

NIT INCOME FUND



FUND MANAGER REPORT - FEBRUARY 2014

Fund's Basic Information	
Fund Type	Open-End
Category	Income Fund
Launch Date	19 th February 2010
Listing	KSE, LSE & ISE
Stability Rating	A+ (f) (PACRA)
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 Income Unit PKR 100,000
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)
Risk Profile	Moderate
Benchmark	6-Month KIBOR
Fund Manager	Shoab Ahmed Khan

* Varies as per policy

Technical Information	
Net Assets	Rs. 3.3 Bln
NAV per Unit (Feb 28 2014)	10.6760
Weighted Avg. Maturity(Days)	252
Leveraging	Nil
Standard Deviation of Return	0.07

Fund Returns v/s Benchmark		
	NIT-IF	Benchmark
February-14	6.16%	10.15%
Year to Date	6.77%	9.65%
Since Inception	12.21%	11.56%
Trailing12M Avg.	7.30%	9.61%

Asset Allocation (% of Total Assets)		
	Feb-14	Jan-14
T-Bills	62.69%	72.81%
PIBs	5.12%	0.75%
TFCs	13.18%	10.59%
LOP	17.53%	14.78%
MTS	0.15%	-
COI	0.00%	0.00%
Cash	0.85%	0.75%
Others	0.48%	0.33%

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. 87 billion assets under management as on 28 February 2014, the family of Funds of NIT comprises of five funds including 3 equity funds and 2 fixed income nature Funds. NIT's tally of nationwide branches is 23, yet another milestone as no Mutual Fund in Pakistan has such a big network of nationwide branches. Further to cater to the matters relating to investments in NIT and day to day inquiries/issues of its 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 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 the 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.

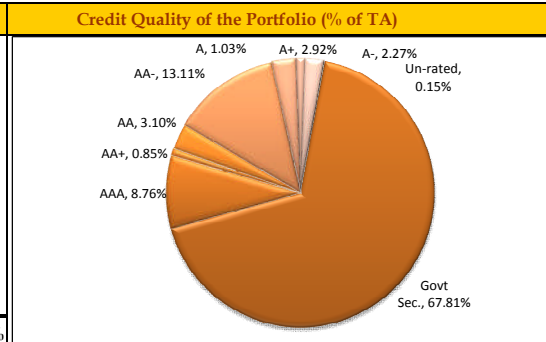
Fund Performance Review

The current year to date return clocked at 6.77% p.a against its benchmark return of 9.65% p.a whereas , the annualized return for the month of February stood at 6.16% against its benchmark return of 10.15%.

The Consumer Price Index (CPI) for the month of February increased slightly from 7.9% to 7.93% year on year over the previous month. Overall inflation for the period July-Feb 2014 stood at 8.6% against the full year expectations of 10-11% for FY14. Reduction in inflation was anticipated due to persistent decline in food inflation which helped in containing overall inflation. Inflation has eased since the recent high of 10.9% in November 2013.

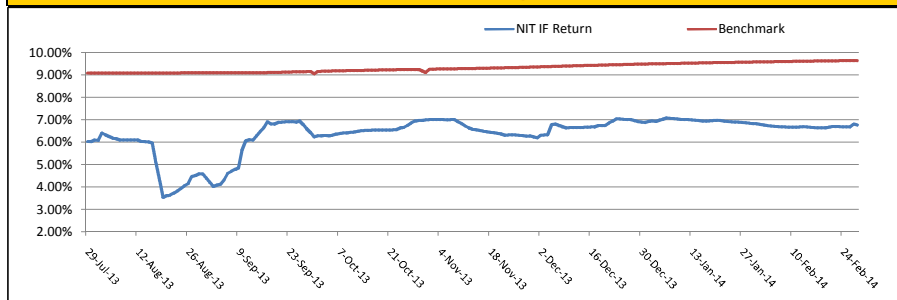
NIT IF's asset allocation at the end of the month has around 13% of its total assets in TFCs while around 68% of total assets are invested in Government Securities with an exposure of about 17% is in letter of placement. During the month the fund has started investing in Margin Trading System and has taken an exposure of 0.15%, whereas the remaining is in the form of cash and other assets.

TFC / Sukuk Holdings (% of TA)	
IPO Placement (Sukuk)	2.92%
Askari Bank Ltd. III	2.42%
Summit Bank Ltd.	2.27%
Bank Al-Falah Ltd. IV	1.93%
Bank Al-Habib Ltd. III	1.53%
Bank Al-Habib Ltd. IV	1.09%
Engro Fertilizer Ltd. TFC IV	1.03%
	13.18%



Disclosure of Non Compliant Investment as on February 28, 2014						
Name of non-compliant investment	Type of Investment	Value before Provision	Provision Held	Value after Provision	% of Net Assets	% of Gross Assets
Summit Bank Ltd.	TFC	99,908,000	22,201,756	77,706,244	2.30%	2.27%

NIT IF Year to Date Return v/s Benchmark



WWF Disclosure - The Scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 21.861m, if the same were not made the NAV per unit/ current year to date return of the Scheme would be higher by Rs. 0.0689/ 1.02%. For details investors are advised to read the Note 10 of the latest Financial Statement of the Scheme.

Members of

Manzoor Ahmed - COO / Managing Director	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 - Fund Manager
M. Atif Khan - Manager Compliance and 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 and Securities are subject to Market Risks. Our target return/dividend range can not be guaranteed. NIT-IFs unit price is neither guaranteed nor administered/managed. It is based on Net Asset Value (NAV) and the NAV of NIT-IF Units may go up or down depending upon the factors and forces affecting the Market. Past performance is not indicative of future results.

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