

# NIT INCOME FUND



FUND MANAGER REPORT - January 2015

Fund's Basic Information	
Fund Type	Open-End
Category	Income Fund
Launch Date	19 <sup>th</sup> February 2010
Listing	KSE, LSE & ISE
Stability Rating	A+ (f) (PACRA) 13-Mar-2014
Management Fee	1.25%
Front End Load*	1.00%
Back End Load	Nil
Cutt-off timing	3:30 PM
Par Value	PKR 10.00
Min Subscription	Growth Unit PKR 5,000
Trustee	Central Depository Co. (CDC)
Auditors	KPMG Taseer Hadi
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) 21-Apr-14
Risk Profile	Moderate
Benchmark	6-Month KIBOR
Fund Manager	Shoab Ahmad Khan

\* Varies as per policy

Technical Information	
Net Assets	Rs. 3.88 Bn
NAV per Unit January 30, 2015	11.2493
Weighted Avg. Maturity(Days)	548
Leveraging	Nil
Standard Deviation of Return	0.32

Fund Returns v/s Benchmark		
	NIT-IF	Benchmark
January-15	23.40%	9.24%
Year to Date	17.23%	9.93%
Trailing 12M Avg.	13.34%	10.03%
3 Years	11.59%	10.22%
Since Inception	13.79%	11.28%

Asset Allocation (% of Total Assets)		
	Jan-15	Dec-14
T-Bills	5.69%	12.65%
PIBs	61.08%	63.03%
TFCs	7.79%	7.98%
Rev Repo	0.00%	0.00%
COI	0.00%	0.00%
Cash	24.81%	13.00%
Others	0.62%	3.34%

**Objective of the fund**

The objective of NIT Income Fund is to generate competitive stream of return with moderate level of risk for its unit holders, by investing primarily in fixed income securities/instruments.

**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. 100 billion assets under management as on 30 January 2015, the family of Funds of NIT comprises of five funds including 3 equity funds and 2 fixed income Funds. NIT's tally of nationwide branches is 23, yet another milestone as no Mutual Fund in Pakistan has such a big network of 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 very strong capacity to manage risks inherent in the asset management business and the asset manager meets very high investment management industry standards and benchmarks. All Investment decisions are taken by the Investment Committee of NITL.

**Fund Performance Review**

NIT Income Fund posted an annualized return of 23.40% p.a. during the month of January compared to its benchmark return of 9.24% p.a., thus outperforming its benchmark by 14.16%. The YTD return for FY15 stood at 17.23% p.a. against the benchmark return of 9.93% p.a., an out-performance by 7.30%.

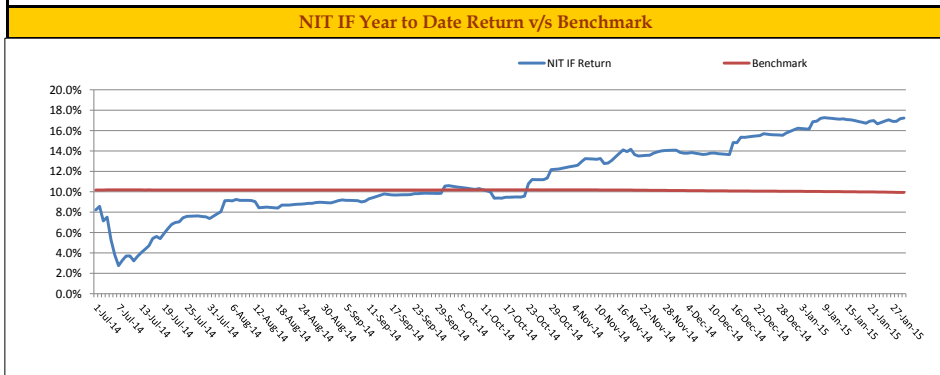
The State Bank of Pakistan announced its Monetary Policy Statement during the month and cut its policy discount rates by 100bps from 9.50% to 8.50%. A cut in Discount rate was highly anticipated mainly due to the significant decline in inflation on the backdrop of lower international oil prices. The Consumer Price Index (CPI) for the month of January continued with its downward trajectory and clocked in at 3.9%, keeping average inflation for 7MFY15 at 5.8%. SBP has revised downwards its forecast range for average CPI inflation from 4.5% to 5.5% for FY15, well below the annual target of 8%.

At the end of the month, NIT IF had an exposure of around 8% of its total assets in TFCs, about 61% in PIBs and an exposure of around 6% in Treasury Bills, whereas the remaining was in the form of cash and other assets. Overall weighted average maturity of the portfolio stood at 548 days at the end of January.

TFC / Sukuk Holdings (% of TA)		Asset Quality of the Portfolio (% of TA)	
Summit Bank Limited	2.55%		
Askari Bank Ltd. III	1.92%		
Bank Al-Habib Ltd. IV	1.01%		
Bank Al-Falah Ltd. IV Fixed	0.96%		
Engro Fertilizer Ltd. TFC IV	0.69%		
Bank Al-Falah Ltd. IV Floating	0.67%		
	7.79%		

Performance Period	FY14	FY13	FY12	FY11	FY10*
NIT-IF	7.06%	9.56%	12.34%	12.10%	9.88%
Benchmark	9.82%	9.92%	12.38%	13.38%	12.35%

\* From Feb 19, 2010 to Jun30, 2010



**WWF Disclosure** - The Scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 28.26m, if the same were not made the NAV per unit/current year to date return of the Scheme would be higher by Rs. 0.0819/1.37%. For details investors are advised to read the Note 6.1 of the latest Financial Statement of the Scheme.

### Members of the Investment Committee

Shahid Ghaffar, Managing Director	Manzoor Ahmed, Chief Operating Officer	Shahid Anwar, Head of MD's Sectt. & Personnel
Aamir Amin, Head of Finance	M. Imran Rafiq, CFA, Head of Research	Zubair Ahmed, Controller of Branches/ Comp. Secretary
Shoab A. Khan, SVP/ Fund Manager	Ammar Habib, Incharge/Manager Risk Mgmt.	Syed Aqib Hussian, Incharge Compliance

### 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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