

## NIT INCOME FUND



FUND MANAGER REPORT - May 2015

### 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) 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
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) 14-Apr-15
Risk Profile	Moderate
Benchmark	6-Month KIBOR
Fund Manager	Shoab Ahmad Khan

\* Varies as per policy

### Technical Information

Net Assets	Rs. 4.3 Bln
NAV per Unit (May 29, 2015)	11.6612
Weighted Avg. Maturity(Days)	657
Leveraging	Nil
Standard Deviation of Return	0.2

### Fund Returns v/s Benchmark

	NIT-IF	Benchmark
May-15	6.86%	7.08%
Year to Date	15.49%	9.21%
Trailing 12M Avg.	14.85%	9.30%
3 Years	11.72%	9.73%
Since Inception	14.11%	11.07%

### Asset Allocation (% of Total Assets)

	May-15	Apr-15
T-Bills	0.00%	0.00%
PIBs	62.46%	61.65%
TFCs	4.96%	6.82%
Rev Repo	0.00%	0.00%
COI	2.29%	0.00%
Cash	27.60%	29.30%
Others	2.69%	2.22%

### 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. 97 billion assets under management as on 29 May 2015, the family of Funds of NIT comprises of six funds including 4 equity funds and 2 fixed income Funds. 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

The YTD return for FY15 stood at 15.49% p.a. against the benchmark return of 9.21% p.a., an out-performance by 6.28%. The fund posted an annualized return of 6.86% p.a. during the month of May compared to its benchmark return of 7.08% p.a., thus under-performing its benchmark by 0.22%.

The State Bank of Pakistan announced its Monetary Policy Statement during the month and cut its policy discount rates by 100bps from 8.00% to 7.00%. A cut in Discount rate was highly anticipated mainly due to the lower average annual inflation, improved macroeconomic conditions and higher foreign reserves. The State Bank of Pakistan has also introduced a target rate which is set at 50 basis points below the ceiling rate.

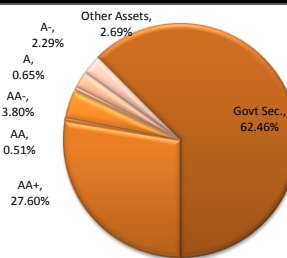
The Consumer Price Index (CPI) for the month of May clocked in at 3.2% increasing from 2.1% over the previous month however it was 8.3% in same period last year. Average inflation for the overall period from July 2014-May 2015 stood at 4.7%.

At the end of the month, NIT IF had an exposure of around 4.96% of its total assets in TFCs, 2.29% in COI and about 62.46% in PIBs, whereas the remaining was in the form of cash and other assets. Overall weighted average maturity of the portfolio stood at 657 days at the end of May.

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

Summit Bank Limited	2.29%
Bank Al-Falah Ltd. IV Fixed	0.89%
Engro Fertilizer Ltd. TFC IV	0.65%
Bank Al-Falah Ltd. IV Floating	0.62%
Bank Al-Habib Ltd. IV	0.51%
	4.96%

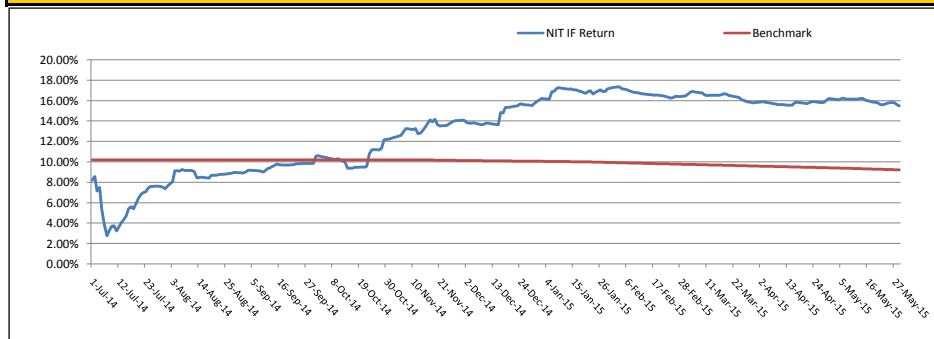
### Asset Quality of the Portfolio (% of TA)



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

### 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. 31.07m, if the same were not made the NAV per unit/ current year to date return of the Scheme would be higher by Rs. 0.0840/0.90%. For details investors are advised to read the Note 10.1 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
Shoab A. Khan, SVP/ Fund Manager	Ammar Habib, Incharge/Manager Risk Mgmt.	Syed Aqib Hussian, Incharge 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 etc.

National Investment Trust Ltd,  
National Bank Building, (6th Floor)  
I.I. Chundrigar Road, P.O Box # 5671.  
Karachi - 74000, Pakistan  
Tel: 111-648-648