NIT INCOME FUND

FUND MANAGER REPORT - September 2015

Fund's Basic Information

Fund Type	Open-End
Category	Income Fund
Launch Date	19th February 2010
Listing	KSE, LSE & ISE
Stability Rating	A+ (f) (PACRA) 19-Mar-15
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 Depositary 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) 14-Apr-15
Risk Profile	Moderate
Benchmark	6-Month KIBOR
Fund Manager	Shoaib Ahmad Khan

* Varies as per policy

Technical Information

Net Assets	Rs. 3.81 Bln
NAV per Unit (September 30, 2015)	10.6248
Weighted Avg. Maturity(Days)	211
Leveraging	Nil
Standard Deviation of Return	0.06

Fund Returns v/s Benchmark

	NIT-IF	Benchmark
September-15	7.33%	6.80%
Year to Date	6.84%	6.97%
Trailing12M Avg.	13.24%	8.20%
3 Years*	10.70%	9.23%
Since Inception	13.78%	10.82%

* Simple annualized return

Asset Allocation (% of Total Assets)

	Sep-15	Aug-15
T-Bills	41.03%	55.07%
PIBs	21.39%	34.89%
TFCs	4.90%	4.95%
TDRs	7.74%	0.00%
COI	2.58%	2.59%
Cash	21.49%	1.70%
Others	0.87%	0.79%

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. 86 billion assets under management as on 30 September 2015, the family of Funds of NIT comprises of eight funds including 4 equity funds, 2 fixed income funds, 1 conventional pension fund and 1 islamic pension fund. NIT's tally of nationwide branches is 23, yet another milestone as no Mutual Fund 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 for the month of September posted an annualized return of 7.33% p.a. against the benchmark return of 6.80% p.a. outperforming its benchmark by 0.53%. The fund YTD annualized return for FY16 stood at 6.84% p.a against its benchmark return of 6.97% p.a.

State Bank of Pakistan announced its Monetary Policy during the month and cut Discount Rates by 50bps from 7.00% to 6.50%. SBP has continued with its monetary easing stance due to significantly lower inflation along with comfort on the external account position. The Consumer Price index (CPI) for the month of September stood at 1.30%, a record low level, decreasing from 1.80% over the previous month. The trend in international oil and commodity prices are expected to keep the inflation within SBP's forecast for FY16 of 4.5% to 5.5%.

Asset allocation of NIT IF by the end of month reveals that NIT IF had exposure of about 5% of its total assets in TFCs; around 21% in PIB; 41% in Treasury bills, about 3% of total assets is invested in COI and about 8% of total assets is placed in TDR. Whereas the remaining is in the form of cash and other assets. At the end of the month, weighted average time to maturity of the portfolio stood at 211 days.
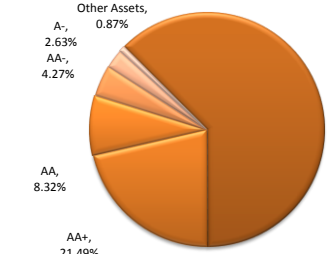
TFC / Sukuk Holdings (% of TA)

Summit Bank Limited	2.63%
Bank Al-Falah Ltd. IV Fixed	1.00%
Bank Al-Falah Ltd. IV Floating	0.69%
Bank Al-Habib Ltd. IV	0.58%
	4.90%

Asset Quality of the Portfolio (% of TA)

- Other Assets, 0.87%
- A-, 2.63%
- AA-, 4.27%
- Govt Sec., 62.42%
- AA, 8.32%
- AA+, 21.49%

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
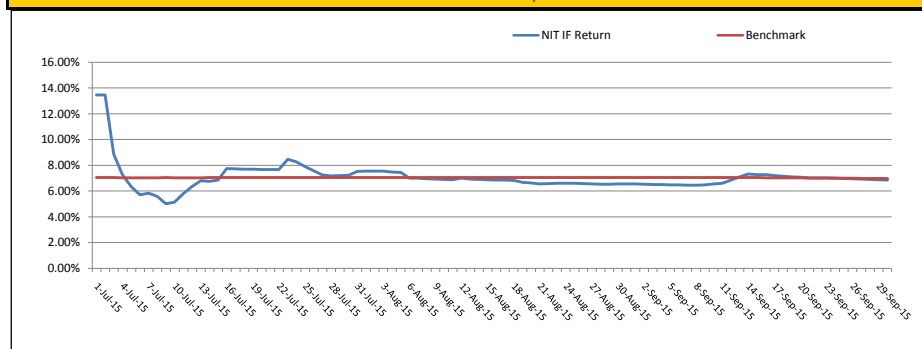
WWF Disclosure - *The Scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 28.97m up to 30-June-2015 and thereafter has stopped further provisioning, if the same were not made the NAV per unit/ current year to date return of the Scheme would be higher by Rs. 0.0809/ 3.07%. For details investors are advised to read the Note 21 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 Hussian, Incharge Compliance

MUFAP's Recommended Format.

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