

FUND MANAGER REPORT - JUNE 2011

Fund's Basic Information

Fund Type	Open-End
Category	Income Fund
Launch Date	19 th February, 2010
Listing	KSE, LSE & ISE
Stability Rating	AA- (F)
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 Saturday) except public holiday
Redemption Days	Daily (Monday to Saturday) except public holiday
Subscription Days	Each valuation day
AMC Rating	Under Review
Risk Profile	Moderate
Benchmark	6-Month KIBOR
Fund Manager	Khurram Aftab Ahmed

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. 81 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 Income Fund (NIT IF) yielded an annualized year to date return of 12.10% for FY11. Where as, the monthly annualized return for the month of June 2011 stood at 13.38%. The benchmark of the fund, average 6 month KIBOR, for the month of June 2011 stood at 13.78%.

Inline with its policy of building a quality portfolio of TFCs and other fixed income securities, NIT IF increased its exposure in TFCs to 23.35% during June-11. While the fund has also taken exposure in TDRs and invested 7.39% of total assets. The fund's investment in Government securities have come down from 79.78% in May-11 to 66.69% in June-11. While around 2.37% of total assets are in the form of cash and others.

NIT IF will continue to build a portfolio within the investment avenues available while remaining cautious owing to the progress of key areas of concern to the economy.

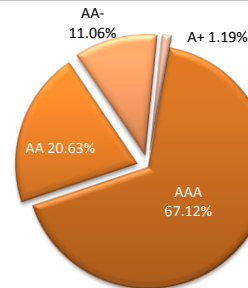
Technical Information

Net Assets	Rs. 2.0 Bln
Nav per Unit (31st May 2011)	11.2029
Weighted Avg. Maturity (Days)	690
Leveraging	Nil
Standard Deviation	1.18%

TFC Holdings (% of Total Assets)

Bank Al-falah Ltd. IV	5.19%
Bank Al-Habib Ltd. IV	4.93%
Askari Bank Ltd. III	4.08%
Engro Fertilizer Ltd. TFC IV	3.25%
Bank Al-Habib Ltd. III	2.49%
United Bank Ltd. IV	2.43%
NIB Bank TFC	1.19%

Credit Quality of the Portfolio



23.55%

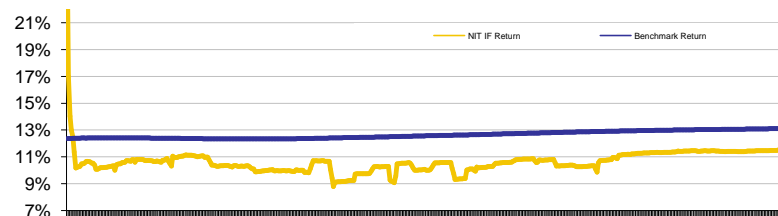
Fund Returns v/s Benchmark

	NIT-IF	Benchmark
June-11	13.38%	13.78%
Year to Date	12.10%	13.38%
Trailing 12-M Avg.	12.10%	13.38%

Asset Allocation (% of Total Assets)

	Jun-11	May-11
T-Bills	66.69%	79.78%
TFCs	23.55%	18.08%
TDR	7.39%	0.00%
Cash	1.72%	1.09%
Others	0.64%	1.05%

Since Inception 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

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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