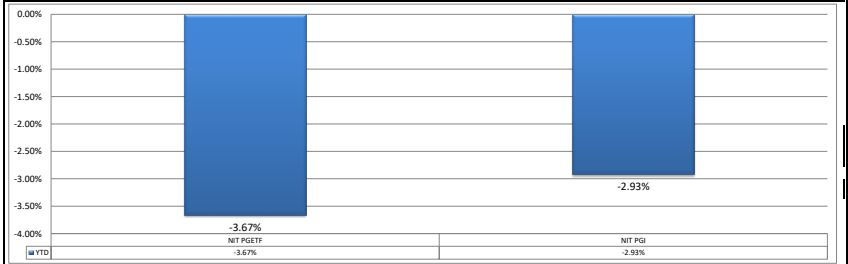
Fund's Asset Allocation (As % of Total Assets)



Sector Allocation (As % of Total Assets)



Fund Performance Versus NITPGI (YTD)



Fund Holdings (As % of Total Assets)

| | |
|------------------------------------|-------|
| ENGRO CORPORATION LIMITED | 8.94% |
| HABIB BANK LIMITED | 8.89% |
| LUCKY CEMENT LIMITED | 7.83% |
| FAUJI FERTILIZER COMPANY LIMITED | 7.29% |
| HUB POWER COMPANY LIMITED | 7.21% |
| UNITED BANK LIMITED | 6.90% |
| SYSTEM LIMITED | 6.74% |
| MCB BANK LIMITED | 6.66% |
| OIL AND GAS DEVELOPMENT COMPANY | 5.81% |
| MEEZAN BANK LIMITED | 5.71% |
| TRG PAKISTAN | 5.64% |
| PAKISTAN PETROLEUM LIMITED | 5.47% |
| BANK ALHABIB LIMITED | 5.20% |
| PAKISTAN OILFIELDS LIMITED | 4.76% |
| PAKISTAN STATE OIL COMPANY LIMITED | 4.03% |

Technical Information 31-12-2021

| | |
|---|---------|
| Net Assets NIT PGETF (PKR Million) | 52.40 |
| Nav per Unit NIT PGETF | 11.0540 |
| Total Expense Ratio (Incl. Govt Levy)** | 2.30% |
| Tracking Error (Absolute) | 0.22% |
| **This includes 0.08% representing Govt. Levy & SECP Fee. | |

| Compliance with Circular # 16 of 2010 / Non-compliant Investments | Performance Period | FY21 | FY20* |
|---|--------------------|--------|-------|
| N/A | NIT PGETF | 19.71% | 7.21% |
| | NIT PGI | 24.10% | 8.76% |

*Launch date: March 24, 2020

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/>.