

FUND MANAGER REPORT - AUGUST 2011

Fund's Basic Information

Fund Type	Open-End
Category	Income Fund
Launch Date	19 th February 2010
Listing	KSE, LSE & ISE
Stability Rating	AA- (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	A.F Ferguson & Co.
Registrar	National Investment Trust Ltd.
Pricing Mechanism	Forward Day 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- (JCR-VIS)
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. 74 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 21 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. All Investment decisions are taken by the Investment Committee of NITL.

Fund Performance Review

The fund yielded an annualized year to date return of 15.59% during the month of August 2011. Where as, the benchmark of the fund, average 6 month KIBOR, for the month stood at 13.37%.

State Bank of Pakistan reduced the policy rate by 50 bps to 13.50% in its previous Monetary Policy Statement. Due to which the fund experienced a significant increase in its returns mainly caused by its exposure in Term Finance Certificates. The fund managed to establish and construct a portfolio of high quality fixed income securities within its investment strategy that will continue to generate high returns to its investors.

The fund's asset allocation has around 24% of its total assets in TFCs, while around 71% of total assets are invested in Government securities. The fund has added to its fixed income portfolio an exposure of around 3% in a AA+ rated Commercial paper, having maturity of six months. The remaining is in the form of cash and other assets.

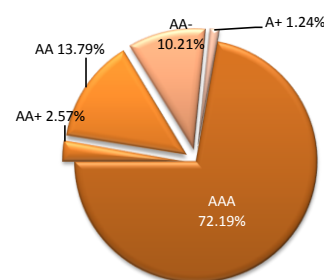
Technical Information

Net Assets	Rs. 1.9 Bln
Nav per Unit (30th August 2011)	Rs. 10.3744
Weighted Avg. Maturity (Days)	703
Leveraging	Nil
Standard Deviation of Return	0.07

TFC Holdings (% of Total Assets)

Bank Al-falah Ltd. IV	5.39%
Bank Al-Habib Ltd. IV	5.16%
Askari Bank Ltd. III	4.21%
Engro Fertilizer Ltd. TFC IV	3.36%
Bank Al-Habib Ltd. III	2.61%
United Bank Ltd. IV	2.52%
NIB Bank TFC	1.22%
Total	24.47%

Credit Quality of the Portfolio



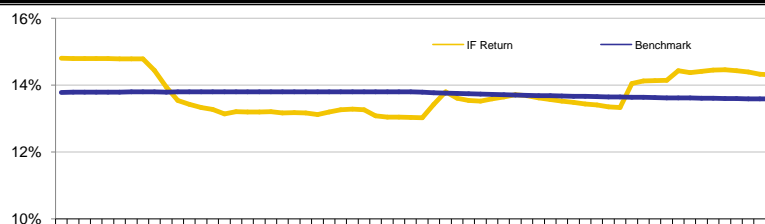
Fund Returns v/s Benchmark

	NIT-IF	Benchmark
August-11	15.59%	13.37%
Year to Date	14.33%	13.59%
Trailing 12-M Avg.	12.31%	13.55%

Asset Allocation (% of Total Assets)

	Aug-11	Jul-11
T-Bills	71.43%	66.54%
TFCs/Sukuks	24.47%	23.64%
CP	2.54%	0.00%
Cash	0.51%	8.95%
Others	1.05%	0.87%

NIT IF Year to Date Return v/s Benchmark



Members of the Investment Committee

Wazir Ali Khoja - Managing Director	Manzoor Ahmed - Chief Operating Officer	Aamir Amin - Head of Finance
Shahid Anwar - 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.

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