

## NIT INCOME FUND



FUND MANAGER REPORT - September 2014

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

\* Varies as per policy

### Technical Information

Net Assets	Rs. 3.3 Bn
NAV per Unit (September 30, 2014)	10.4704
Weighted Avg. Maturity(Days)	610
Leveraging	Nil
Standard Deviation of Return	0.05

### 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. 87 billion assets under management as on 30 September 2014, 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 is 23, yet another milestone as no Mutual Fund in Pakistan has such a big network of nationwide 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 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 Income Fund posted an annualized return of 11.31% in September compared to benchmark return of 10.18% p.a., thus showing an out-performance of 113bps. The YTD return for FY15 stood at 9.84% p.a. against the benchmark return of 10.18% p.a.

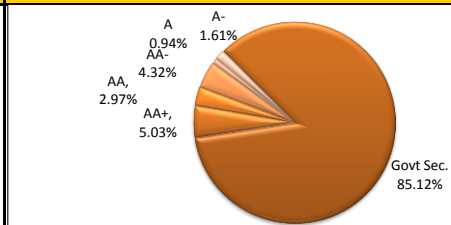
The increase in return was primarily attributed to re-balancing in portfolio. At the end of the month, the NIT IF had an exposure of around 8% of its total assets in TFCs, about 61% in PIBs and an exposure of around 24% in Treasury Bills, whereas the remaining was in the form of cash and other assets. The overall weighted average maturity stood at 610 days at the end of September.

In the month of September, the SBP also announced the latest Monetary Policy Statement and decided to keep discount rate unchanged at 10%. The Central Bank highlighted key issues such as ongoing political impasse, delay in the finalization of fourth IMF review, the current heavy rains and floods and inflationary outlook, hence decided to remain cautious and kept its policy discount rate unchanged.

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

Askari Bank Ltd. III	2.37%
Bank Al-Falah Ltd. IV	1.95%
Summit Bank Limited	1.61%
Bank Al-Habib Ltd. IV	1.20%
Engro Fertilizer Ltd. TFC IV	0.94%
	8.08%

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



Performance Period	FY14	FY13	FY12	FY11	FY10*
NIT-IF	7.06%	9.56%	12.34%	12.10%	9.88%
Benchmark	9.82%	9.92%	12.38%	13.38%	12.35%

\* From Feb 19, 2010 to Jun30, 2010

### Fund Returns v/s Benchmark

	NIT-IF	Benchmark
September-14	11.31%	10.18%
Year to Date	9.84%	10.18%
Since Inception	12.27%	11.39%
Trailing 12M Avg.	8.24%	10.07%

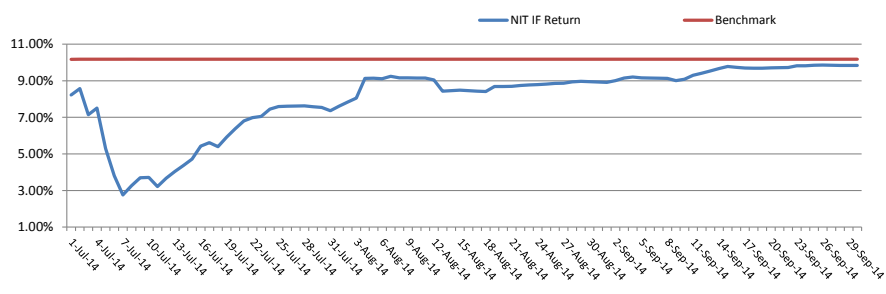
### Asset Allocation (% of Total Assets)

	Sep-14	Aug-14
T-Bills	24.43%	26.16%
PIBs	60.69%	49.68%
TFCs	8.08%	12.70%
Rev Repo	0.00%	0.00%
MTS	0.00%	0.53%
COI	0.00%	8.98%
Cash	5.03%	0.71%
Others	1.77%	1.24%

### Disclosure of Non Compliant Investment as on September 30, 2014

Name of non-compliant investment	Type of Investment	Value before Provision	Provision Held	Value after Provision	% of Net Assets	% of Gross Assets
Summit Bank Ltd.	TFC	99,885,000	45,631,664	54,253,336	1.64%	1.61%

### 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. 24.60m, if the same were not made the NAV per unit/ current year to date return of the Scheme would be higher by Rs. 0.0777/ 3.02%. 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		

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

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