



An Open-end Income Fund primarily investing in portfolio of fixed income securities; NIT-IF offers a high degree of security to investors and is an ideal Fund for investors seeking competitive stream of returns with moderate level of risk.

A vertical bar on the left side of the orange box, composed of several colored segments: dark blue, light beige, blue, green, purple, red, and white.

Assurance
in
Income

NIT - INCOME FUND

AUDITORS' REPORT TO THE UNIT HOLDERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

INTRODUCTION

We have reviewed the accompanying condensed interim statement of assets and liabilities of **NIT- Income Fund** as at December 31, 2012, and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim distribution statement, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial information'), for the half year ended December 31, 2012. The Management Company (National Investment Trust Limited) is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2012 and December 31, 2011 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2012.

SCOPE OF REVIEW

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the half year ended December 31, 2012 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

A.F. Ferguson & Co.
Chartered Accountants
Engagement Partner: Rashid A. Jafer
Dated: February 7, 2013
Karachi

TRUSTEE REPORT TO THE UNIT HOLDERS

NIT - INCOME FUND

Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of NIT - Income Fund (the Fund) are of the opinion that National Investment Trust Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2012 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Muhammad Hanif Jakhura
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 7, 2013

NIT - INCOME FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2012

	(Unaudited) Note December 31, 2012	(Audited) June 30, 2012
	-----Rupees in '000-----	
ASSETS		
Bank balances	239,567	91,737
Investments	3,050,839	2,534,290
Accrued income	28,354	19,720
Security deposit	100	100
Preliminary expenses and floatation costs	1,847	2,282
Total assets	3,320,707	2,648,129
LIABILITIES		
Payable to National Investment Trust Limited - Management Company	8,789	7,839
Payable to Central Depository Company of Pakistan Limited - Trustee	300	244
Annual fee payable to the Securities and Exchange Commission of Pakistan	1,068	1,607
Payable against redemption of units	5,407	938
Accrued expenses and other liabilities	16,122	15,327
Total liabilities	31,686	25,955
NET ASSETS	3,289,021	2,622,174
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)	3,289,021	2,622,174
CONTINGENCIES AND COMMITMENTS		
	-----Number of units-----	
NUMBER OF UNITS IN ISSUE	302,739,462	230,084,039
	-----Rupees-----	
NET ASSET VALUE PER UNIT	10.8642	11.3966

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For National Investment Trust Limited
(Management Company)

Sd/-
Managing Director

Sd/-
Director

Sd/-
Director

NIT - INCOME FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2012

	Half year ended December 31, 2012		Quarter ended December 31, 2011	
Note	-----Rupees in '000-----			
INCOME				
Income from government securities	99,286	85,558	50,773	39,857
Profit on bank balances	2,364	5,118	991	4,175
Income from Term Finance Certificates	40,008	39,788	19,546	20,131
Income from Sukuks	5,361	2,973	2,982	2,973
Income from Term Deposit Receipts	322	1,633	322	-
Income from Certificates of Investment	15,520	414	7,289	414
Income from letters of placement	964	125	422	-
Participation fee	-	500	-	-
Amortisation of premium on Term Finance Certificates - net	(79)	(15)	(255)	(191)
Capital gain on sale of investments	430	1,176	272	1,176
Total income	164,176	137,270	82,342	68,535
EXPENSES				
Remuneration of National Investment Trust Limited - Management Company	17,808	12,598	9,376	6,467
Sindh sales tax on Management Company's remuneration	2,849	2,015	1,500	1,034
Remuneration of Central Depository Company of Pakistan Limited - Trustee	1,640	1,282	852	653
Annual fee - Securities and Exchange Commission of Pakistan	1,068	753	562	386
Custody charges	3	3	1	1
Amortisation of preliminary expenses and floatation costs	436	436	218	218
Settlement and bank charges	130	49	66	9
Securities transaction costs	120	96	64	46
Listing fee	60	60	-	-
Auditors' remuneration	183	190	158	90
Printing charges	50	50	25	50
Rating fee	75	100	75	25
Total expenses	24,422	17,632	12,897	8,979
Net income from operating activities	139,754	119,638	69,445	59,556
Element of income and capital gains included in prices of units issued less those in units redeemed - net	40,945	5,206	29,173	3,809
Provision for contribution to Workers' Welfare Fund	(3,610)	(2,496)	(1,965)	(1,266)
Net income for the period before taxation	177,089	122,348	96,653	62,099

