

NIT INCOME FUND



FUND MANAGER REPORT - June 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+ (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

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 June 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 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 7.08% p.a. for the month of June against the benchmark return of 10.17% while the return for FY14 stood at 7.06% against the benchmark return of 9.82%.

Asset allocation of NIT IF by the end of month reveals that NIT IF had exposure of around 13% of its total assets in TFCs; around 41% in PIB; 25% in Treasury bills and about 2% of total assets in Margin Trading System. Further, 9% of total assets were placed with financial institution in the form of COI 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 619 days.

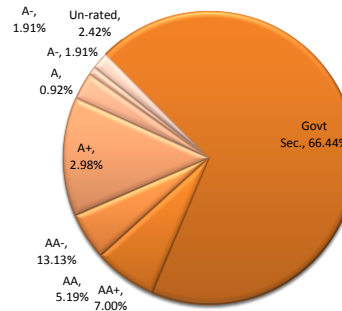
The Fund has declared an interim payout at the rate of Rs. 0.72 per unit for the year ending June 30, 2014.

Going forward, the Fund will continue to closely monitor various economic indicators and re-structure the portfolio accordingly in order to earn better returns.

TFC / Sukuk Holdings (% of TA)

Karachi Electric Limited (Sukuk)	2.98%
Askari Bank Ltd. III	2.28%
Bank Al-Falah Ltd. IV	1.93%
Summit Bank Limited	1.91%
Bank Al-Habib Ltd. III	1.55%
Bank Al-Habib Ltd. IV	1.17%
Engro Fertilizer Ltd. TFC IV	0.92%
	12.73%

Credit Quality of the Portfolio (% of TA)



Technical Information

Net Assets	Rs. 3.3 Bln
NAV per Unit (June 30, 2014)	10.9370
Ex-Dividend Nav	10.2170
Weighted Avg. Maturity(Days)	619
Leveraging	Nil
Standard Deviation of Return	0.05

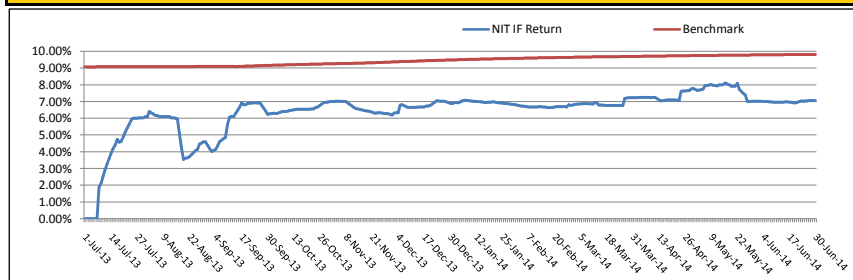
Fund Returns v/s Benchmark

	NIT-IF	Benchmark
June-14	7.08%	10.17%
Year to Date	7.06%	9.82%
Since Inception	12.11%	11.46%
Trailing 12M Avg.	7.06%	9.82%

Disclosure of Non Compliant Investment as on June 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	35,736,656	64,148,344	1.95%	1.91%

NIT IF Year to Date Return v/s Benchmark



Asset Allocation (% of Total Assets)

	Jun-14	May-14
T-Bills	24.95%	11.94%
PIBs	41.49%	44.64%
TFCs	12.73%	11.66%
Rev Repo	0.00%	7.86%
MTS	2.42%	4.70%
COI	8.93%	0.00%
Cash	7.00%	16.92%
Others	2.48%	2.29%

WWF Disclosure - The Scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 23.23m, if the same were not made the NAV per unit/ current year to date return of the Scheme would be higher by Rs. 0.0725/ 0.76%. For details investors are advised to read the Note 10 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	M. Atif Khan - Manager Compliance and Risk Mgmt	

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.

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