

## NIT INCOME FUND



FUND MANAGER REPORT - July 2017

### Fund's Basic Information

Fund Type	Open-End
Category	Income Fund
Launch Date	19 <sup>th</sup> February 2010
Listing	PSX
Stability Rating	A+ (f) (PACRA) 12-July-17
Management Fee	10% of Gross Earnings, subject to 0.50% p.a. minimum and 1.25% p.a. maximum of Average Annual Net Assets
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) 25-May-17
Risk Profile	Moderate
Benchmark	6-Month KIBOR
Fund Manager	Shoaib Ahmad Khan

\*Varies as per policy/No sales load is charged if the investor approaches directly.

### Technical Information

Net Assets	Rs. 4.20 Bln
NAV per Unit (July 31, 2017)	10.3473
Weighted Avg. Maturity(Days)	157
Leveraging	Nil
Standard Deviation of Return	0.005
Total Expense Ratio*	1.05%

\*This includes 0.17% representing Govt. Levy, Sindh Workers Welfare Fund & SECP Fee.

### Fund Returns v/s Benchmark

	NIT-IF	Benchmark
July-17	5.43%	6.14%
Year to Date	5.43%	6.14%
Trailing 12M Avg.	5.45%	6.11%
3 Years*	9.01%	7.10%
5 Years*	9.74%	8.18%
Since Inception	12.81%	9.69%

\* Simple annualized return

### Asset Allocation (% of Total Assets)

	Jul-17	Jun-17
T-Bills	0.00%	23.79%
PIBs	0.00%	0.00%
TFCs	8.07%	8.63%
TDRs	0.00%	0.00%
COI	0.00%	0.00%
MTS	0.00%	0.00%
Cash	91.31%	67.09%
Others	0.61%	0.49%

### 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. 109 billion assets under management as on 31 July 2017, the family of Funds of NIT comprises of ten funds including 4 equity funds, 2 fixed income funds, 1 money market fund, 1 Islamic income 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 the respective fund.

### Fund Performance Review

NIT Income Fund posted a YTD annualized return for FY18 of 5.43% p.a. against the benchmark return of 6.14% p.a. The Fund posted an annualized return of 5.43% p.a for the month of July while its benchmark return was 6.14% p.a.

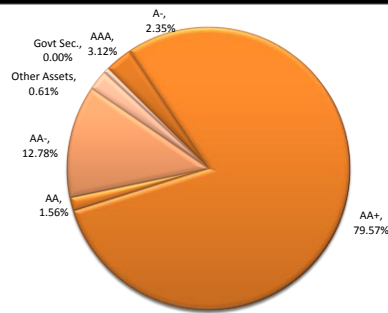
The Consumer Price Index (CPI) for the month of July stood at 2.90% decreasing from 3.93% over the previous month. The FY18 average CPI inflation now stands at 2.90% compared to 4.15% during the previous fiscal year.

Asset allocation of NIT IF by the end of month reveals that NIT IF had exposure of around 8% of its total assets in TFCs and 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 157 days.

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

Summit Bank Limited	2.35%
Habib Bank Ltd.	2.37%
Bank Al-Habib Ltd. V	1.56%
Standard Chartered Bank	0.75%
Fatima Sukuk	0.41%
Bank Al-Falah Ltd. IV Fixed	0.28%
Bank Al-Falah Ltd. IV Floating	0.21%
Faysal Bank Ltd.	0.15%
	8.07%

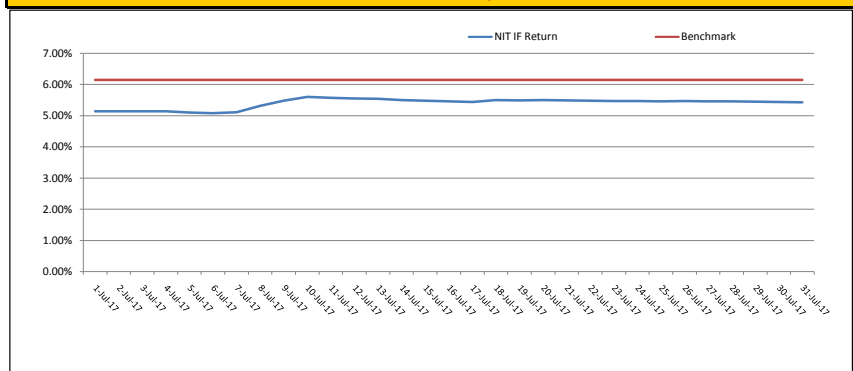
### Asset Quality of the Portfolio (% of TA)



### Performance Period

	FY17	FY16	FY15	FY14	FY13
NIT-IF	5.37%	5.87%	14.09%	7.06%	9.56%
Benchmark	6.10%	6.53%	9.01%	9.82%	9.92%

### NIT IF Year to Date Return v/s Benchmark



**SINDH-WWF Disclosure:** The Scheme has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs. 8.15m, If the same were not made the NAV per unit/ current year to date return of the Scheme would be higher by Rs. 0.0201/2.30%.

### 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	Shoaib. A. Khan, SVP/ Fund Manager
Ammar Habib, Incharge/Manager Risk Mgmt.	Faisal Aslam, 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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