

NIT GOVERNMENT BOND FUND



FUND MANAGER REPORT - August 2016

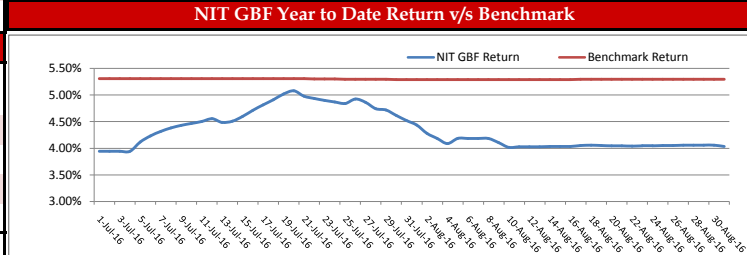
Fund's Basic Informations		Objective of the fund
Fund Type	Open-End	The objective of NIT Government Bond Fund is to generate best possible return with minimum risk, for its Unit Holders, by investing primarily in the Government Securities.
Category	Income Fund	
Launch Date	18 th November 2009	Profile of Investment Managers
Listing	PSX	National Investment Trust Ltd. (NITL) is the first and the largest Asset Management Company of Pakistan, formed in 1962. With approximately Rs. 96 billion assets under management as on 31 August 2016, 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 and sales desk is also available in financial hub at Abbotabad, yet another milestone as no Asset Management Company in Pakistan has such a big network of 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 NITL.
Stability Rating	AA- (f) (PACRA) 12-Jan-16	
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	KPMG Taseer Hadi	
Registrar	National Investment Trust Ltd.	Fund Performance Review
Pricing Mechanism	Forward Day Pricing	The YTD return for FY17 stood at 4.03% p.a. against the benchmark return of 5.30% p.a. The Fund posted an annualized return of 3.42% p.a for the month of August against its benchmark return of 5.30% p.a.
Valuation Days	Daily (Monday to Friday) except public holiday	The Consumer Price Index (CPI) for the month of August stood at 3.6% decreasing from 4.1% over the previous month. The average 2 months CPI inflation now stands at 3.84% compared to 1.83% in 2 months FY16.
Redemption Days	Daily (Monday to Friday) except public holiday	As at August 31 2016, the Fund had an exposure of about 12% of total assets in PIBs, about 70% 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 201 days.
Subscription Days	Each valuation day	
AMC Rating	AM2+ (PACRA) 08-Jun-16	
Risk Profile	Low	
Fund Manager	Shoab Ahmad Khan	
* Varies as per policy		

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

Asset Quality as of 31 August 2016 (% of TA)	Asset Allocation (% of TA)	
	Jul-16	Aug-16
T-Bills	75.57%	69.60%
PIBs	13.73%	12.41%
Rev Repo	0.00%	0.00%
Cash	9.73%	17.06%
Others	0.96%	0.93%

Technical Information	
Net Assets	PKR 4.09 Bln
NAV per Unit (August 31, 2016)	10.0251
Weighted Avg. Maturity (Days)	201
Leveraging	Nil
Standard Deviation of Return	0.03
Expense Ratio with Govt. Levy	1.72%
Expense Ratio without Govt. Levy	1.47%

Fund's Return v/s Benchmark		
	NIT-GBF	Benchmark*
August-16	3.42%	5.30%
Year to Date	4.03%	5.30%
12 M Trailing	5.45%	5.62%
3 Years **	9.74%	7.42%
Since Inception	12.74%	8.96%



* Last updated deposit rates of few banks.
** Simple annualized return

Performance Period	FY16	FY15	FY14	FY13	FY12
NIT-GBF	5.78%	13.86%	7.64%	9.93%	9.76%
Benchmark	5.78%	8.17%	8.80%	8.80%	10.64%

WWF Disclosure- The Scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 39.15m up to 30-June-2015 and thereafter has stopped further provisioning, if the same were not made the NAV per unit/ current year to date return of the Scheme would be higher by Rs. 0.0959/ 5.67%. For details investors are advised to read the Note 11.1 of the latest Financial Statement of the Scheme.

Members of the Investment Committee		
Shahid Ghaffar, Managing Director	Manzoor Ahmed, Chief Operating Officer	Shahid Anwar, Head of MD's Sectt. & Personnel
Aamir Amin, Head of Finance	M. Imran Rafiq, CFA, Head of Research	Zubair Ahmed, Controller of Branches/Comp. Secretary
Shoab. A. Khan, SVP/ Fund Manager	Ammar Habib, Incharge/Manager Risk Mgmt.	Syed Aqib Hussian, Incharge Compliance

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Note: Performance data does not include the cost incurred directly by an investor in the form of sales load etc.

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