

NIT INCOME FUND



FUND MANAGER REPORT - October 2014

Fund's Basic Information	
Fund Type	Open-End
Category	Income Fund
Launch Date	19 th February 2010
Listing	KSE, LSE & ISE
Stability Rating	A+ (i) (PACRA) 13-Mar-2014
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) 21-Apr-14
Risk Profile	Moderate
Benchmark	6-Month KIBOR
Fund Manager	Shoab Ahmad Khan

* Varies as per policy

Technical Information	
Net Assets	Rs. 3.34 Bln
NAV per Unit (October 31, 2014)	10.6382
Weighted Avg. Maturity(Days)	520
Leveraging	Nil
Standard Deviation of Return	0.35

Fund Returns v/s Benchmark		
	NIT-IF	Benchmark
October-14	18.87%	10.19%
Year to Date	12.23%	10.18%
Trailing 12M Avg.	8.97%	10.13%
3 Years	10.30%	10.37%
Since Inception	12.58%	11.36%

Asset Allocation (% of Total Assets)		
	Oct-14	Sep-14
T-Bills	33.50%	24.43%
PIBs	55.64%	60.69%
TFCs	7.91%	8.08%
Rev Repo	0.00%	0.00%
MTS	0.00%	0.00%
COI	0.00%	0.00%
Cash	0.72%	5.03%
Others	2.23%	1.77%

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. 90 billion assets under management as on 31 October 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 18.87% p.a. in October compared to benchmark return of 10.19% p.a., thus showing an out-performance of 868 bps. The YTD return for FY15 stood at 12.23% p.a. against the benchmark return of 10.18% p.a.

In the last auction held on October 22, 2014, the government raised only PKR 50bn through PIB auction against the hefty participation amount of PKR 331bn. The cut-off yields of 5 and 10 years PIBs stood at around 12.97% & 13.44%, however cut-off yields of 3 years PIBs declined by around 11 bps to 12.48% as compared to previous PIB auction held in the month of September.

At the end of the month, the NIT IF had an exposure of around 8% of its total assets in TFCs, about 56% in PIBs and an exposure of around 34% in Treasury Bills, whereas the remaining was in the form of cash and other assets. The overall weighted average maturity stood at 520 days at the end of October.

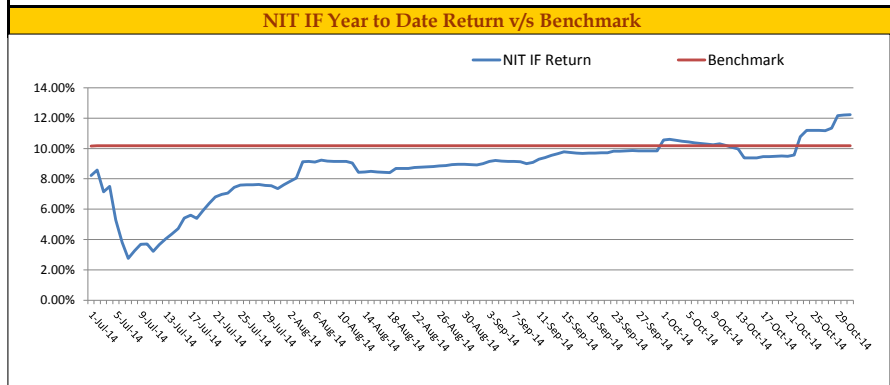
TFC / Sukuk Holdings (% of TA)		Asset Quality of the Portfolio (% of TA)	
Askari Bank Ltd. III	2.33%	A ₊	1.53%
Bank Al-Falah Ltd. IV	1.93%	A ₊	0.93%
Summit Bank Limited	1.53%	AA ₊	0.72%
Bank Al-Habib Ltd. IV	1.18%	AA ₊	3.41%
Engro Fertilizer Ltd. TFC IV	0.93%	Govt Sec.	89.14%
	7.91%		

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

Disclosure of Investment as on October 31, 2014						
Name of investment	Type of Investment	Value before Provision	Provision Held	Value after Provision	% of Net Assets	% of Gross Assets
Summit Bank Ltd.	TFC	99,862,000	47,931,962	51,930,038	1.55%	1.53%

Summit Bank TFC has been classified as performing debt securities by MUFAP as on October 31, 2014



WWF Disclosure - The Scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 25.26m, if the same were not made the NAV per unit/ current year to date return of the Scheme would be higher by Rs. 0.0804/ 2.34%. For details investors are advised to read the Note 6.1 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
Shoabib. A. Khan - SVP/ Fund Manager	Ammar Habib, Incharge/ Manager Risk Mgmt.	Incharge/ Manager 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.

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