

NIT INCOME FUND



FUND MANAGER REPORT - APRIL 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 Ahmad Khan

* Varies as per policy

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. 92 billion assets under management as on 30 Apr 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 return for the month of April clocked in at 12.20% p.a. against its benchmark of 10.18% p.a. whereas the current year to date return stood at 7.79% p.a against its benchmark return of 9.75% p.a.

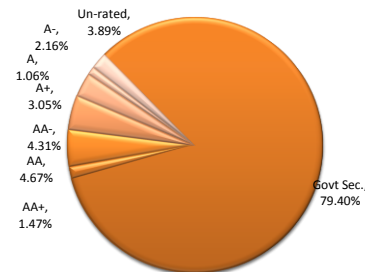
The Consumer Price Index (CPI) for the month of April increased from 8.50% to 9.20% year on year over the previous month. Overall inflation for the period July-April 2014 stood at 8.70% against the full year expectations of 10-11% for FY14. Increase in inflation was led by hike in perishable food prices and significant rise in education expense which pushed up overall inflation.

NIT IF's asset allocation at the end of the month has around 13% of its total assets in TFCs while around 80% of total assets are invested in Government Securities. NIT IF increased its PIBs holding from 20% in the previous month to about 38% in April 2014 while weighted average time to maturity of its portfolio increased to 569 days in current month from 455 days in March 2014. An exposure of about 3.89% is in Margin Trading System, whereas the remaining is in the form of cash and other assets.

TFC / Sukuk Holdings (% of TA)

Karachi Electric Limited (Sukuk)	3.05%
Askari Bank Ltd. III	2.36%
Summit Bank Ltd.	2.16%
Bank Al-Falah Ltd. IV	1.94%
Bank Al-Habib Ltd. III	1.59%
Bank Al-Habib Ltd. IV	1.19%
Engro Fertilizer Ltd. TFC IV	1.06%
	13.35%

Credit Quality of the Portfolio (% of TA)



Technical Information

Net Assets	Rs. 3.2 Bln
NAV per Unit (Apr 30, 2014)	10.8778
Weighted Avg. Maturity (Days)	569
Leveraging	Nil
Standard Deviation of Return	0.28

Fund Returns v/s Benchmark

	NIT-IF	Benchmark
April-14	12.20%	10.18%
Year to Date	7.79%	9.75%
Since Inception	12.39%	11.51%
Trailing 12M Avg.	7.88%	9.70%

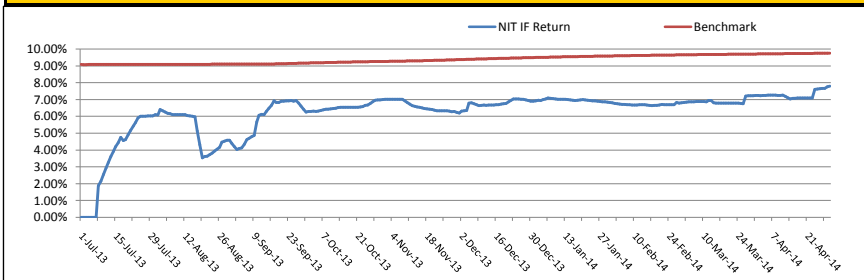
Asset Allocation (% of Total Assets)

	Apr-14	Mar-14
T-Bills	41.15%	61.92%
PIBs	38.25%	19.93%
TFCs	13.35%	13.74%
LOP	0.00%	0.00%
MTS	3.89%	2.48%
COI	0.00%	0.00%
Cash	1.47%	0.96%
Others	1.89%	0.96%

Disclosure of Non Compliant Investment as on April 30, 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	99,885,000	28,966,650	70,918,350	2.19%	2.16%

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. 22,389m, if the same were not made the NAV per unit/ current year to date return of the Scheme would be higher by Rs. 0.0751/0.88%. 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. Inran Rafiq, CFA - Head of Research	Zubair Ahmed - Controller of Branches/Comp. Secretary	Shoab A. Khan - SVP/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-IF's 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.

National Investment Trust Ltd,
National Bank Building, (6th Floor)
I.I. Chundrigar Road, P.O Box # 5671.
Karachi - 74000, Pakistan
Tel: 111-648-648