NIT - INCOME FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
 FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2012

Note	Half year ended December 31,		Quarter ended December 31,	
	2012	2011	2012	2011
----- Rupees in '000 -----				
Taxation	9	-	-	-
Net income for the period after taxation		<u>177,089</u>	<u>122,348</u>	<u>96,653</u>
Earnings per unit (in Rupees)	10	<u>0.6614</u>	<u>0.6420</u>	<u>0.3528</u>

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For National Investment Trust Limited
(Management Company)

Sd/-
Managing Director

Sd/-
Director

Sd/-
Director

NIT - INCOME FUND
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE
 INCOME (UNAUDITED)**
 FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2012

Note	Half year ended December 31,		Quarter ended December 31,	
	2012	2011	2012	2011
-----Rupees in '000-----				
Net income for the period after taxation		177,089	122,348	96,653
Other comprehensive income				
Unrealised appreciation / (diminution) in fair value of investments classified as 'available for sale'	6.7	17,792	4,170	5,259
Total comprehensive income for the period		<u>194,881</u>	<u>126,518</u>	<u>101,912</u>

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For National Investment Trust Limited
(Management Company)

Sd/-
Managing Director

Sd/-
Director

Sd/-
Director

NIT - INCOME FUND
CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED)
 FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2012

	Half year ended December 31,	
	2012	2011
	-----Rupees in '000-----	
Undistributed income brought forward comprising:		
Realised income	307,922	215,440
Unrealised income	-	-
	<u>307,922</u>	<u>215,440</u>
Final distribution for the year ended June 30, 2012: Rs 1.1065 per unit (2011: Rs 1.0581 per unit)		
- Bonus Units	(202,742)	(97,386)
- Cash Distribution	(49,181)	(89,153)
- CIP Units	(2,665)	(3,654)
Net income for the period after taxation	177,089	122,348
Undistributed income carried forward	<u>230,423</u>	<u>147,595</u>
Undistributed income carried forward comprising :		
Realised income	230,423	147,595
Unrealised income	-	-
	<u>230,423</u>	<u>147,595</u>

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

**For National Investment Trust Limited
(Management Company)**

Sd/-
Managing Director

Sd/-
Director

Sd/-
Director

NIT - INCOME FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT
IN UNIT HOLDERS' FUND (UNAUDITED)
 FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2012

	Note	Half year ended December 31,	
		2012	2011
		-----Rupees in '000-----	
Net assets at the beginning of the period		2,622,174	2,013,727
Issue of 86,656,101 units (2011:22,275,863 units) for the half year ended December 31, 2012		923,697	235,504
Redemption of 33,962,282 units (2011:17,053,757 units) for the half year ended December 31, 2012		(361,605)	(179,513)
		562,092	55,991
Issue of 19,702,603 units (2011: 9,599,587 units) as bonus units for the half year ended December 31, 2012		202,742	97,386
Issue of 259,001 units (2011: 360,164 units) under Cumulative Investment Plan for the half year ended December 31, 2012		2,665	3,654
		<u>3,389,673</u>	<u>2,170,758</u>
Element of income and capital gains included in prices of units issued less those in units redeemed - net		(40,945)	(5,206)
Unrealised appreciation in the fair value of investments classified as 'available for sale' - net	6.7	17,792	4,170
Capital gain on sale of investments		430	1,176
Other net income for the period		176,659	121,172
Final Distribution for the year ended June 30, 2012: Rs1.1065 per unit (2011: Rs1.0581 per unit)			
- Bonus Units		(202,742)	(97,386)
- Cash Distribution		(49,181)	(89,153)
- Units under Cumulative Investment Plan		(2,665)	(3,654)
		(77,499)	(67,845)
Net assets at the end of the period		<u>3,289,021</u>	<u>2,101,877</u>

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

**For National Investment Trust Limited
(Management Company)**

Sd/-
Managing Director

Sd/-
Director

Sd/-
Director

NIT - INCOME FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
 FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2012

