



NIT GOVERNMENT BOND FUND



FUND MANAGER REPORT - September 2014

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) (PACRA)					
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 Depositary Co. (CDC)					
Auditors	KPMG Taseer Hadi					
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)					
Risk Profile	Low					

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 and the largest Asset Management Company of Pakistan, formed in 1962. With approximately Rs. 87 billion assets under management as on 30 September 2014, the family of Funds of NIT comprises of five funds including 3 equity funds and 2 fixed income nature Funds. NIT's tally of nationwide branches is 23, yet another milestone as no Mutual Fund in Pakistan has such a big 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 Infantal institutions, profinited industrialists and a forthing of GOV. Or fastsian. The Company has been assigned an Asset Manager rating of "AM2" by PACRA, which reflects the company's very strong capacity to manage the risks inherent in the asset management business 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 generated an annualized return of 12.52% p.a. for the month of September and out-performed its benchmark by 336 bps. The YTD return for FY15 stood at 10.85% p.a. against the benchmark return of 9.16% p.a. The Fund had an investment of about 93% of its portfolio in Government Securities.

During the month, the Fund had an exposure of about 65% in PIBs, 28% in T-bills and the remaining was in the form of cash and other assets. The Fund re-balanced the duration of portfolio and reduced it to 538 days to maturity as compared to 631 days over the last month. However, Fund size increased by 24% and its net assets stood at PKR 5.7bln at the end of the month.

In the month of September, SBP announced its latest Monetary Policy Statement and decided to keep discount rate unchanged at 10%. The Central Bank highlighted key issues such as ongoing political impasse, delay in the finalization of fourth IMF review, the current heavy rains and floods and inflationary outlook, hence decided to remain cautious and kept

The fund would look to capitalize the benefits of accruals at an attractive yield with the probability of realizing capital gains at an opportune time by partially offloading some of its securities

Fund Manager

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%		

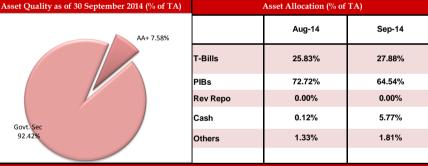
Shoaib Ahmad Khan

Technical Information				
Net Assets	PKR 5.7 Bln			
NAV per Unit (September 30, 2014)	10.3803			
Weighted Avg. Maturity (Days)	538			
Leveraging	Nil			
Standard Deviation of Return	0.03			

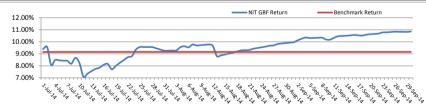
Fund's Return v/s Benchmark

	NIT-GBF	Benchmark*		
Sep-14	12.52%	9.16%		
Year to Date	10.85%	9.16%		
Since Inception	11.91%	9.91%		
12 M Trailing	8.98%	9.04%		

^{*} Last updated deposit rates of few banks.



NIT GBF Year to Date Return v/s Benchmark



Performance Period	FY14	FY13	FY12	FY11	FY10*
NIT-GBF	7.64%	9.93%	9.76%	11.19%	10.72%
Benchmark	8.80%	8.80%	10.64%	11.33%	10.42%

From Nov 18, 2009 to Jun30, 2010

WWF Disclosure- The Scheme has maintained provisions gaginst Workers' Welfare Fund's liability to the tune of Rs. 33.77m . if the same wen not made the NAV per unit/ current year to date return of the Scheme would be higher by Rs. 0.0618/ 2.43%. For details investors are advised t ead 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

Shoaib. A. Khan - SVP/ 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.

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

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