

FUND MANAGER REPORT - JUNE 2011

Fund's Basic Informations

Fund Type	Open-End
Category	Income Fund
Launch Date	18 th November,2009
Listing	KSE, LSE & ISE
Stability Rating	AA (f)
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	Under Review
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. 81 billion assets under management. In order to cater to varied needs of investors, NITL for the very first time in the 48 years history of the company, ventured in to fixed income category by launching two Funds in the FY10. NIT Government Bond Fund, a very low risk product was launched in Nov. 2009 followed by NIT Income Fund which was introduced in Feb. 2010. With the launching of these two funds the family of Funds of NIT has increased to six funds including 4 equity Funds and 2 fixed income Funds. NIT's distribution network comprises of 21 NIT branches, various Authorized bank branches all over Pakistan and Arab Emirates Investment Bank (AEIB) in Dubai (UAE). The Board of Directors of NITL consists of representatives of leading financial institutions, prominent industrialists and nominee of Govt. of Pakistan. All Investment decisions are taken by the Investment Committee of NITL.

Fund Performance Review

Consumer price index (CPI) for the month of June 2011 increased by 13.13% over June 2010. While average CPI for the period of Jul-Jun FY11 stood at 13.92%. On external front, current account balance showed a surplus of USD205mln during the period of Jul-May FY11 as against the deficit of USD3,402mln during same period last year.

On money markets front, SBP conducted three T-Bill auctions during the month of June 2011. In all three auctions cut off rates remain on high side, mainly due to shortage of liquidity in the market. The cut-off yields at the end of the month stood at 13.4851%, 13.7357% and 13.9074% for 3, 6 and 12 months respectively.

NIT Government Bond Fund (NIT GBF) yielded an annualized return of 11.41% for the month of June 2011, while the benchmark return for the same period was at 11.78%. Where as, the annualized year to date return of fund stood at 11.19%.

The fund is currently invested around 97% of total assets in Govt. Securities mainly in shorter tenor Treasury Bills, while the remaining is in the form of cash and other assets.

The fund has continued investing in short and medium tenor Treasury Bills to generate superior returns and suitably manage risk for its unit holders.

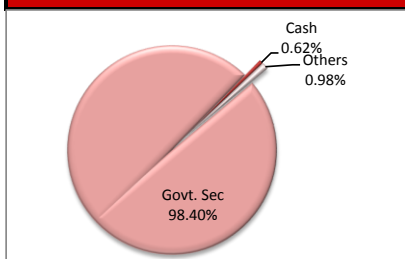
Benchmark

Average of weighted average yield of 6 month T-Bill auctions held during the period	70%
1 month average deposit rate of A rating and above schedule banks	30%

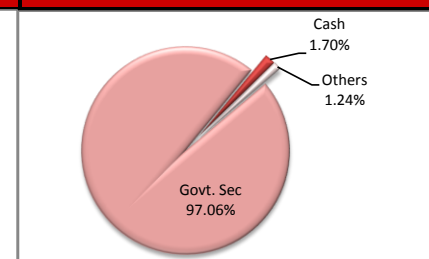
Technical Information

Net Assets	PKR 3.1 Bln
Nav per Unit (31st May 2011)	11.1169
Weighted Average Maturity	217
Leveraging	Nil
Standard Deviation of Return	0.52%

Asset Allocation as of May 2011



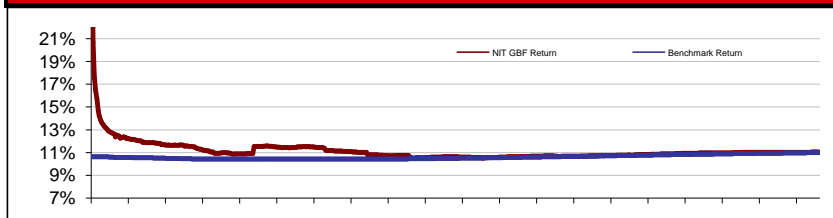
Asset Allocation as of Jun 2011



Fund's Return v/s Benchmark

	NIT-GBF	Benchmark
May-11	11.26%	11.65%
June-11	11.41%	11.78%
Year to Date	11.19%	11.32%
Since Inception	11.03%	10.98%
12 M Trailing	11.19%	11.32%

NIT-GBF Since Inception Return v/s Benchmark



Members of the Investment Committee

Wazir Ali Khoja - Managing Director	Manzoor Ahmed - Chief Operating Officer	Amir Amin - Head of Finance
Shahid Anwer - Head of MD's Sectt. & Personnel	Zubair Ahmed - Controller of Branches/ Comp. Secretary	Khurram Aftab - Fund Manager

MUFAP's Recommended Format.

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.

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