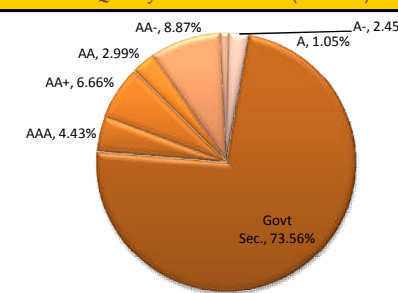
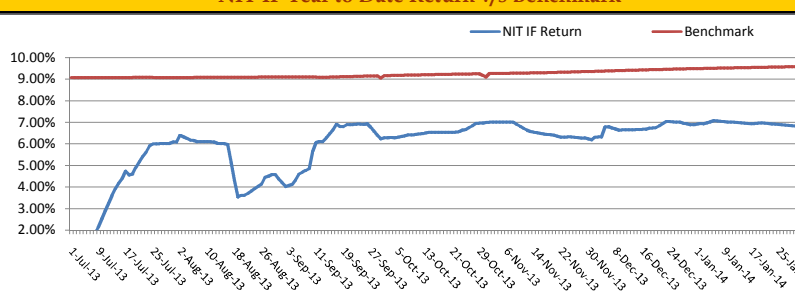


NIT INCOME FUND



FUND MANAGER REPORT - JANUARY 2014

Fund's Basic Information		Objective of the fund																								
Fund Type	Open-End	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.																								
Category	Income Fund																									
Launch Date	19 th February 2010	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. 91 billion assets under management as on 31 January 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 NIT and day to day inquiries/issues of its 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 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.																								
Listing	KSE, LSE & ISE																									
Stability Rating	A+ (f) (PACRA)	Fund Performance Review NIT Income Fund annualized return for the month of December stood at 6.22% against its benchmark return of 10.14% while the current year to date return was 6.82% p.a. against its benchmark return of 9.58%. The Consumer Price Index (CPI) for the month of January reduced from 9.2% to 7.9% year on year over the previous month. Reduction in inflation was anticipated Persistent decline in food inflation primarily helped in containing overall inflation. Inflation has eased since the recent high of 10.9% in November 2013. NIT IF's asset allocation at the end of the month has around 11% of its total assets in TFCs while around 74% of total assets are invested in Government Securities with an exposure of about 15% is in letter of placement and the remaining is in the form of cash and other assets.																								
Management Fee	1.25%																									
Front End Load*	1.00%	TFC Holdings (% of TA)																								
Back End Load	Nil																									
Cut-off timing	3:30 PM	Credit Quality of the Portfolio (% of TA)																								
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	<table border="1"> <tr> <td>Askari Bank Ltd. III</td> <td>2.47%</td> </tr> <tr> <td>Summit Bank Ltd.</td> <td>2.45%</td> </tr> <tr> <td>Bank Al-Falah Ltd. IV</td> <td>1.97%</td> </tr> <tr> <td>Bank Al-Habib Ltd. III</td> <td>1.55%</td> </tr> <tr> <td>Bank Al-Habib Ltd. IV</td> <td>1.12%</td> </tr> <tr> <td>Engro Fertilizer Ltd. TFC IV</td> <td>1.05%</td> </tr> <tr> <td>Total</td> <td>10.59%</td> </tr> </table>	Askari Bank Ltd. III	2.47%	Summit Bank Ltd.	2.45%	Bank Al-Falah Ltd. IV	1.97%	Bank Al-Habib Ltd. III	1.55%	Bank Al-Habib Ltd. IV	1.12%	Engro Fertilizer Ltd. TFC IV	1.05%	Total	10.59%										
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Registrar	National Investment Trust Ltd.	Disclosure of Non Compliant Investment as on January 31, 2014 <table border="1"> <thead> <tr> <th>Name of non-compliant investment</th> <th>Type of Investment</th> <th>Value before Provision</th> <th>Provision Held</th> <th>Value after Provision</th> <th>% of Net Assets</th> <th>% of Gross Assets</th> </tr> </thead> <tbody> <tr> <td>Summit Bank Ltd.</td> <td>TFC</td> <td>99,908,000</td> <td>17,139,218</td> <td>82,768,782</td> <td>2.47%</td> <td>2.45%</td> </tr> </tbody> </table>	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	99,908,000	17,139,218	82,768,782	2.47%	2.45%										
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Pricing Mechanism	Forward Day Pricing	NIT IF Year to Date Return v/s Benchmark 																								
Valuation Days	Daily (Monday to Friday) except public holiday																									
Redemption Days	Daily (Monday to Friday) except public holiday	Asset Allocation (% of Total Assets) <table border="1"> <thead> <tr> <th></th> <th>Jan-14</th> <th>Dec-13</th> </tr> </thead> <tbody> <tr> <td>T-Bills</td> <td>72.81%</td> <td>75.10%</td> </tr> <tr> <td>PIBs</td> <td>0.75%</td> <td>0.74%</td> </tr> <tr> <td>TFCs</td> <td>10.59%</td> <td>10.73%</td> </tr> <tr> <td>LOP</td> <td>14.78%</td> <td>12.53%</td> </tr> <tr> <td>COI</td> <td>0.00%</td> <td>0.00%</td> </tr> <tr> <td>Cash</td> <td>0.75%</td> <td>0.65%</td> </tr> <tr> <td>Others</td> <td>0.33%</td> <td>0.25%</td> </tr> </tbody> </table>		Jan-14	Dec-13	T-Bills	72.81%	75.10%	PIBs	0.75%	0.74%	TFCs	10.59%	10.73%	LOP	14.78%	12.53%	COI	0.00%	0.00%	Cash	0.75%	0.65%	Others	0.33%	0.25%
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Subscription Days	Each valuation day	WWF Disclosure - The Scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 21.441m, if the same were not made the NAV per unit/ current year to date return of the Scheme would be higher by Rs. 0.0681/ 1.13%. For details investors are advised to read the Note 7 of the latest Financial Statement of the Scheme.																								
AMC Rating	AM2- (PACRA)																									
Risk Profile	Moderate	Members of the Investment Committee <table border="1"> <tr> <td>Manzoor Ahmed - COO / Managing Director</td> <td>Shahid Anwar - Head of MD's Sectt. & Personnel</td> <td>Aamir Amin - Head of Finance</td> </tr> <tr> <td>M. Imran Rafiq, CFA - Head of Research</td> <td>Zubair Ahmed - Controller of Branches/Comp. Secretary</td> <td>Shoab A. Khan - SVP/Fund Manager</td> </tr> <tr> <td>M. Atif Khan - Manager Compliance and Risk Mgmt</td> <td></td> <td></td> </tr> </table>	Manzoor Ahmed - COO / Managing Director	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	Shoab A. Khan - SVP/Fund Manager	M. Atif Khan - Manager Compliance and Risk Mgmt																	
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Benchmark	6-Month KIBOR	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.																								
Fund Manager	Shoab Ahmed Khan																									

* Varies as per policy

Technical Information	
Net Assets	Rs. 3.3 Bln
NAV per Unit (Jan 31 2014)	10.6258
Weighted Avg. Maturity(Days)	234
Leveraging	Nil
Standard Deviation of Return	0.04

Fund Returns v/s Benchmark		
	NIT-IF	Benchmark
January-14	6.22%	10.14%
Year to Date	6.82%	9.58%
Trailing12M Avg.	7.40%	9.55%

Members of the Investment Committee		
Manzoor Ahmed - COO / Managing Director	Shahid Anwar - Head of MD's Sectt. & Personnel	Aamir Amin - Head of Finance
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