



NIT GOVERNMENT BOND FUND



FUND MANAGER REPORT - FEBRUARY 2014

Fund's Basic Informations		
Fund Type	Open-End	
Category	Income Fund	
Launch Date	18 th November 2009	
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 Depositary Co. (CDC)	
Auditors	KPMG Taseer Hadi	
Registrar	National Investment Trust Ltd.	
Pricing Mechanism	Forward Day 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)	

Objective of the fund

The objective of NIT Government Bond Fund is to generate best possible return with minimum risk, for its Unit Holders, by investing primarily in the Government Securities.

Profile of Investment Managers

National Investment Trust Ltd. (NITL) is the first and the largest Asset Management Company of Pakistan, formed in 1962. With approximately Rs. 87 billion assets under management as on 28 February 2014, the family of Funds of NIT comprises of five funds including 3 equity funds and 2 fixed income nature Funds NIT's tally of nationwide branches is 23, yet another milestone as no Mutual Fund in Pakistan has such a big network of nationwide branches. Further to cater to the matters relating to investments in NIT and day to day inquiries/issues of its unit holders, a state of the art Investors' Facilitation Centre is also in place. The Board of Directors of NITL consists of representatives of leading financial institutions, prominent industrialists and nominee of Govt. of Pakistan. The Company has been assigned an Asset Manager rating of "AM2-" by PACRA, which reflects the company's very strong capacity to manage the risks inherent in the asset management business 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

The current year to date return clocked at 7.03% p.a against its benchmark return of 8.61% p.a whereas , the annualized return for the month of February stood at 8.59% against its benchmark return of 9.13%.

The Consumer Price Index (CPI) for the month of February increased slightly from 7.9% to 7.9% year on year over the previous month. Overall inflation for the period July-Feb 2014 stood at 8.6% against the full year expectations of 10-11% for FY14. Reduction in inflation was anticipated due to persistent decline in food inflation which helped in containing overall inflation. Inflation has eased since the recent high of 10.9% in November 2013.

In the last Treasury Bills auctions held during the month participation was observed in the 3 month papers. Cut off yields for the 3 and 6 months paper stood at the same level of 9.9564% p.a and 9.9791% p.a respectively as compared to previous auction, whereas no participation was witnessed in 12 months paper. PIB auction was held on 26-Feb 2014 where hefty participation was seen and investors participated with an amount of around Rs. 279 billion out of which Rs. 247 billion was accepted.

The fund remains invested in Government Securities by about 99% of total assets mainly comprising of Treasury Bills while the remaining is in the form of cash and other assets. NIT GBF weighted average time to maturity of its portfolio stood at 100 days.

* Varies as per policy	
Benchmark	
Average of weighted average yield of 6 month T-Bill auctions held during the period	70%
1 month average deposit rate of A and	30%

Shoaib Ahmed Khan

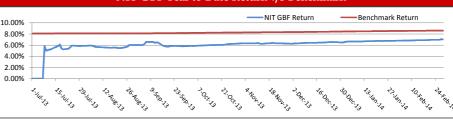
Risk Profile

Fund Manager

Technical Information		
Net Assets	PKR 4.0 Bln	
NAV per Unit (Feb 28 2014)	10.5554	
Weighted Avg. Maturity (Days)	100	
Leveraging	Nil	
Standard Deviation of Return	0.06	

Fund's Return v/s Benchmark			
	NIT-GBF	Benchmark'	
January-14	8.27%	8.71%	
February-14	8.59%	9.13%	
Year to Date	7.03%	8.61%	
Since Inception	11.57%	10.02%	
12 M Trailing	7.51%	8.55%	

Credit Rating as of Feb 2014 (% of TA) Asset Allocation (% of TA) AA+. Jan-14 Feb-14 1.45% T-Bills 88.68% 86.63% 11.91% PIBs 8.11% 0.00% 0.00% Rev Repo 98.55% Cash 0.71% 0.64% 0.74% Others NIT GBF Year to Date Return v/s Benchmark



WWF Disclosure- The Scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 28.841m, if the same were not made the NAV per unit/current year to date return of the Scheme would be higher by Rs. 0.0749/1.12%. For details investors are advised to read the Note 10 of the latest Financial Statement of the Scheme.

* Deposit Rates of a few Banks are as of January 2014

Members of the Investment Committee

Manzoor Ahmed - COO / Managing Director

Shahid Anwar - Head of MD's Sectt. & Personnel Zubair Ahmed - Controller of Branches/Comp. Secretary

Shoaib. A. Khan - SVP/ Fund Manager

Aamir Amin - Head of Finance

M. Imran Rafiq, CFA - Head of Research Zubair Ahmed - Controller of Branches/Comp. Secretary Shoaib. A. Khan - SVP/ Fund

M. Atif Khan - Manager Compliance and 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-GBFs unit price is neither guaranteed nor administered/managed. It is based on Net Asset Value (NAV) and the NAV of NIT-GBF 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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