

FUND MANAGER REPORT - JANUARY 2011

Fund's Basic Information

Fund Type	Open-End
Category	Income Fund
Launch Date	19 th February, 2010
Listing	KSE, LSE & ISE
Stability Rating	Not Rated
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	A.F Ferguson & Co.
Registrar	National Investment Trust Ltd.
Pricing Mechanism	Forward Pricing
Valuation Days	Daily (Monday to Saturday) except public holiday
Redemption Days	Daily (Monday to Saturday) except public holiday
Subscription Days	Each valuation day
AMC Rating	AM2 (PACRA)
Risk Profile	Moderate
Benchmark	6-Month KIBOR
Fund Manager	Khurram Aftab Ahmed

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 Asset Management Company of Pakistan, formed in 1962. NITL is the largest asset management company of Pakistan with approximately Rs. 80 billion assets under management. In order to cater to varied needs of investors, NITL for the very first time in the 48 years history of the company, ventured in to fixed income category by launching two Funds in the FY10. NIT Government Bond Fund, a very low risk product was launched in Nov. 2009 followed by NIT Income Fund which was introduced in Feb. 2010. With the launching of these two funds the family of Funds of NIT has increased to six funds including 4 equity Funds and 2 fixed income Funds. NIT's distribution network comprises of 19 NIT branches, various Authorized bank branches all over Pakistan and Arab Emirates Investment Bank (AEIB) in Dubai (UAE). The Board of Directors of NITL consists of representatives of leading financial institutions, prominent industrialists and nominee of Govt. of Pakistan. During the year rating of NITL has also been improved by one notch to "AM2" by Pakistan Credit Rating Agency (PACRA), which denotes very strong capacity to manage risks inherent in asset management 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 (NIT IF) year to date return was at 10.65%. The benchmark average 6 month KIBOR for the month of January 2011 were stood at 13.73%. Once again the return suffered due to drastic decrease in the prices of some TFCs which were categorized as Non Traded as a result the annualized return for the month of January 2011 was of 5.69%.

The net assets of the fund have shown a healthy growth of more than 15% during the month under review. The fund is invested around 17% of total assets in TFCs while 67.50% of total assets are invested in treasury bills and the remaining 15% of total assets are in the form of cash and others.

It should be noted that the fund is in the process to build a portfolio comprising of high quality fixed income debt securities. NIT IF will continue with its strategy to invest in shorter tenor Treasury Bills however will remain cautious owing to progress of key areas of concern to the economy.

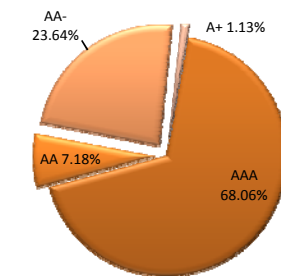
Technical Information

Net Assets	Rs. 2.14 Bln
Nav per Unit (31st Jan 2011)	10.6077
Weighted Avg. Maturity (Days)	454
Leveraging	Nil
Standard Deviation	1.28%

TFC Holdings (% of Total Assets)

Bank Al-falah Ltd. IV	4.94%
Askari Bank Ltd. III	3.79%
Engro Fertilizer Ltd. TFC IV	2.85%
United Bank Ltd. IV	2.23%
Bank Al-Habib Ltd. III	2.04%
NIB Bank TFC	1.12%

Credit Quality of the Portfolio

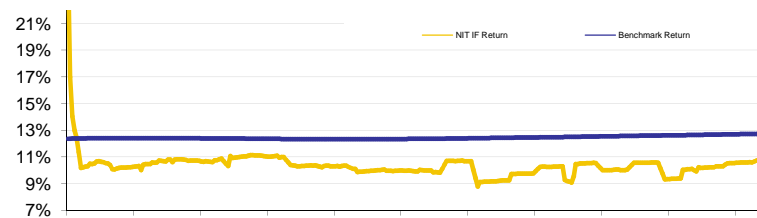


Fund Returns v/s Benchmark

	NIT-IF	Benchmark
January-11	5.69%	13.73%
Year to Date	10.65%	13.14%
Trailing 12-M Avg.	N/A	N/A

16.97%

Historical Return v/s Benchmark



Asset Allocation (% of Total Assets)

	Jan-11	Dec-10
T-Bills	67.50%	76.72%
TFCs	16.97%	20.05%
Cash	14.71%	2.50%
Others	0.82%	0.73%

Members of the Investment Committee

Wazir Ali Khoja - Managing Director	Manzoor Ahmed - Chief Operating Officer	Amir Amin - Head of Finance
Shahid Anwer - Head of MD's Sectt. & Personnel	Zubair Ahmed - Controller of Branches/Comp. Secretary	Khurram Aftab - Fund Manager

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.

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