

**FUND MANAGER REPORT - April 2010**

**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	N/A
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	AM2 (PACRA)
Risk Profile	Low
Fund Manager	Khurram Aftab Ahmed

**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. 65 billion assets under management. NIT's distribution network comprises of 19 NIT branches, various Authorized bank branches all over Pakistan and Arab Emirates Investment Bank (AEIB) in Dubai(UAE). With the recent launch of new Funds namely NIT Government Bond Fund and NIT Income Fund the size of total Funds under management has increased to approximately Rs.72 billion. 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 Pakistan Credit Rating Agency (PACRA), which denotes very strong capacity to manage risks inherent in asset management 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 (NITGBF) yielded an annualized return of 11.11% in April 2010, hence out-performed the benchmark return of 10.43% by 68bps. The Fund's since inception annualized return is 11.44% against the benchmark return of 10.42%, an out-performance of 1.02 percent. As a strategy the fund is currently maintaining a very high exposure in Govt. Securities with a small amount in banks in daily product basis because the return on Treasury bill is presently better than the rates offered by banks. NIT GBF is invested around 94% of its net assets in Government Securities, while the remaining portion of the fund is in the form of cash with bank. The size of the fund is steadily growing and has crossed PKR 4 Billion.

During the month of April 2010, the Federal Bureau of Statistics (FBS) released inflation numbers for the month of March 2010, where Consumer Price Index (CPI) for the month increased by 12.9% YoY and 1.3% MoM taking the 9MFY10 inflation to 11.3%.

Money Market was liquid in the month of April 2010 with average overnight rates remained at 11.25%. During the month under review SBP conducted two T-Bill auctions. Excess demand in the T-Bill caused decline in the secondary market rates and also showed impact on the cut off rates which decreased slightly by 4 to 6 bps as compared to previous month and stood at 12.1495%, 12.2803% & 12.3555% for 3, 6 & 12 months tenor respectively.

With perception of no change in the upcoming Monetary Policy Statement due in May 2010, NIT GBF's portfolio is maintaining a weighted average maturity of 305 days as it looks best to safeguard the interest of its unit holders.

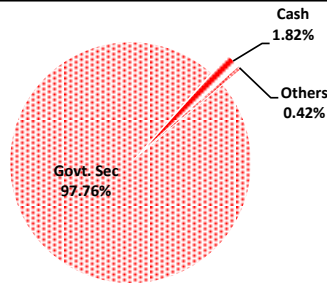
**Benchmark**

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 rating and above schedule banks	<b>30%</b>

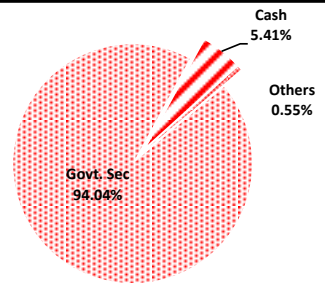
**Technical Information**

Net Assets	PKR 4.1 Bln
Nav per Unit (30th Apr 2010)	10.4955
Weighted Average Maturity	305 days
Leveraging	Nil
Standard Deviation	0.02

**Asset Allocation as of Mar 2010**



**Asset Allocation as of Apr 2010**

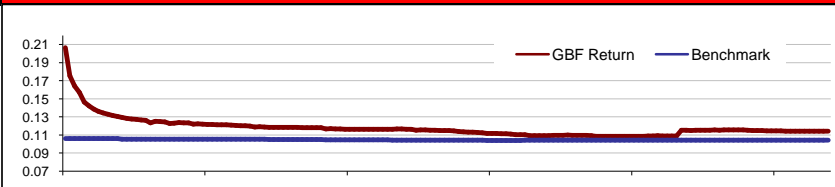


**Return History**

	NIT-GBF*	Benchmark
March-10	13.44%	10.47%
April-10	11.11%	10.43%
Year to Date	11.44%	10.43%
Since Inception	11.44%	10.43%

\* Morning Star Method

**NIT-GBF Return v/s Benchmark**



**Members of the Investment Committee**

Tariq Iqbal Khan - Chairman & MD

Manzoor Ahmed - Chief Operating Officer

Amir Amin - Head of Finance

Shahid Anwer - Head of MD's Sectt. & Personnel

Khurram Aftab - Fund Manager

**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.

National Investment Trust Ltd,  
National Bank Building, (6th Floor)  
I.I. Chundrigar Road, P.O Box # 5671.  
Karachi - 74000, Pakistan  
Tel: 111-648-648