

**Fund's Basic Informations**

Fund Type	Open-End
Category	Income Fund
Launch Date	19 <sup>th</sup> February, 2010
Listing	KSE, LSE & ISE
Stability Rating	N/A
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 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	Khurram Aftab Ahmed

**Technical Information**

Net Assets	PKR 3.1 Bln
Nav per Unit (31 May 2010)	10.2774
Weighted Average Maturity (Day)	473.7
Leveraging	Nil
Standard Deviation	0.15

**Return History**

	NIT-IF*	Benchmark
April-10	11.29%	12.36%
May-10	9.31%	12.24%
Year to Date	10.39%	12.35%
Since Inception	10.39%	12.35%

\* Morning Star Method

**Asset Allocation (% of Total Assets)**

	April-10	May-10
Govt. Sec	80.21%	85.73%
TFCs	8.44%	12.01%
Cash	10.75%	1.47%
Others	0.60%	0.79%

**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. 66 billion assets under management. 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. The company has been assigned an asset manager rating of "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) has yielded an annualized return of 9.31% in May 2010, while return since its inception stands at 10.39%. These returns were relatively below the expectations due to some temporary mark to market losses on TFCs at the end of the month. Average MoM six month KIBOR declined by 12 bps to 12.24% from 12.36% mainly due to excess liquidity in the system.

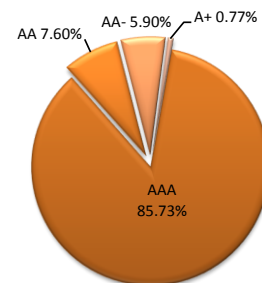
During the month, the fund increased its TFC portfolio from 8.50% to 12.01% of Net Assets. Exposure in TFC's will further be enhanced by focusing on high credit rating TFC's mainly within the commercial banking sector. The fund has also invested 85% of its Net Assets in Treasury bills, while remaining has been kept in the form of cash with banks.

In coming month we expect TDR rates to increase as the half year-end approaches for Commercial Banks. Therefore, the fund will look to take exposure in TDRs with high rated Commercial Banks, which in turn will enhance the fund's return and add diversification to its portfolio.

**TFC Holdings**

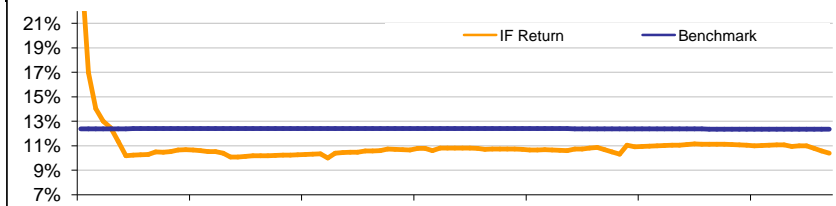
- Bank Al-falah Ltd. IV
- Askari Bank Ltd. III
- Engro Fertilizer Ltd. TFC IV
- Bank Al-Habib Ltd. III
- United Bank Ltd. IV
- NIB Bank TFC

**Credit Quality as of May 2010**



12.01%

**NIT-IF Return v/s Benchmark**



**Members of the Investment Committee**

Tariq Iqbal Khan - Chairman & MD	Manzoor Ahmed - Chief Operating Officer	Amir Amin - Head of Finance
Shahid Anwer - Head of MD's Sectt. & Personnel	Zubair Ahmed - Controller of Branches	Khurram Aftab - Fund Manager

**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-GBFs unit price is neither guaranteed nor administered/managed. It is based on Net Asset Value (NAV) and the NAV of NIT-GBF 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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