



NIT GOVERNMENT BOND FUND



FUND MANAGER REPORT - October 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) 11-Jun-14						
Management Fee	1.25%						
Front End Load*	nt End Load* 1.00%						
Back End Load	End Load Nil						
Cutt-off timing	ing 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) 21-Apr-14						
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. 90 billion assets under management as on 31 October 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 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 19.33% p.a. for the month of October and outperformed its benchmark by 1,017 bps. The YTD return for FY15 stood at 13.12% p.a. against the benchmark return of 9.16% p.a. The Fund had an investment of about 87% of its portfolio in Government Securities.

In the last auction held on October 22, 2014, the government raised only PKR 50bn through PIB auction against the hefty participation amount of PKR 331bn. The cut-off yields of 5 and 10 years PIBs stood at around 12.97% & 13.44%, however cut-off yields of 3 years PIBs declined by around 11 bps to 12.48% as compared to previous PIB auction held in the month of September.

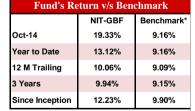
Assets under management increased by 21% over the period and stood at PKR 6.98bln and . As at October 31, 2014, the Fund had an exposure of about 56% in PIBs, 31% in T-bills and the remaining was in the form of cash and other assets, whereas the weighted average time to maturity of the portfolio stood at 436 days.

Fund Manager * Varies as per polic

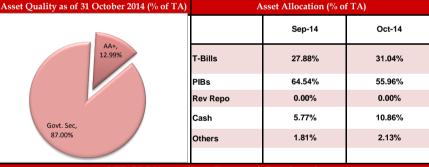
Benchmark	
Average of weighted average yield of 6 month T-Bill auctions held during the period	70%
1 month average deposit rate of A and above rated scheduled banks	30%

Shoaib Ahmad Khan

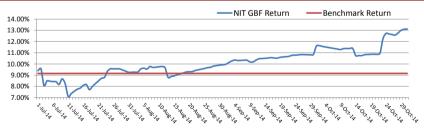
Technical Informa	tion		
Net Assets	PKR 6.98 Bln		
NAV per Unit (October 31, 2014)	10.5507		
Weighted Avg. Maturity (Days)	436		
Leveraging	Nil		
Standard Deviation of Return	0.33		



^{*} 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 against Workers' Welfare Fund's liability to the tune of Rs. 35.56m , if the same were not made the NAV per unit/ current year to date return of the Scheme would be higher by Rs. 0.0537/1.58%. For details investors are advised to read the Note 6.1 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 Ammar Habib, Incharge/Manager Risk Mgmt. Incharge/Manager Compliance

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 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.

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

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