	Half year ended December 31,	
	2012	2011
	-----Rupees in '000-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	177,089	122,348
Adjustments:		
Amortisation of preliminary expenses and floatation costs	436	436
Element of income and capital gains included in prices of units issued less those in units redeemed - net	(40,945)	(5,206)
Amortisation of premium / (discount) on term finance certificates-net	79	15
Capital gain on sale of investments	(430)	(1,176)
Remuneration to National Investment Trust Limited - Management Company	17,808	12,598
Sindh Sales Tax on Management Company's remuneration	2,849	2,015
Profit on bank balances	(2,364)	(5,118)
	154,522	125,912
(Increase) / decrease in assets		
Investments	(498,406)	34,873
Accrued income	(8,690)	(8,075)
Receivable against sale of units	-	125,000
	(507,096)	151,798
Increase / (decrease) in liabilities		
Payable on redemption of units	4,469	(135,635)
Payable to National Investment Trust Limited - Management Company	31	25
Payable to Central Depository Company of Pakistan Limited - Trustee	56	6
Annual fee payable to the Securities and Exchange Commission of Pakistan	(539)	(772)
Accrued expenses and other liabilities	795	5,297
	4,812	(131,079)
Remuneration paid to the Management Company inclusive of Sindh Sales Tax	(19,737)	(14,186)
Profit received on bank balances	2,418	2,933
Net cash (used in) / generated from operating activities	(365,081)	135,378
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issue of units	923,697	235,504
Distribution paid	(49,181)	(89,153)
Payments on redemption of units	(361,605)	(179,513)
Net cash generated from / (used in) financing activities	512,911	(33,162)
Net increase in cash and cash equivalents during the period	147,830	102,216
Cash and cash equivalents at the beginning of the period	91,737	195,661
Cash and cash equivalents at the end of the period	239,567	297,877

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For National Investment Trust Limited
(Management Company)

Sd/-
Managing Director

Sd/-
Director

Sd/-
Director

NIT - INCOME FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM
FINANCIAL INFORMATION
 FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2012

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** NIT - Income Fund (the "Fund") was established under a Trust Deed executed on September 17, 2009 between National Investment Trust Limited ("NITL"), as Management Company, and Central Depository Company of Pakistan Limited ("CDC"), as Trustee. The Fund was approved by the Securities and Exchange Commission of Pakistan ("SECP") vide its letter no. NBFC-II/NITL/1026/2009 dated November 20, 2009 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 ("NBFC Rules").
- 1.2** The Management Company of the Fund has been classified as a Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the Securities and Exchange Commission of Pakistan (SECP) to undertake Asset Management Services. The registered office of the Management Company is situated at 6th floor, National Bank of Pakistan Building I.I. Chundrigar Road, Karachi.
- 1.3** The Fund is an open-ended mutual fund. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The units of the Fund were initially offered for public subscription at par from February 15, 2010 to February 19, 2010 (both days inclusive). Prior to the public offer, units were offered and issued to core investors and pre IPO investors at par value of Rs. 10. Subsequent to the initial period i.e., after February 19, 2010 units are being offered in accordance with the basis specified in the offering document.
- 1.4** The objective of the 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.
- 1.5** Pakistan Credit Rating Agency Limited (PACRA) has assigned a rating of 'AM2-' to the management company and A+(f) to the Fund

2 BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the "NBFC Regulations") and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by SECP differ with the requirements of IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by SECP prevail.

The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published financial statements of the Fund for the year ended June 30, 2012.

This condensed interim financial information is unaudited. However, a review has been performed by the statutory auditors in accordance with the requirements of the Code Corporate Governance. This condensed interim financial information is being circulated to the unit holders as required under the NBFC Regulations.

In compliance with the requirements of schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at December 31, 2012.

2.2 Standards, interpretations and amendments to published approved accounting standards that are effective in the current period

The following new standards and amendments to existing standards are mandatory for the first time for the financial period beginning on or after July 1, 2012:

Amendment to IFRS 7, 'Financial instruments': The amendment includes new disclosures to facilitate comparison between those entities that prepare IFRS financial statements to those that prepare financial statements in accordance with US GAAP. The adoption of this amendment did not have any impact on the Fund's condensed interim financial information.

There are certain other new standards, amendments and interpretations that became effective during the period and are mandatory for accounting periods beginning on or after July 1, 2012 but are considered not to be relevant or did not have any significant effect on the Fund's operations and are, therefore, not disclosed in this condensed interim financial information.

