

NIT INCOME FUND



FUND MANAGER REPORT - February 2015

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) 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. 4.1 Bln
NAV per Unit February 27, 2015	11.3276
Weighted Avg. Maturity(Days)	579
Leveraging	Nil
Standard Deviation of Return	0.12

Fund Returns v/s Benchmark		
	NIT-IF	Benchmark
February-15	9.07%	8.50%
Year to Date	16.40%	9.77%
Trailing 12M Avg.	13.57%	9.90%
3 Years	11.54%	10.09%
Since Inception	13.81%	11.23%

Asset Allocation (% of Total Assets)		
	Feb-15	Jan-15
T-Bills	0.00%	5.69%
PIBs	61.02%	61.08%
TFCs	7.01%	7.79%
Rev Repo	0.00%	0.00%
COI	0.00%	0.00%
Cash	30.63%	24.81%
Others	1.34%	0.62%

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. 97 billion assets under management as on 27 February 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.

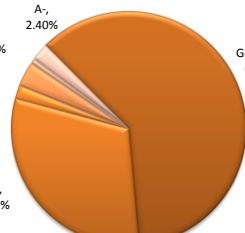
Fund Performance Review

NIT Income Fund posted an annualized return of 9.07% p.a. during the month of February compared to its benchmark return of 8.50% p.a., thus outperforming its benchmark by 0.57%. The YTD return for FY15 stood at 16.40% p.a. against the benchmark return of 9.77% p.a., an out-performance by 6.70%.

In the recent PIB auction held in the month of February, the government raised PKR. 60.8bn against the hefty participation of PKR. 240bn. The cut-off yields of 3, 5 and 10 years declined to 8.50%, 9.14% and 9.80% as compared to last PIB auction's cut-off yields at 8.88%, 9.75% and 10.00% respectively.

The Consumer Price Index (CPI) for the month of February dipped to 3.24% from 3.9% year on year over the previous month. Overall inflation for the period July-February 2015 stood at 5.45% which is in-line with the SBP full year target of 4.5%-5.5% for FY15. Decrease in inflation was expected, led by decrease in food prices and transportation.

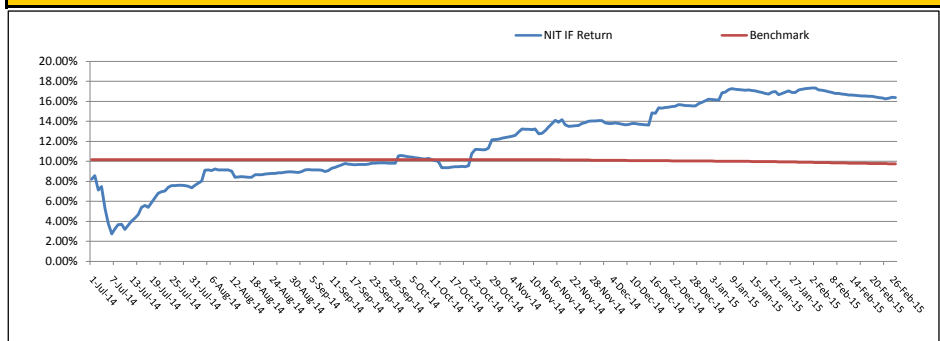
At the end of the month, NIT IF had an exposure of around 7% of its total assets in TFCs, about 61% in PIBs and around 31% in Cash at bank, whereas the remaining was in the form of other assets. Overall weighted average maturity of the portfolio stood at 579 days at the end of February.

TFC / Sukuk Holdings (% of TA)		Asset Quality of the Portfolio (% of TA)	
Summit Bank Limited	2.40%	A-, 2.40%	
Askari Bank Ltd. III	1.84%	A, 0.66%	
Bank Al-Falah Ltd. IV Fixed	0.94%	AA, 1.87%	
Engro Fertilizer Ltd. TFC IV	0.66%	AA-, 3.42%	
Bank Al-Falah Ltd. IV Floating	0.64%	AA+, 30.63%	
Bank Al-Habib Ltd. IV	0.53%	Govt Sec., 61.02%	
	7.01%		

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

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. 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. 0.0807/ 1.19%. For details investors are advised to read the Note 8.1 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.

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

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