

FUND MANAGER REPORT - SEPTEMBER 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) (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 Depository Co. (CDC)
Auditors	A.F Ferguson & Co.
Registrar	National Investment Trust Ltd.
Pricing Mechanism	Forward Day 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- (JCR-VIS)
Risk Profile	Low
Fund Manager	Khurram Aftab Ahmed

* 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%

Technical Information

Net Assets	PKR 2.5 Bln
Nav per Unit (Sept 30 2011)	Rs. 10.4050
Weighted Avg. Maturity (Days)	260
Leveraging	Nil
Standard Deviation of Return	0.29

Fund's Return v/s Benchmark

	NIT-GBF	Benchmark
August-11	13.15%	11.58%
September-11	12.58%	11.40%
Year to Date	12.67%	11.60%
Since Inception	11.25%	11.06%
12 M Trailing	11.86%	11.54%

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. 72 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

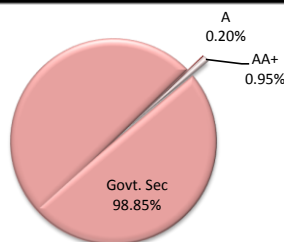
NIT Government Bond Fund (NIT GBF) yielded an annualized return of 12.58% for the month of September 2011, while the benchmark return for the same period was 11.40%. The current year to date return is 12.67%, while its benchmark for the period is 11.60%.

Consumer price index (CPI) for the month of August 2011 recorded lower than estimated figure of 11.56%, this was mainly due to the rebasing of the CPI methodology. Further ease in inflationary pressures advocate central bank to cut the discount rate in the upcoming monetary policy

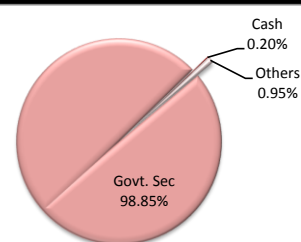
On money markets front, SBP conducted two T-Bill auctions during the month of September 2011. Cut off Yield for the three month tenor remained at 13.0697% however yields for both the six and twelve month tenor reduced to 13.2331% and 13.3124% respectively. On the secondary market six month and 1 year Treasury bills yield has eased by 25 to 30 bps, strongly indicating further reductions in the policy rate. In last treasury bill auction SBP accepted PKR 1.1bn, PKR 47.1bn and PKR 104bn respectively in 3, 6 and 12 month treasury bills against the target of PKR 130bn.

The fund is currently invested around 99% of total assets in Govt. Securities, mainly comprising of Treasury Bills while the remaining is in the form of cash and other assets. NIT GBF increased its weighted average time to maturity of its portfolio from about 211 days to about 260 days. An anticipated 50 to 100 bps reduction in policy rates will further enhance yields in the coming months.

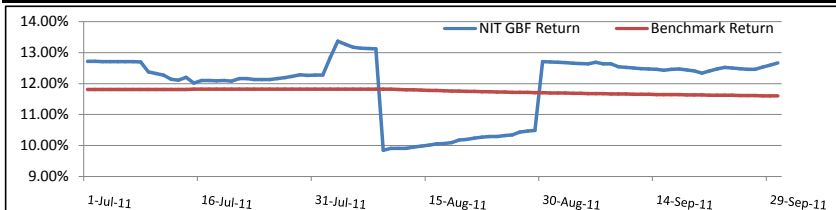
Credit Rating as of Sep 2011 (% of TA)



Asset Allocation as of Sep 2011 (% of TA)



NIT GBF Year to Date Return v/s Benchmark



Members of the Investment Committee

Wazir Ali Khoja - Managing Director	Manzoor Ahmed - Chief Operating Officer	Aamir Amin - Head of Finance
Shahid Anwar - Head of MD's Sectt. & Personnel	Zubair Ahmed - Controller of Branches/ Comp. Secretary	Khurram Aftab - Fund Manager
M. Imran Rafiq, CFA - Head of Research	M. Atif Khan - Manager Compliance and Risk Mgmt	

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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