

## NIT INCOME FUND



FUND MANAGER REPORT - December 2014

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

\* Varies as per policy

Technical Information	
Net Assets	Rs. 3.66 Bn
NAV per Unit (December 31, 2014)	11.0370
Weighted Avg. Maturity(Days)	575
Leveraging	Nil
Standard Deviation of Return	0.38

Fund Returns v/s Benchmark		
	NIT-IF	Benchmark
December-14	23.13%	9.65%
Year to Date	15.92%	10.05%
Trailing 12M Avg.	11.78%	10.10%
3 Years	11.30%	10.25%
Since Inception	13.37%	11.31%

Asset Allocation (% of Total Assets)		
	Dec-14	Nov-14
T-Bills	12.65%	14.28%
PIBs	63.03%	63.37%
TFCs	7.98%	7.90%
Rev Repo	0.00%	0.00%
COI	0.00%	0.00%
Cash	13.00%	11.55%
Others	3.34%	2.90%

### 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

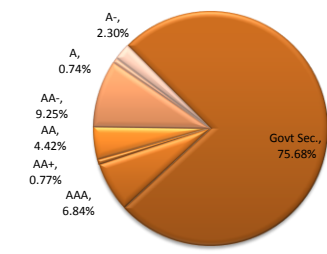
National Investment Trust Ltd. (NITL) is the first and the largest Asset Management Company of Pakistan, formed in 1962. With approximately Rs. 96 billion assets under management as on 31 December 2014, the family of Funds of NIT comprises of five funds including 3 equity funds and 2 fixed income Funds. 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 very strong capacity to manage 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 23.13% p.a. during the current month compared to its benchmark return of 9.65% p.a., thus outperforming its benchmark by 13.48%. The YTD return for FY15 stood at 15.92% p.a. against the benchmark return of 10.05% p.a., an out-performance by 5.87%.

The Consumer Price Index (CPI) for the month of December clocked in at below-consensus 4.3%, keeping average inflation in 6MFY15 at 6.1%. Treasury bills participation has been mostly observed in the longer tenor papers whereas secondary market rates for longer tenor securities have also inched down due mainly to anticipation that SBP may continue with its monetary easing stance.

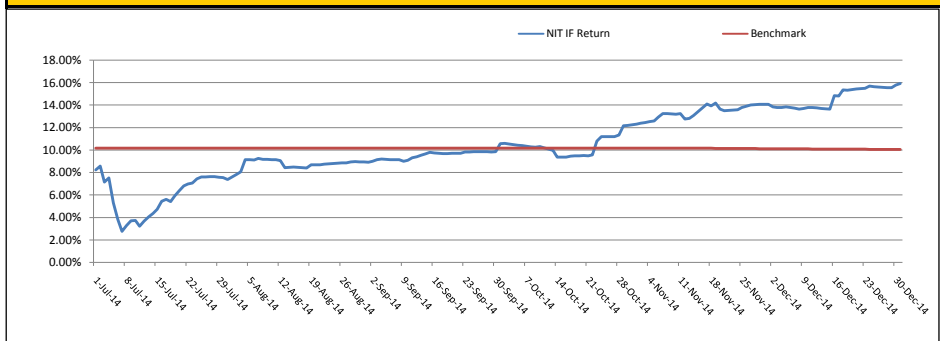
At the end of the month, NIT IF had an exposure of around 8% of its total assets in TFCs, about 63% in PIBs and an exposure of around 12% in Treasury Bills, whereas the remaining was in the form of cash and other assets. Overall weighted average maturity of the portfolio stood at 575 days at the end of December.

TFC / Sukuk Holdings (% of TA)		Asset Quality of the Portfolio (% of TA)	
Summit Bank Limited	2.30%		
Askari Bank Ltd. III	2.11%		
Bank Al-Falah Ltd. IV	1.75%		
Bank Al-Habib Ltd. IV	1.08%		
Engro Fertilizer Ltd. TFC IV	0.74%		
	7.98%		

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. 27.54m, if the same were not made the NAV per unit/ current year to date return of the Scheme would be higher by Rs. 0.0830/ 1.61%. 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
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.

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