

## NIT INCOME FUND



FUND MANAGER REPORT - June 2016

| Fund's Basic Information |  | Objective of the fund   |
|--------------------------|--|---|
| Fund Type                | Open-End                                       | 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. |
| Category                 | Income Fund                                    |   |
| Launch Date              | 19 <sup>th</sup> February 2010                 |   |
| Listing                  | PSX  |   |
| Stability Rating         | A+ (f) (PACRA) 12-Jan-16                       |   |
| 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<br>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) 8-Jun-16                          |   |
| Risk Profile             | Moderate                                       |   |
| Benchmark                | 6-Month KIBOR                                  |   |
| Fund Manager             | Shoaib Ahmad Khan                              |   |

### 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 June 2016, the family of Funds of NIT comprises of nine funds including 4 equity funds, 2 fixed income funds, 1 money market fund, 1 conventional pension fund and 1 Islamic pension fund. NIT's tally of nationwide branches is 23 and sales desk is also available in financial hub at Abbotabad, yet another milestone as no Asset Management Company 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 high investment management industry standards and benchmarks with noted strengths in several of the rating factors. All Investment decisions are taken by the Investment Committee of NITL.

### Fund Performance Review

NIT Income Fund posted a YTD annualized return for FY16 of 5.87% p.a. against the benchmark return of 6.53% p.a. The Fund posted an annualized return of 5.37% p.a for the month of June while its benchmark return was 6.11% p.a.

The Fund has declared an interim payout at the rate of Rs. 0.76 per unit for the year ending June 30, 2016 as compared to Rs. 1.21 per unit for the year ended June 30, 2015.

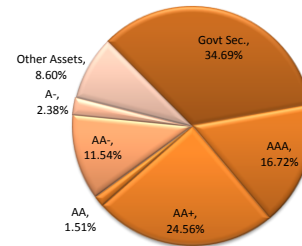
The Consumer Price Index (CPI) for the month of June stood at 3.2%. The average 12 months CPI inflation now stands at 2.86% compared to 4.53% in 12 months FY15.

Asset allocation of NIT IF by the end of month reveals that NIT IF had exposure of more than 9% of its total assets in TFCs, about 27% in PIBs, 8% in Treasury bills, about 7% in MTS whereas the remaining was in the form of cash and other assets. At the end of the month, weighted average time to maturity of the portfolio stood at 331 days.

### TFC / Sukuk Holdings (% of TA)

|                                |       |
|--------------------------------|-------|
| Summit Bank Limited            | 2.38% |
| Habib Bank Ltd.                | 2.37% |
| Bank Al-Habib Ltd. V           | 1.51% |
| Bank Al-Falah Ltd. IV Fixed    | 0.89% |
| Standard Chartered Bank        | 0.76% |
| Bank Al-Falah Ltd. IV Floating | 0.63% |
| Faysal Bank Ltd.               | 0.45% |
|                                | 8.97% |

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



\* Varies as per policy  
\*\* During Ramadan : 2:00 (Mon-Thr) & 12:30 PM (Fri)

### Technical Information

|                              |              |
|------------------------------|--------------|
| Net Assets                   | Rs. 4.13 Bln |
| NAV per Unit (June 30, 2016) | 10.2973      |
| Weighted Avg. Maturity(Days) | 331          |
| Leveraging                   | Nil          |
| Standard Deviation of Return | 0.09         |

### Fund Returns v/s Benchmark

|                   | NIT-IF | Benchmark |
|-------------------|--------|-----------|
| June-16           | 5.37%  | 6.11%     |
| Year to Date      | 5.87%  | 6.53%     |
| Trailing 12M Avg. | 5.88%  | 6.53%     |
| 3 Years*          | 9.78%  | 8.45%     |
| Since Inception   | 13.29% | 10.30%    |

\* Simple annualized return

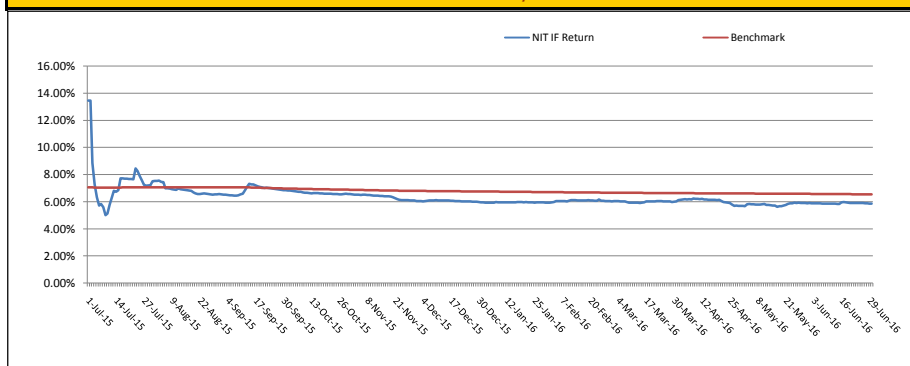
### Asset Allocation (% of Total Assets)

|         | Jun-16 | May-16 |
|---------|--------|--------|
| T-Bills | 7.85%  | 5.72%  |
| PIBs    | 26.84% | 41.27% |
| TFCs    | 8.97%  | 9.47%  |
| TDRs    | 0.00%  | 0.00%  |
| COI     | 0.00%  | 0.00%  |
| MTS     | 6.78%  | 3.74%  |
| Cash    | 47.74% | 37.18% |
| Others  | 1.82%  | 2.62%  |

### Performance Period

| Performance Period | FY15   | FY14  | FY13  | FY12   | FY11   |
|--------------------|--------|-------|-------|--------|--------|
| NIT-IF             | 14.09% | 7.06% | 9.56% | 12.34% | 12.10% |
| Benchmark          | 9.01%  | 9.82% | 9.92% | 12.38% | 13.38% |

### 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. 28.97m up to 30-June-2015 and thereafter has stopped further provisioning, if the same were not made the NAV per unit/ current year to date return of the Scheme would be higher by Rs. 0.0723/ 0.74%. For details investors are advised to read the Note 10.1 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 |
| Shoaib A. Khan, SVP/ Fund Manager | Ammar Habib, Incharge/Manager Risk Mgmt. | Adamjee Yakoob, FCA, FCCA, Head of Compliance         |

### 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 are subject to market risks. Past performance is not necessarily indicative of future results. Please read the Offering Document to understand the investment policies and risks involved.

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

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