

## NIT INCOME FUND



FUND MANAGER REPORT - May 2012

### 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	AA- (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	A.F Ferguson & Co.
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- (JCR-VIS)
Risk Profile	Moderate
Benchmark	6-Month KIBOR
Fund Manager	Khurram Aftab Ahmed

\*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 Asset Management Company of Pakistan, formed in 1962. NITL is the largest asset management company of Pakistan with approximately Rs. 72 billion assets under management. In order to cater to varied needs of investors, NITL for the very first time in the 48 years history of the company, ventured in to fixed income category by launching two Funds in the FY10. NIT Government Bond Fund, a very low risk product was launched in Nov. 2009 followed by NIT Income Fund which was introduced in Feb. 2010. With the launching of these two funds the family of Funds of NIT has increased to five funds including 3 equity Funds and 2 fixed income Funds. NIT's distribution network comprises of 22 NIT branches, various Authorized bank branches all over Pakistan and Arab Emirates Investment Bank (AEIB) in Dubai (UAE). The Board of Directors of NITL consists of representatives of leading financial institutions, prominent industrialists and nominee of Govt. of Pakistan. All Investment decisions are taken by the Investment Committee of NITL.

### Fund Performance Review

NIT IF yielded an annualized return of 13.69% during the month of May 2012, whereas the year to date return of the fund stood at 12.31%. The benchmark six month KIBOR slightly increased from 12.01% in the previous month to 12.02% towards the end of May.

Secondary market rates on Government securities remained on the higher side during the month. The TFC portfolio of NIT IF which consists of high quality TFCs, mainly from the banking sector was expected to appreciate and contributed to the high return witnessed during the month.

NIT IF's net assets increased by almost 7% during the month of May. Its asset allocation at the end of the month has around 23% of its total assets in TFCs while around 57% of total assets are invested in Government Securities, 3% of its exposure is in Commercial paper, 6% of its exposure is in COIs and a 8% exposure is in term deposit with a high rated commercial bank. The remaining assets are in the form of cash and other assets.

### Technical Information

Net Assets	Rs. 2.5 Bln
Nav per Unit (May 31 2012)	Rs. 11.2944
Weighted Avg. Maturity(Days)	645
Leveraging	Nil
Standard Deviation of Return	0.08

### Fund Returns v/s Benchmark

	NIT-IF	Benchmark
May-12	13.69%	12.01%
Year to Date	12.31%	12.41%
Trailing 12M Avg.	12.46%	12.52%

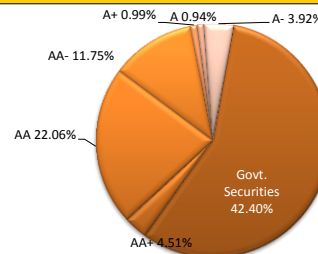
### Asset Allocation (% of Total Assets)

	May-12	Apr-12
Govt. Sec	57.09%	42.40%
TFCs/Sukuks	22.96%	24.21%
TDR	7.97%	8.51%
CP	2.99%	3.19%
COI	5.98%	4.26%
Cash	1.26%	15.80%
Others	1.75%	1.62%

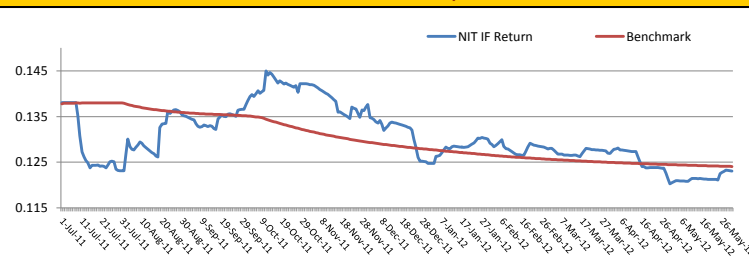
### TFC Holdings (% of TA)

Bank Al-falah Ltd. IV	4.40%
Bank Al-Habib Ltd. IV	4.24%
Summit Bank Ltd	3.92%
Askari Bank Ltd. III	3.32%
Engro Fertilizer Ltd. TFC IV	2.62%
Bank Al-Habib Ltd. III	2.08%
United Bank Ltd. IV	1.40%
NIB Bank TFC	0.99%
	22.96%

### Credit Quality of the Portfolio (% of TA)



### 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. 10.946m, if the same were not made the NAV per unit/year to date return of the Scheme would be higher by Rs. 0.497/ 12.53%. For details investors are advised to read the Note 6 of the latest Financial Statement of the Scheme.

### Members of the Investment Committee

Wazir Ali Khoja - Managing Director	Manzoor Ahmed - Chief Operating Officer	Aamir Amin - Head of Finance
Shahid Anwar - Head of MD's Sectt. & Personnel	Zubair Ahmed - Controller of Branches/Comp. Secretary	Khurram Aftab - Fund Manager
M. Imran Rafiq, CFA - Head of Research	M. Atif Khan - Manager Compliance & 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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