

## NIT GOVERNMENT BOND FUND

### FUND MANAGER REPORT - MARCH 2013

#### Fund's Basic Informations

Fund Type	Open-End
Category	Income Fund
Launch Date	18 <sup>th</sup> 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 Depository Co. (CDC)
Auditors	A.F Ferguson & Co.
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)
Risk Profile	Low
Fund Manager	Khurram Aftab Ahmed

\* Varies as per policy

#### 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 Asset Management Company of Pakistan, formed in 1962. NITL is the largest asset management company of Pakistan with approximately Rs. 74 billion assets under management. 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 has gone to 24, yet another milestone as no Mutual Fund in Pakistan has such a big network of nationwide branches. NIT's distribution network also comprises of various Authorized bank branches all over Pakistan and in Dubai (UAE) through Arab Emirates Investment Bank (AEIB). 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

NIT Government Bond Fund annualized return for the current year stands at 10.30% and its benchmark return is 8.93%. The fund yielded an annualized return of 7.62% for the month of March 2013 while its benchmark return stood at 8.44%.

The Consumer Price Index (CPI) for the month of March was recorded at 6.57%. CPI rose at its slowest pace of 0.4% from the previous month. Average inflation for 9MFY13 was 7.98% and remains well below the Government's annual targeted level of 9.5%.

Although State Bank decided to hold Discount rates steady in its previous monetary policy announcement, Treasury Bills cut off yields increased over the last month and stood at 9.4114% and 9.4280% respectively for the 3 and 6 months tenor. Yields for the 12 month tenor were rejected as there was no participation. Major participation in both the auctions held during the month was witnessed in the 3 month tenor.

The fund remains invested in Government Securities by about 98% 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 is 158 days.

#### Benchmark

Average of weighted average yield of 6 month T-Bill auctions held during the period	<b>70%</b>
1 month average deposit rate of A and above rated scheduled banks	<b>30%</b>

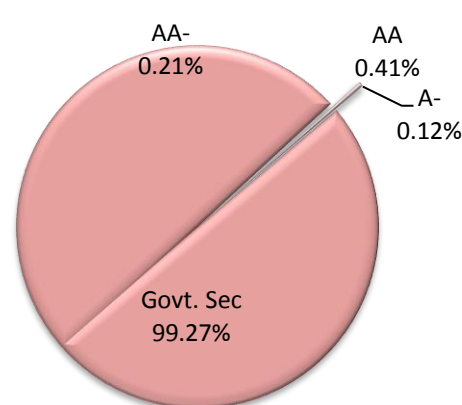
#### Technical Information

Net Assets	PKR 4.8 Bln
NAV per Unit (Mar 31 2013)	Rs. 10.7443
Weighted Avg. Maturity (Days)	158
Leveraging	Nil
Standard Deviation of Return	0.03

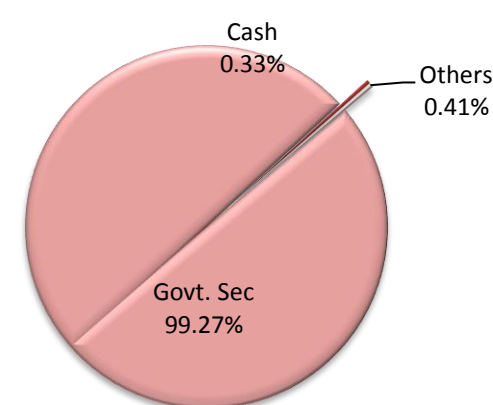
#### Fund's Return v/s Benchmark

	NIT-GBF	Benchmark
February-13	5.83%	8.26%
March-13	7.62%	8.44%
Year to Date	10.30%	8.93%
Since Inception	11.88%	10.42%
12 M Trailing	10.34%	9.28%

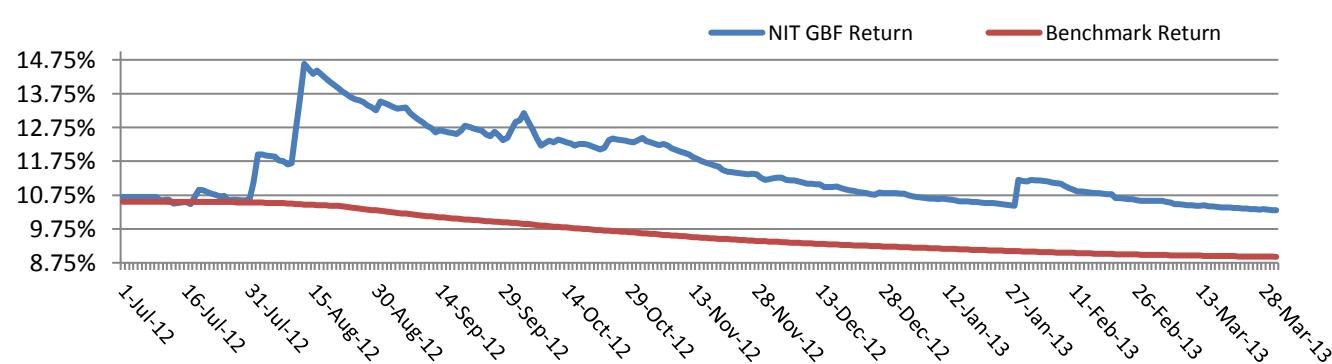
#### Credit Rating as of Mar 2013 (% of TA)



#### Asset Allocation as of Mar 2013 (% of TA)



#### 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. 23.172m, if the same were not made the NAV per unit/ current year to date return of the Scheme would be higher by Rs. 0.0517/ 0.69%. For details investors are advised to read the Note 18 of the latest Financial Statement of the Scheme.

#### Members of the Investment Committee

Wazir Ali Khoja - Managing Director	Manzoor Ahmed - Chief Operating Officer	Aamir Amin - Head of Finance
Shahid Anwar - Head of MD's Sectt. & Personnel	Zubair Ahmed - Controller of Branches/Comp. Secretary	Khurram Aftab - Fund Manager
M. Imran Rafiq, CFA - Head of Research	M. Atif Khan - Manager Compliance and Risk Mgmt	

#### MUFAP's Recommended Format.

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