

## FUND MANAGER REPORT - NOVEMBER 2010

### 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	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 2.0 Bln
Nav per Unit (30th Nov 2010)	10.4228
Weighted Avg. Maturity (Days)	542
Leveraging	Nil
Standard Deviation	0.89

### Return History

	NIT-IF*	Benchmark
October-10	11.10%	13.21%
November-10	8.94%	13.28%
Year to Date	10.55%	12.92%
Since Inception	10.23%	12.65%
FY 2010	9.88%	12.35%

\* Morning Star Method

### Asset Allocation (% of Total Assets)

	October-10	November-10
Govt. Sec	73.88%	70.40%
TFCs	18.66%	18.29%
Cash	6.25%	10.19%
Others	1.21%	1.12%

### 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. 75 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 8.94% for the month of November 2010. The return suffered greatly due to drastic fluctuations in TFCs prices resulting from not being traded during the month. Year to date return of NIT IF stood at 10.53% while the benchmark six month average KIBOR during the month showed an increasing trend and reached 13.28%, an increase of 7bps from its previous month average of 13.21%.

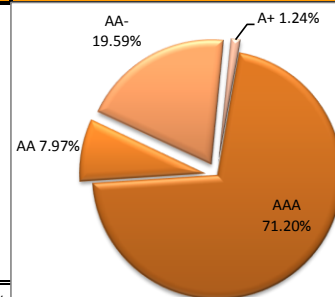
During the month, there was no change in the TFC portfolio and it remained around 18.30% of the total assets, while Treasury bill portfolio was slightly reduced to 70% from 74% of the total assets due to the anticipated rise in Policy rates in the coming monetary policy. The balance represents cash with banks and others receivables.

The Fund will continue to invest in short term liquid assets having short maturities, such as T-Bills and evaluate the opportunities to take exposure in Bank deposits as rates for such instruments are expected to increase as the Banking Financial Year draws to a close.

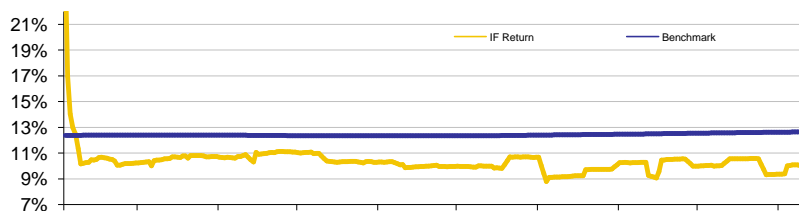
### TFC Holdings

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



### 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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