NIT - INCOME FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM
FINANCIAL INFORMATION
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2012

2.3 Standards, interpretations and amendments to published approved accounting standards, as adopted in Pakistan, that are not yet effective:

There are certain new standards, amendments to approved accounting standards and new interpretations that are mandatory for accounting periods beginning on or after July 1, 2013 but are considered not to be relevant or did not have any significant effect on the Company's operations and are, therefore, not detailed in these financial statements.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied for the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual published financial statements of the Fund for the year ended June 30, 2012.

The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2012.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis and the methods used for critical accounting estimates and judgments adopted in this condensed interim financial information are same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2012.

4.1 During the period the SECP has made certain amendments in the criteria relating to the methodology for valuation of debt securities and determining minimum provisioning requirements in respect of non performing debt securities. These revisions were made vide Circular No. 33 of 2012 dated October 24, 2012. The aforementioned circular has had no impact on the net asset value of the Fund and on the net income of the current period.

5 BASIS OF MEASUREMENT

5.1 This condensed interim financial information has been prepared under the historical cost convention, except that certain investments, have been marked to market and are carried at fair value.

5.2 Functional and presentation currency

This condensed interim financial information has been presented in Pakistani Rupee, which is the Fund's functional and presentation currency.

6 INVESTMENTS

Available for sale

	Note	(Unaudited) December 31, 2012	(Audited) June 30, 2012
Government securities - Market Treasury Bills	6.1	1,968,926	1,497,617
Government securities - Pakistan Investment Bond	6.1	102,548	96,311
Term finance certificates - listed	6.2 & 6.5	298,783	306,506
Term finance certificates - unlisted	6.3 & 6.5	280,582	343,856
Sukuk	6.4	100,000	-
Certificates of Investment	6.6	300,000	290,000
		<u>3,050,839</u>	<u>2,534,290</u>

6.1 Investment in government securities - Available for sale

Issue date	Tenor	Face value				Balance as at December 31, 2012			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2012	Purchases during the period	Sales / matured during the period	As at December 31, 2012	Carrying value	Market value	Appreciation / (Diminution)		
(Rupees in '000)										

Market Treasury Bills

May 17, 2012	3 Months	335,000	-	335,000	-	-	-	-	0%	0%
May 31, 2012	3 Months	100,000	-	100,000	-	-	-	-	0%	0%
June 14, 2012	3 Months	230,000	-	230,000	-	-	-	-	0%	0%
June 28, 2012	3 Months	140,000	50,000	190,000	-	-	-	-	0%	0%
August 23, 2012	3 Months	-	85,000	85,000	-	-	-	-	0%	0%
September 06, 2012	3 Months	-	80,000	80,000	-	-	-	-	0%	0%
September 20, 2012	3 Months	-	220,000	220,000	-	-	-	-	0%	0%
November 01, 2012	3 Months	-	200,000	-	200,000	198,861	198,841	(20)	6%	7%
November 29, 2012	3 Months	-	95,000	-	95,000	93,795	93,795	-	3%	3%
December 13, 2012	3 Months	-	187,500	-	187,500	184,468	184,478	10	6%	6%

NIT - INCOME FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM
FINANCIAL INFORMATION
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2012

Issue date	Tenor	Face value				Balance as at December 31, 2012			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2012	Purchases during the period	Sales / matured during the period	As at December 31, 2012	Carrying value	Market value	Appreciation / (Diminution)		
(Rupees in '000)										
March 08, 2012	6 Months	15,000	-	15,000	-	-	-	0%	0%	
July 26, 2012	6 Months	-	105,000	55,000	50,000	49,647	49,710	63	2%	
August 09, 2012	6 Months	-	305,000	100,000	205,000	202,741	203,106	365	6%	
August 23, 2012	6 Months	-	200,000	-	200,000	197,236	197,464	228	6%	
September 06, 2012	6 Months	-	200,000	-	200,000	196,514	196,777	263	6%	
October 18, 2012	6 Months	-	140,000	-	140,000	136,244	136,324	80	4%	
November 01, 2012	6 Months	-	227,000	-	227,000	220,324	220,284	(40)	7%	
November 15, 2012	6 Months	-	195,000	-	195,000	188,608	188,586	(22)	6%	
December 13, 2012	6 Months	-	100,000	-	100,000	96,041	96,055	14	3%	
August 25, 2011	12 Months	85,000	-	85,000	-	-	-	-	0%	
September 22, 2011	12 Months	75,000	-	75,000	-	-	-	-	0%	
October 06, 2011	12 Months	6,000	-	6,000	-	-	-	-	0%	
November 03, 2011	12 Months	502,000	-	502,000	-	-	-	-	0%	
November 17, 2011	12 Months	50,000	-	50,000	-	-	-	-	0%	
August 09, 2012	12 Months	-	200,000	-	200,000	187,534	189,489	1,955	6%	
October 04, 2012	12 Months	-	15,000	-	15,000	13,997	14,017	20	0%	
		<u>1,538,000</u>	<u>2,604,500</u>	<u>2,128,000</u>	<u>2,014,500</u>	<u>1,966,010</u>	<u>1,968,926</u>	<u>2,916</u>	<u>60%</u>	<u>65%</u>

