

## FUND MANAGER REPORT - SEPTEMBER 2011

### Fund's Basic Information

Fund Type	Open-End
Category	Income Fund
Launch Date	19 <sup>th</sup> 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

\*Varies as per policy

### Technical Information

Net Assets	Rs. 2.0 Bln
Nav per Unit (30th Sept 2011)	Rs. 10.4941
Weighted Avg. Maturity (Days)	688
Leveraging	Nil
Standard Deviation of Return	0.06

### Fund Returns v/s Benchmark

	NIT-IF	Benchmark
September-11	14.46%	13.38%
Year to Date	14.37%	13.52%
Trailing 12-M Avg.	12.98%	13.59%

### Asset Allocation (% of Total Assets)

	Sep-11	Aug-11
T-Bills	71.00%	71.43%
TFCs/Sukuks	24.21%	24.47%
CP	2.50%	2.54%
Cash	1.10%	0.51%
Others	1.19%	1.05%

### 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. 72 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

NIT IF yielded an annualized return of 14.46% during the month of September 2011, while its benchmark return for the same period stood at 13.38%. The year to date annualized return of the fund stood at 14.37% while the benchmark return for the same period was at 13.52%.

TFCs prices, mainly from the banking sector and having fixed rate of returns have appreciated significantly. The reduction in the secondary market yields of six month and 1 year Treasury bills strongly indicate further reduction in policy rate in the upcoming monetary policy. These reduction in yields have contributed to the high returns earned by NIT IF and will further enhance yields in the coming months. Ease in inflationary pressures would also advocate central bank to continue the process of monetary easing in the upcoming monetary policy.

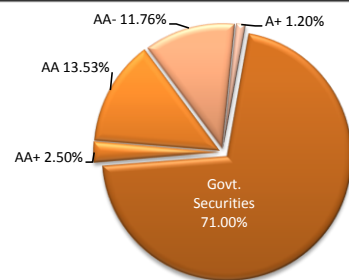
The fund's asset allocation has around 24% of its total assets in TFCs, while around 71% of total assets are invested in Treasury Bills. 3% in Commercial paper and the remaining is in the form of cash and other assets.

### TFC Holdings (% of TA)

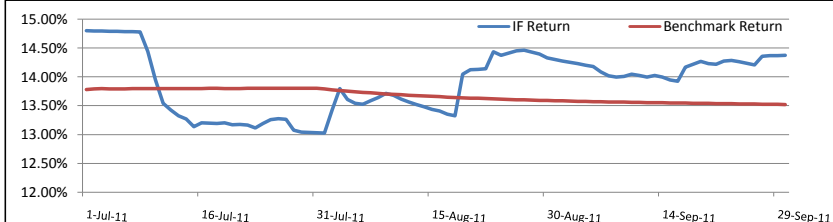
Bank Al-falah Ltd. IV	5.34%
Bank Al-Habib Ltd. IV	5.12%
Askari Bank Ltd. III	4.14%
Engro Fertilizer Ltd. TFC IV	3.30%
Bank Al-Habib Ltd. III	2.62%
United Bank Ltd. IV	2.49%
NIB Bank TFC	1.20%

24.21%

### Credit Quality of the Portfolio (% of TA)



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

### 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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