

NIT INCOME FUND



FUND MANAGER REPORT - SEPTEMBER 2012

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	A.F Ferguson & Co.
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	Khurram Aftab Ahmed

* 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 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. The family of Funds of NIT comprises of five funds including 3 equity Funds and 2 fixed income nature Funds. NIT's distribution network comprises of 22 NIT branches, various Authorized bank branches all over Pakistan and Arab Emirates Investment Bank (AEIB) in Dubai(UAE). NIT recently launched a state of the art Investors' Facilitation Centre to cater matters relating to investments in NIT and day to day inquiries/ issues of NIT's unit holders regarding NIT Funds. 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, 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 IF yielded an annualized return of 12.89% during the month of September 2012. The benchmark six month KIBOR reduced from 10.51% in the previous month to 10.22% towards the end of September and averaged 10.39% during the current month. The annualized return for the first quarter stood at 12.08% while its benchmark return was 11.14%

As inflation figures continue to remain in the single digit mark, it is widely anticipated that the State Bank of Pakistan would continue with its monetary easing stance and reduce Policy rates. Secondary market yields on Government securities reduced during the month inline with the anticipation for reduction in discount rates.

NIT IF's asset allocation at the end of the month has around 21% of its total assets in TFCs while around 62% of total assets are invested in Government Securities, 4% of its exposure is in Commercial paper and 11% of its exposure is in COIs. The remaining assets are in the form of cash and other assets.

Technical Information

Net Assets	Rs. 2.8 Bln
NAV per Unit (Sept 30 2012)	Rs. 10.6034
Weighted Avg. Maturity(Days)	579
Leveraging	Nil
Standard Deviation of Return	0.14

Fund Returns v/s Benchmark

	NIT-IF	Benchmark
September-12	12.89%	10.39%
Year to Date	12.08%	11.14%
Trailing12M Avg.	11.84%	11.78%

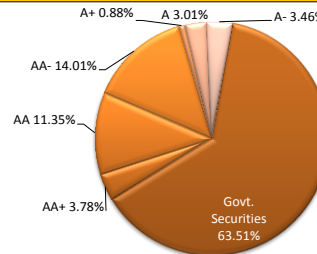
Asset Allocation (% of Total Assets)

	Sep-12	Aug-12
Govt. Sec	63.51%	62.27%
TFCs/Sukuks	20.34%	20.75%
LOP	3.53%	0.00%
CP	3.53%	3.64%
COI	6.71%	10.56%
Cash	1.25%	1.60%
Others	1.13%	1.18%

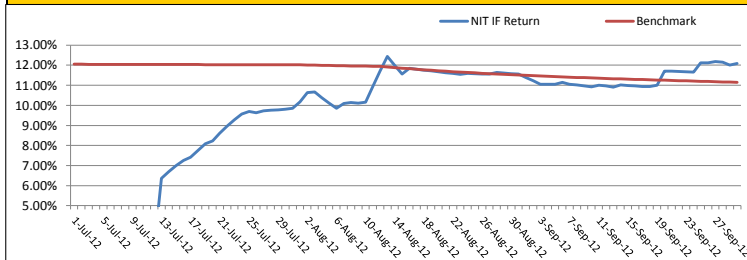
TFC Holdings (% of TA)

Bank Al-falah Ltd. IV	3.93%
Bank Al-Habib Ltd. IV	3.89%
Summit Bank Ltd	3.46%
Askari Bank Ltd. III	2.98%
Engro Fertilizer Ltd. TFC IV	2.08%
Bank Al-Habib Ltd. III	1.87%
United Bank Ltd. IV	1.25%
NIB Bank TFC	0.88%
Total	20.34%

Credit Quality of the Portfolio (% of TA)



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. 13.285m, if the same were not made the NAV per unit/ current year to date return of the Scheme would be higher by Rs. 0.0501/ 2.45%. For details investors are advised to read the Note 6 of the latest Financial Statement of the Scheme.

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
M. Imran Rafiq, CFA - Head of Research	M. Atif Khan - Manager Compliance & Risk Mgmt	

MUFAP's Recommended Format.

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