



NIT GOVERNMENT BOND FUND



FUND MANAGER REPORT - MARCH 2019

Fund's Basic Informations		Objective of the fund
Fund Type	Open-End	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.
Category	Income Fund	
Launch Date	18 th November 2009	
Listing	PSX	
Stability Rating	AA (f) (PACRA) 31-Dec-18	
Management Fee	10% of Gross Earnings, subject to minimum 0.50% p.a. and maximum 1% p.a. of Average Annual Net Assets	
Front End Load*	1.00%	
Back End Load	Nil	
Cut-off timing	3:30 PM	
Par Value	PKR 10.00	
Min Subscription	Growth Unit PKR 5,000 Income Unit PKR 100,000	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. 85 billion assets under management as on 31 March 2019, 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 24, no other Mutual Fund in Pakistan has such a vast network of nationwide 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 the respective fund.
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) 5-Nov-18	
Risk Profile	Low	
Fund Manager	Shoab Ahmad Khan	Fund Performance Review The Fund posted an annualized return of 8.55% p.a for the month of March against its benchmark return of 10.78% p.a. The YTD return for FY19 stood at 7.40% p.a. against the benchmark return of 9.36% p.a. State Bank of Pakistan announced its Monetary Policy during the month and decided to increase Policy Rates by 50 bps to 10.75%. In its statement, the SBP highlighted need to continue with monetary tightening amidst continued inflationary pressure, elevated fiscal and current account deficit. The Consumer Price Index (CPI) for the month of March increased to 9.42% versus 8.21% over the previous month. The 9MFY19 average CPI inflation now stands at 6.79% compared to 3.78% during the previous fiscal year. As at March 31 2019, the Fund had an exposure of about 46% 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 19 days.
Total Expense Ratio (Annualized)	1.50% (This includes 0.35% representing Govt. Levy, Sindh Workers Welfare Fund & SECP Fee.)	
Total Expense Ratio (Absolute)	1.13% (This includes 0.26% representing Govt. Levy, Sindh Workers Welfare Fund & SECP Fee.)	
* Varies as per policy.		

Benchmark	Asset Quality as of 31 March 2019 (% of TA)	Asset Allocation (% of TA)		
Average of 6M PKRV		Feb-19	Mar-19	
Technical Information		T-Bills	61.09%	46.05%
Net Assets	PKR 3.54 Bln	PIBs	0.00%	0.00%
NAV per Unit (March 31, 2019)	10.4835	Cash	34.36%	51.49%
Weighted Avg. Maturity (Days)	19	Others	4.55%	2.47%
Leveraging	Nil			
Standard Deviation of Return	0.010			

Fund's Return v/s Benchmark			NIT GBF Year to Date Return v/s Benchmark					
March-19	NIT-GBF	Benchmark						
Year to Date	8.55%	10.78%						
12 M Trailing	7.40%	9.36%						
3 Years **	6.85%	8.65%						
5 Years **	6.10%	6.80%						
Since Inception	8.64%	7.05%						
** Simple annualized return (Returns are calculated inclusive of dividends)								
			Performance Period	FY18	FY17	FY16	FY15	FY14
			NIT-GBF	5.06%	5.28%	5.78%	13.86%	7.64%
			Benchmark	6.20%	5.80%	5.78%	8.17%	8.80%

SINDH-WWF Disclosure: The Scheme has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs.17.45m. 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 latest financial statement of the scheme.

Members of the Investment Committee		
Adnan Afridi, Managing Director	Manzoor Ahmed, Chief Operating Officer	Aamir Amin, Head of Finance
Ali Kamal, Head of Research	Shoab A. Khan, EVP/ Fund Manager	Syed Ali Raza Bukhari, Head of Marketing
Faisal Aslam, Head of Compliance	Salman H. Chawala, Incharge Risk Mgmt.	
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