

NIT GOVERNMENT BOND FUND

FUND MANAGER REPORT - February 2017

| Fund's Basic Informations | | Objective of the fund |
|---------------------------|--|--|
| Fund Type | Open-End | <p>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.</p> <p>Profile of Investment Managers</p> <p>National Investment Trust Ltd. (NITL) is the first and the largest Asset Management Company of Pakistan, formed in 1962. With approximately Rs. 118 billion assets under management as on 28 February 2017, the family of Funds of NIT comprises of ten funds including 4 equity funds, 2 fixed income funds, 1 money market fund, 1 islamic income fund, 1 conventional pension fund and 1 islamic pension fund. NIT's tally of nationwide branches is 23 and sales desk is also available in financial hub at Abbotabad, yet another milestone as no Asset Management Company in Pakistan has such a big network of branches. Further to cater to the matters relating to investments in NITL managed Funds and day to day inquiries/issues of their 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 a nominee of Govt. of Pakistan. The Company has been assigned an Asset Manager rating of "AM2+" by PACRA, which reflects the company's high investment management industry standards and benchmarks with noted strengths in several of the rating factors. All Investment decisions are taken by the Investment Committee of NITL.</p> <p>Fund Performance Review</p> <p>The YTD return for FY17 stood at 5.37% p.a. against the benchmark return of 5.70% p.a. The Fund posted an annualized return of 4.53% p.a for the month of February against its benchmark return of 5.96% p.a.</p> <p>The Consumer Price Index (CPI) for the month of February stood at 4.22% increasing from 3.66% over the previous month. The average 8 months CPI inflation now stands at 3.90% compared to 2.48% during the same period of last fiscal year.</p> <p>As at February 28 2017, the Fund had an exposure of about 20% of total assets in PIBs, about 65% of total assets in T-bills and the remaining was in the form of cash at bank and other assets. The weighted average time to maturity of the portfolio stood at 125 days.</p> |
| Category | Income Fund | |
| Launch Date | 18 th November 2009 | |
| Listing | PSX | |
| Stability Rating | AA- (f) (PACRA) 12-Jan-16 | |
| 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 | 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) 18-Aug-16 | |
| Risk Profile | Low | |
| Fund Manager | Shoab Ahmad Khan | |
| * Varies as per policy | | |

| Benchmark | Asset Quality as of 28 February 2017 (% of TA) | Asset Allocation (% of TA) | | |
|-----------------------------|--|----------------------------|--------|--------|
| Weighted Average of 6M PKRV | | | | |
| | | Jan-17 | Feb-17 | |
| | | T-Bills | 66.33% | 64.57% |
| | | PIBs | 19.30% | 19.93% |
| | | Rev Repo | 0.00% | 0.00% |
| | Cash | 13.25% | 13.82% | |
| | Others | 1.13% | 1.69% | |

| Fund's Return v/s Benchmark | | | NIT GBF Year to Date Return v/s Benchmark | | | | | |
|-----------------------------|---------|-----------|---|--|--|--|--|--|
| | NIT-GBF | Benchmark | | | | | | |
| February-17 | 4.53% | 5.96% | | | | | | |
| Year to Date | 5.37% | 5.70% | | | | | | |
| 12 M Trailing | 5.44% | 5.65% | | | | | | |
| 3 Years ** | 9.42% | 6.94% | | | | | | |
| Since Inception | 12.61% | 8.74% | | | | | | |
| ** Simple annualized return | | | | | | | | |

| Performance Period | FY16 | FY15 | FY14 | FY13 | FY12 |
|--------------------|-------|--------|-------|-------|--------|
| NIT-GBF | 5.78% | 13.86% | 7.64% | 9.93% | 9.76% |
| Benchmark | 5.78% | 8.17% | 8.80% | 8.80% | 10.64% |

SINDH-WWF Disclosure: The Scheme has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs. 8.10m, if the same were not made the NAV per unit/ current year to date return of the Scheme would be higher by Rs. 0.0205/ 0.31%.

| Members of the Investment Committee | | |
|--|--|---|
| Shahid Ghaffar, Managing Director | Manzoor Ahmed, Chief Operating Officer | Shahid Anwar, Head of MD's Sectt. & Personnel |
| Aamir Amin, Head of Finance | M. Imran Rafiq, CFA, Head of Research | Shoab. A. Khan, SVP/ Fund Manager |
| Ammar Habib, Incharge/Manager Risk Mgmt. | Syed Aqib Hussian, Incharge Compliance | |

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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 are subject to market risks. Past performance is not necessarily indicative of future results. Please read the Offering Document to understand the investment policies and risks involved.

Note: Performance data does not include the cost incurred directly by an investor in the form of sales load etc.

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