





NIT INCOME FUND

FUND MANAGER REPORT - JUNE 2013

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. 81 billion assets under management. 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 has gone to 24, yet another milestone as no Mutual Fund in Pakistan has such a big network of nationwide branches. NIT's distribution network also comprises of various Authorized bank branches all over Pakistan and in Dubai (UAE) through Arab Emirates Investment Bank (AEIB). 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

NIT IF yielded an annualized return of 9.60% during the month of June 2013 while its benchmark, the six month KIBOR return stood at 9.40%. Whereas the year to date return of the fund stood at 9.56% and its benchmark six month KIBOR average 9.92% for the fiscal year 2013.

State Bank of Pakistan decided to lower Discount rates by 50 basis points to 9.0 percent, driven by the continuous decline in inflation rates backed by the need to encourage private investment. Secondary market yields on Government securities remained on the higher side throughout the month mainly due to shortage of liquidity during the month.

NIT IF's asset allocation at the end of the month has around 15% of its total assets in TFCs while around 77% of total assets are invested in Government Securities and about 5% of its exposure is in COIs and LOP. The remaining assets are in the form of cash and other assets.

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 Depositary 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- (PACRA)			
Risk Profile	Moderate			
Benchmark	6-Month KIBOR			
Fund Manager	Khurram Aftab Ahmed			

Varies	as	per	policy

Technical Information		
Net Assets	Rs. 3.8 Bln	
NAV per Unit (June 30 2013)	11.2743	
Weighted Avg. Maturity(Days)	386	
Leveraging	Nil	
Standard Deviation of Return	0.05	

Fund Returns v/s Benchmark				
	NIT-IF	Benchmark		
June-13	9.60%	9.40%		
Year to Date	9.56%	9.92%		
Trailing12M Avg.	9.56%	9.93%		
Asset Allocation (% of Total Assets)				
	Jun-13	May-13		
Govt. Sec	76.60%	75.95%		
TFCs/Sukuks	15.31%	14.79%		
TDR	0.00%	0.00%		
LOP	1.35%	0.00%		
COI	4.04%	7.81%		
Cash	2.33%	0.67%		
Others	0.37%	0.78%		

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TFC Holdings (% of TA)	
Bank Al-Habib Ltd. IV	3.04%
Bank Al-falah Ltd. IV	2.99%
Summit Bank Ltd	2.63%
Askari Bank Ltd. III	2.15%
Bank Al-Habib Ltd. III	1.45%
Engro Fertilizer Ltd. TFC IV	1.44%
United Bank Ltd. IV	0.95%
NIB Bank TFC	0.67%
	15.31%



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. 18.673m, if the same were not made the NAV per unit/current year to date return of the Scheme would be higher by Rs. 0.0572/ 0.56%. For details investors are advised to read the Note 16 of the latest Financial Statement of the Scheme.

Members of the Investment Committee

Manzoor Ahmed - COO / Manging Director Shahid Anwar - Head of MD's Sectt. & Personnel Aamir Amin - Head of Finance

Amir Amin - Head of Finance Zubair Ahmed - Controller of Branches/Comp. Secretary Khurram Aftab - 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.

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

Tel: 111-648-648