Issue date	Tenor	Face value				Balance as at December 31, 2012			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2012	Purchases during the period	Sales / matured during the period	As at December 31, 2012	Carrying value	Market value	Appreciation / (Diminution)		
(Rupees in '000)										
Pakistan Investment Bond										
July 22, 2010	5 years	50,000	-	-	50,000	49,195	51,441	2,246	2%	
August 18, 2011	5 years	50,000	-	-	50,000	48,759	51,107	2,348	2%	
		<u>100,000</u>	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>97,954</u>	<u>102,548</u>	<u>4,594</u>	<u>3%</u>	<u>3%</u>
		<u>1,638,000</u>	<u>2,604,500</u>	<u>2,128,000</u>	<u>2,114,500</u>	<u>2,063,964</u>	<u>2,071,474</u>	<u>7,510</u>	<u>63%</u>	<u>68%</u>

6.2 Term finance certificates - listed

All certificates have a face value of Rs. 5,000 each.

Name of the investee company	Number of certificates				Balance as at December 31, 2012			Market value as a percentage of net assets	Market value as a percentage of total investments
	As at July 1, 2012	Purchases during the period	Disposed during the period	As at December 31, 2012	Carrying value	Market value	Appreciation / (Diminution)		
(Rupees in '000)									
Commercial banks									
Askari Bank Limited	16,000	-	-	16,000	80,606	88,241	7,635	3%	3%
NIB Bank Limited	5,000	-	-	5,000	24,331	25,018	687	1%	1%
United Bank Limited	7,000	-	-	7,000	33,293	35,707	2,414	1%	1%
Summit Bank Limited	20,000	-	-	20,000	99,954	95,434	(4,520)	3%	3%
	<u>48,000</u>	<u>-</u>	<u>-</u>	<u>48,000</u>	<u>238,184</u>	<u>244,400</u>	<u>6,216</u>	<u>12%</u>	<u>8%</u>
Fertilizer									
Engro Fertilizer Limited	13,000	-	-	13,000	60,229	54,383	(5,846)	2%	2%
	<u>61,000</u>	<u>-</u>	<u>-</u>	<u>61,000</u>	<u>298,413</u>	<u>298,783</u>	<u>370</u>	<u>14%</u>	<u>10%</u>

NIT - INCOME FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM
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FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2012

6.3 Term finance certificates - unlisted

All certificates have a face value of Rs. 5,000 each.

Name of the investee company	Number of certificates				Balance as at December 31, 2012			Market value as a percentage of net assets	Market value as a percentage of total investments
	As at July 1, 2012	Purchases during the period	Disposed during the period	As at December 31, 2012	Carrying value	Market value	Appreciation / (Diminution)		
----- Rupees in '000 -----									
Commercial banks									
Bank Al-Falah Limited (Fixed)	7,000	-	-	7,000	35,181	38,017	2,836	1%	1%
Bank Al-Falah Limited (Floating)	14,000	-	-	14,000	70,475	73,180	2,705	2%	2%
Bank Al-Habib Limited (June 2009)	10,000	-	-	10,000	51,664	55,883	4,219	2%	2%
Bank Al-Habib Limited (June 2011)	20,000	-	-	20,000	99,940	113,502	13,562	3%	4%
	51,000	-	-	51,000	257,260	280,582	23,322	9%	9%

6.4 Short Term Sukuk - unlisted

All certificates have a face value of Rs. 5,000 each.

