

FUND MANAGER REPORT - SEPTEMBER 2010

Fund's Basic Informations

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 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 2.02 Bln
Nav per Unit (31 Aug 2010)	10.2576
Weighted Avg. Maturity (Days)	582
Leveraging	Nil
Standard Deviation	0.29

Return History

	NIT-IF*	Benchmark
August-10	5.14%	12.82%
September-10	17.75%	12.92%
Year to Date	10.89%	12.70%
Since Inception	10.29%	12.49%
FY 2010	9.88%	12.35%

* Morning Star Method

Asset Allocation (% of Total Assets)

	August-10	September-10
Govt. Sec	79.03%	75.87%
TFCs	17.00%	18.26%
Cash	1.79%	4.90%
Others	2.18%	0.97%

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. 71 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) yielded an annualized return of 17.75% for the month of September 2010 against the benchmark return of 12.92%. Hence, the fund's return surpassed its benchmark by a healthy margin of 4.83%. For the first quarter FY11 NIT IF has yielded an annualized YTD return of 10.89%. Average six month KIBOR for the month reflected an increasing trend and reached at 12.92% up 10bps from its previous month average of 12.82%.

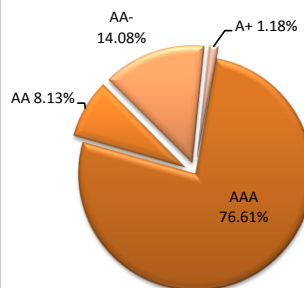
During the month, TFC portfolio marginally increased to 18.26% of the total assets from 17.00%, while Treasury bill portfolio has slightly reduced to 76% from 79% of the total assets. The balance represents cash with banks and others receivables.

In the absence of better rates on money market placements due to excess liquidity in the market and uncertainty on the interest rates scenario, the fund will utilize its proceeds in cash and cash like instruments so that it remains equipped to gain on any opportunity that arises.

TFC Holdings

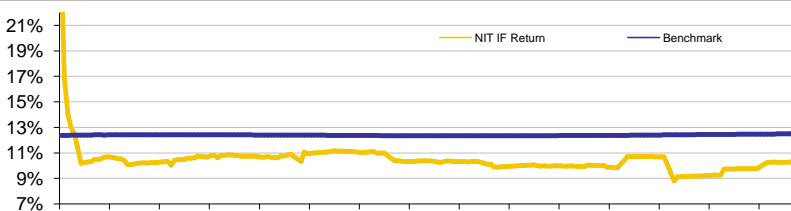
Bank Al-falah Ltd. IV
Askari Bank Ltd. III
Engro Fertilizer Ltd. TFC IV
Bank Al-Habib Ltd. III
United Bank Ltd. IV
NIB Bank TFC

Credit Quality of the Portfolio



18.26%

NIT-IF Return v/s Benchmark



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

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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