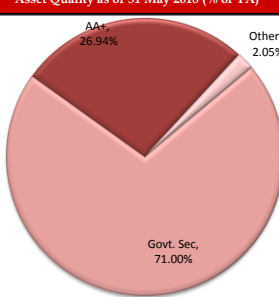


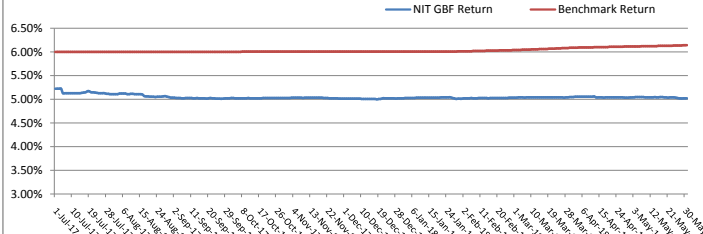
## NIT GOVERNMENT BOND FUND



### FUND MANAGER REPORT - MAY 2018

Fund's Basic Informations		Objective of the fund
<b>Fund Type</b>	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><b>Profile of Investment Managers</b></p> <p>National Investment Trust Ltd. (NITL) is the first and the largest Asset Management Company of Pakistan, formed in 1962. With approximately Rs. 101 billion assets under management as on 31 May 2018, 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, 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.</p> <p><b>Fund Performance Review</b></p> <p>The YTD return for FY18 stood at 5.02% p.a. against the benchmark return of 6.14% p.a. The Fund posted an annualized return of 4.66% p.a. for the month of May against its benchmark return of 6.43% p.a.</p> <p>State Bank of Pakistan announced its Monetary Policy during the month and decided to increase Policy Rates by 50 bps to 6.50%. In its statement, the SBP highlighted deterioration of the balance of payment due to sharp increase in international oil prices and limited financial inflows, while fiscal deficit has been revised on the higher side compared to initial targets.</p> <p>The Consumer Price Index (CPI) for the month of May increased to 4.19% versus 3.68% over the previous month. The 11MFY18 average CPI inflation now stands at 3.81% compared to 4.18% during the previous fiscal year.</p> <p>As at May 31 2018, the Fund had an exposure of about 71% 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 34 days.</p>
<b>Category</b>	Income Fund	
<b>Launch Date</b>	18 <sup>th</sup> November 2009	
<b>Listing</b>	PSX	
<b>Stability Rating</b>	AA (I) (PACRA) 12-Dec-17	
<b>Management Fee</b>	10% of Gross Earnings, subject to minimum 0.50% p.a. and maximum 1% p.a. of Average Annual Net Assets	
<b>Front End Load*</b>	1.00%	
<b>Back End Load</b>	Nil	
<b>Cut-off timing**</b>	2.00 PM (Monday-Thursday) 12.30 PM (Friday)	
<b>Par Value</b>	PKR 10.00	
<b>Min Subscription</b>	Growth Unit PKR 5,000 Income Unit PKR 100,000	
<b>Trustee</b>	Central Depository Co. (CDC)	
<b>Auditors</b>	KPMG Taseer Hadi	
<b>Registrar</b>	National Investment Trust Ltd.	
<b>Pricing Mechanism</b>	Forward Day Pricing	
<b>Valuation Days</b>	Daily (Monday to Friday) except public holiday	
<b>Redemption Days</b>	Daily (Monday to Friday) except public holiday	
<b>Subscription Days</b>	Each valuation day	
<b>AMC Rating</b>	AM2++ (PACRA) 8-Dec-17	
<b>Risk Profile</b>	Low	
<b>Fund Manager</b>	Shoaib Ahmad Khan	
* Varies as per policy. ** For Ramadan		

Benchmark	Asset Quality as of 31 May 2018 (% of TA)	Asset Allocation (% of TA)		
Average of 6M PKRV		Apr-18	May-18	
		<b>T-Bills</b>	<b>90.87%</b>	<b>71.00%</b>
		<b>PIBs</b>	<b>0.00%</b>	<b>0.00%</b>
		<b>Cash</b>	<b>7.07%</b>	<b>26.94%</b>
		<b>Others</b>	<b>2.07%</b>	<b>2.05%</b>

Fund's Return v/s Benchmark			NIT GBF Year to Date Return v/s Benchmark																						
<b>Net Assets</b>	PKR 4.00 Bln																								
<b>NAV per Unit (May 31, 2018)</b>	10.4213		<table border="1"> <thead> <tr> <th>Performance Period</th> <th>FY17</th> <th>FY16</th> <th>FY15</th> <th>FY14</th> <th>FY13</th> </tr> </thead> <tbody> <tr> <td><b>NIT-GBF</b></td> <td><b>5.28%</b></td> <td><b>5.78%</b></td> <td><b>13.86%</b></td> <td><b>7.64%</b></td> <td><b>9.93%</b></td> </tr> <tr> <td><b>Benchmark</b></td> <td><b>5.80%</b></td> <td><b>5.78%</b></td> <td><b>8.17%</b></td> <td><b>8.80%</b></td> <td><b>8.80%</b></td> </tr> </tbody> </table>					Performance Period	FY17	FY16	FY15	FY14	FY13	<b>NIT-GBF</b>	<b>5.28%</b>	<b>5.78%</b>	<b>13.86%</b>	<b>7.64%</b>	<b>9.93%</b>	<b>Benchmark</b>	<b>5.80%</b>	<b>5.78%</b>	<b>8.17%</b>	<b>8.80%</b>	<b>8.80%</b>
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<b>Weighted Avg. Maturity (Days)</b>	34																								
<b>Leveraging</b>	Nil																								
<b>Standard Deviation of Return</b>	0.022																								
<b>Total Expense Ratio*</b>	1.14%																								
* This includes 0.27% representing Govt. Levy, Sindh Workers Welfare Fund & SECP Fee.																									
<b>May-18</b>	<b>NIT-GBF</b>	<b>Benchmark</b>																							
	4.66%	6.43%																							
<b>Year to Date</b>	5.02%	6.14%																							
<b>12 M Trailing</b>	5.04%	6.13%																							
<b>3 Years **</b>	5.46%	5.91%																							
<b>5 Years **</b>	8.76%	6.97%																							
<b>Since Inception</b>	12.19%	8.36%																							
** Simple annualized return (Returns are calculated inclusive of dividends)																									

Members of the Investment Committee		
Manzoor Ahmed, COO/Managing Director	Aamir Amin, Head of Finance	Ali Kamal, Head of Research
Shoaib A. Khan, SVP/ Fund Manager	Syed Ali Raza Bukhari, Head of Marketing	Faisal Aslam, Head of Compliance
Ammar Habib, Incharge/Manager Risk Mgmt.		
<b>MUFAP's Recommended Format.</b>		
<p><b>Disclaimer:</b> 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.</p> <p><b>Note:</b> Performance data does not include the cost incurred directly by an investor in the form of sales load etc.</p>		<p>National Investment Trust Ltd, National Bank Building, (6th Floor) I.I. Chundrigar Road, P.O Box # 5671. Karachi - 74000, Pakistan Tel: 111-648-648</p>