Name of the investee company	Number of certificates				Balance as at December 31, 2012			Market value as a percentage of net assets	Market value as a percentage of total investments
	As at July 1, 2012	Purchases during the period	Disposed during the period	As at December 31, 2012	Carrying value	Market value	Appreciation / (Diminution)		
----- Rupees in '000 -----									
Hub Power Company Limited	15,000	20,000	15,000	20,000	100,000	100,000	-	3%	3%

6.5 Significant terms and conditions of term finance certificates and short term sukuk's outstanding at the period end are as follows:

Name of security	Number of certificates	Unredeemed face value (Rupees)	Mark-up rate (per annum)	Issue date	Tenor	Secured / unsecured	Rating
Listed term finance certificates							
Askari Bank Limited	16,000	4,994	6-months KIBOR + 2.50%	November 18, 2009	10 years	Unsecured	AA-
NIB Bank Limited	5,000	4,991	6-months KIBOR + 1.15%	March 5, 2008	8 years	Unsecured	A+
United Bank Limited	7,000	4,991	6-months KIBOR + 0.85%	February 14, 2008	10 years	Unsecured	AA
Engro Fertilizers Limited	13,000	4,598	6-months KIBOR + 2.40%	December 17, 2009	7 years	Secured	AA
Summit Bank Limited	20,000	4,998	6-months KIBOR + 3.25%	October 27, 2011	7 years	Secured	A
Unlisted term finance certificates							
Bank Al-Falah Limited (Fixed)	7,000	4,994	15.00%	December 2, 2009	8 years	Unsecured	AA-
Bank Al-Falah Limited (Floating)	14,000	4,994	6-months KIBOR + 2.50%	December 2, 2009	8 years	Unsecured	AA-
Bank Al-Habib Limited (June 2009)	10,000	4,986	15.50%	June 15, 2009	8 years	Unsecured	AA
Bank Al-Habib Limited (June 2011)	20,000	4,997	15.00%	June 30, 2009	10 years	Unsecured	AA
Unlisted short term sukuk							
Hub Power Company Limited	20,000	5,000	6-months KIBOR + 1.10%	August 4, 2011	6 months	Unsecured	N/A

6.6 Certificates of Investment

Name of the investee company	Number of certificates				Balance as at December 31, 2012			Market value as a percentage of net assets	Market value as a percentage of total investments
	As at July 1, 2012	Purchases during the year	Disposals during the year	As at December 31, 2012	Carrying value	Market value	Appreciation / (Diminution)		
----- Rupees in '000 -----									
Pak Libya Holding Company Pvt Limited	150,000	350,000	300,000	200,000	200,000	200,000	-	6%	7%
Pak Brunei Investment Company	140,000	140,000	140,000	-	-	-	-	-	-
Saudi Pak Industrial and agriculture company	-	100,000	100,000	100,000	100,000	100,000	-	3%	3%
Total - June 30, 2012	290,000	590,000	540,000	300,000	300,000	300,000	-	6.08%	6.56%

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Name of the investee company	Number of certificates				Balance as at December 31, 2012			Market value as a percentage of net assets	Market value as a percentage of total investments
	As at July 1, 2012	Purchases during the year	Disposals during the year	As at December 31, 2012	Carrying value	Market value	Appreciation / (Diminution)		
----- Rupees in '000 -----									
Total - June 30, 2011	-	290,000	-	290,000	290,000	290,000	-	11.00%	6.56%

6.7 Net unrealised appreciation/(diminution) on re-measurement of investments classified as 'available for sale'

	(Unaudited) December 31, 2012	(Audited) June 30, 2012
----- Rupees in '000 -----		
Market value of investments	3,050,839	2,534,290
Less: Cost of investments	3,019,637	2,520,880
	31,202	13,410
Less: Net unrealised appreciation in the fair value of investments at the beginning of period	13,410	(786)
	17,792	12,624

7 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2012.

8 WORKERS WELFARE FUND

The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs. 0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication.

Subsequent to the year ended June 30, 2010, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. However, on December 14, 2010, the Ministry filed its response against the constitutional petition requesting the Court to dismiss the petition. According to the legal counsel who is handling the case there is a contradiction between the aforementioned clarification issued by the Ministry and the response filed by the Ministry in Court.

