

## NIT INCOME FUND



FUND MANAGER REPORT - August 2016

### 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-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 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) 08-Jun-16
Risk Profile	Moderate
Benchmark	6-Month KIBOR
Fund Manager	Shoaib Ahmad Khan

\* Varies as per policy

### Technical Information

Net Assets	Rs. 4.21 Bln
NAV per Unit (August 31, 2016)	10.3720
Weighted Avg. Maturity(Days)	326.22
Leveraging	Nil
Standard Deviation of Return	0.03
Expense Ratio with Govt. Levy	1.82%
Expense Ratio without Govt. Levy	1.57%

### Fund Returns v/s Benchmark

	NIT-IF	Benchmark
August-16	4.03%	6.02%
Year to Date	4.27%	6.03%
Trailing 12M Avg.	5.48%	6.36%
3 Years*	9.78%	8.28%
Since Inception	13.15%	10.18%

\* Simple annualized return

### Asset Allocation (% of Total Assets)

	Aug-16	Jul-16
T-Bills	38.57%	46.34%
PIBs	10.93%	12.29%
TFCs	8.85%	8.86%
TDRs	0.00%	0.00%
COI	8.18%	4.69%
MTS	3.51%	8.56%
Cash	28.40%	18.42%
Others	1.55%	0.83%

### 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. 96 billion assets under management as on 31 August 2016, 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 Abbottabad, 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 FY17 of 4.27% p.a. against the benchmark return of 6.03% p.a. The Fund posted an annualized return of 4.03% p.a for the month of August while its benchmark return was 6.02% p.a.

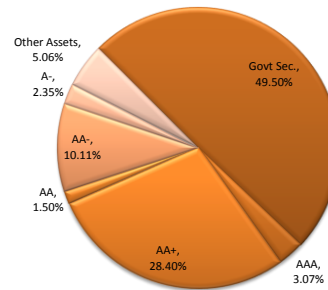
The Consumer Price Index (CPI) for the month of August stood at 3.6% decreasing from 4.1% over the previous month. The average 2 months CPI inflation now stands at 3.84% compared to 1.83% in 2 months FY16.

Asset allocation of NIT IF by the end of month reveals that NIT IF had exposure of approximately 9% of its total assets in TFCs, about 11% in PIBs, 39% in Treasury bills, 8% in COI, around 4% 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 326 days.

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

Summit Bank Limited	2.35%
Habib Bank Ltd.	2.32%
Bank Al-Habib Ltd. V	1.50%
Bank Al-Falah Ltd. IV Fixed	0.87%
Standard Chartered Bank	0.75%
Bank Al-Falah Ltd. IV Floating	0.62%
Faysal Bank Ltd.	0.44%
<b>Total</b>	<b>8.85%</b>

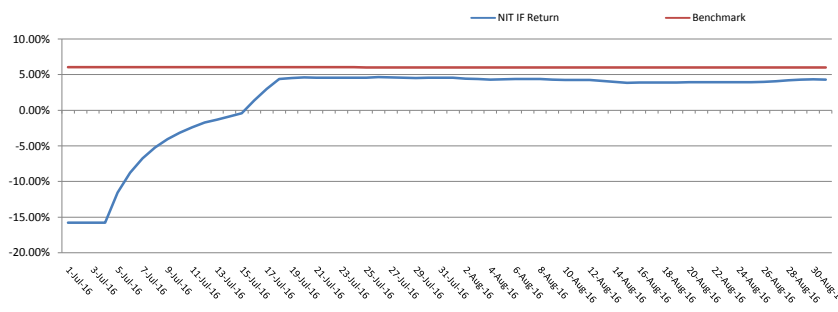
### Asset Quality of the Portfolio (% of TA)



### Performance Period

	FY16	FY15	FY14	FY13	FY12
NIT-IF	5.87%	14.09%	7.06%	9.56%	12.34%
Benchmark	6.53%	9.01%	9.82%	9.92%	12.38%

### 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. 0.0714/ 4.08%. For details investors are advised to read the Note 13.1 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.	Syed Aqib Hussain, Incharge Compliance

### MUFAP's Recommended Format.

**Disclaimer:** This publication is for informational purposes only and nothing herein should be construed as 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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