Subsequent to the year ended June 30, 2011, the Honorable Lahore High Court (LHC) in a constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, has declared the said amendments as unlawful and unconstitutional and struck them down. The Management Company is hopeful that the decision of the LHC will lend further support to the Constitutional Petition which is pending in the Sindh High Court. However, without prejudice to the above, the Management Company, as a matter of abundant caution, has decided to retain the provision for WWF amounting to Rs 15.253 million (including Rs 3.610 million for the current period) in this condensed interim financial information. Had the provision not been made the net asset value of the Fund would have been higher by Rs. 0.0504 per unit.

9 TAXATION

The income of the Fund is exempt from income tax under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. The Fund has not recorded provision for taxation as the Management Company of the Fund intends to distribute at least ninety percent of the Fund's accounting income for the current period as reduced by capital gains, whether realised or unrealised, to its unit holders.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11(A) of part IV of the second schedule to the Income Tax Ordinance, 2001.

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	----- Unaudited -----			
	Half year ended December 31, 2012	Half year ended December 31, 2011	Quarter ended December 31, 2012	Quarter ended December 31, 2011
10 EARNINGS PER UNIT	----- Rupees in '000-----			
Net income for the period after taxation	177,089	122,348	96,653	62,099
	----- (Number of units)-----			
Weighted average number of units outstanding during the period	267,733,043	190,578,244	273,962,872	192,449,421
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Earnings per unit	0.6614	0.6420	0.3528	0.3227

11 TRANSACTIONS WITH CONNECTED PERSONS

- 11.1** Connected persons include National Investment Trust Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes managed by the Management Company, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the Fund and directors and officers of the Management Company and the Trustee.
- 11.2** Remuneration to the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.
- 11.3** Remuneration payable to the Trustee is determined in accordance with the provisions of the Trust Deed.
- 11.4** Other transactions with connected persons are in the normal course of business, at contracted terms determined in accordance with the market rates.
- 11.5** Details of transactions with connected persons during the period are as follows:

	----- Unaudited -----			
	Half year ended December 31, 2012	Half year ended December 31, 2011	Quarter ended December 31, 2012	Quarter ended December 31, 2011
	-----Rupees in '000-----			

National Investment Trust Limited - Management Company

Issue of 4,383,749 bonus units (2011: 3,850,438 bonus units)	45,109	39,062	-	-
Issue of 23,182,063 units (2011: nil units)	250,000	-	-	-
Front end load on sale of units	31	25	29	15
Remuneration of the Management Company	17,808	12,598	9,376	6,467
Sindh Sales Tax on remuneration to Management Company	2,849	2,015	2,849	1,034

National Investment Trust Limited - Employees Provident Fund

Issue of 275,040 bonus units (2011: 241,580 units)	2,830	2,451	(27,193)	-
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National Investment Trust Limited - Employees Pension Fund

Issue of 1,110,213 bonus units (2011: 975,148 units)	11,424	9,893	(109,765)	-
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Central Depository Company of Pakistan Limited - Trustee

Trustee fee for the period	1,640	1,282	852	653
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Director and Key Management Personal

Issue of Nil bonus units (2011: 2,159)	-	22	-	-
Redemption of Nil units (2011: 22,589)	-	239	-	-

NIT - INCOME FUND
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	(Unaudited)	(Audited)
	December 31, 2012	June 30, 2012
11.6 Amounts outstanding at the end of the period:	-----Rupees in '000-----	
National Investment Trust Limited - Management Company		
68,333,291 units held (June 30, 2012: 40,767,479 units)	742,387	464,611
Management fee payable	3,879	2,960
Formation cost and other initial charges payable	4,484	4,484
Sales load payable	426	395
	(Unaudited)	(Audited)
	December 31, 2012	June 30, 2012
	-----Rupees in '000-----	

National Investment Trust Limited - Employees Provident Fund

2,832,829 units held (June 30, 2012: 2,557,789 units)	30,776	29,150
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National Investment Trust Limited - Employees Pension Fund

11,434,843 units held (June 30, 2012: 10,324,630 units)	124,230	117,666
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Central Depository Company of Pakistan Limited - Trustee

Trustee fee payable	300	244
Security Deposit	100	100

12 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on February 7, 2013 by the Board of Directors of the Management Company.

13 GENERAL

13.1 Figures have been rounded off to the nearest thousand rupees unless otherwise stated.

13.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation. No significant reclassifications have been made during the current period.

For National Investment Trust Limited
(Management Company)

Sd/-
Managing Director

Sd/-
Director

Sd/-
Director