

Basic Fund's Informations	
Fund Type	Open-End
Category	Income Fund
Launch Date	18 <sup>th</sup> November, 2009
Listing	In Process
Stability Rating	N/A
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	PKR 5,000
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	AM2 (PACRA)
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. 71 billion assets under management. NIT's distribution network comprises of 19 NIT branches, various Authorized bank branches all over Pakistan and Arab Emirates Investment Bank (AEIB) in Dubai(UAE). With the recent launch of a new Fund namely NIT Government Bond Fund the size of total Funds under management has increased to approximately Rs. 71 billion. The Board of Directors of NITL consists of representatives of leading financial institutions, prominent industrialists and nominee of Govt. of Pakistan. The company has been assigned an asset manager rating of "AM2" by Pakistan Credit Rating Agency (PACRA), which denotes very strong capacity to manage the risks inherent in asset management 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

During the month of January 2010 State Bank of Pakistan announced the Monetary Policy Statement and as per expectations SBP kept the policy rate unchanged at 12.50%. CPI inflation remained at 10.52% for the month of Dec-09, while average CPI from July 09 - Dec 09 stood at 10.31%, it is anticipated that it will remain in double digit during the coming month. On January 26, 2010 Central Directorate of National Savings issued National Saving Bonds, which are Federal Government's registered security and were offered in 3, 5 and 10 years tenor, having coupon rates of 12.50%, 12.55% and 12.60% respectively.

During the month of January 2010, inter-bank market kept showing mix trends as heavy injections from the State Bank of Pakistan continued through frequent Open Market Operations. However, the 6 month KIBOR rates slide downwards by 20bps from 12.43% to 12.23%. SBP conducted two T-bill auctions during the month of Jan-10, wherein as compare to the previous month, declining trend in cut off rates was witnessed in both auctions. The cumulative target of both the auction was PKR 90 billion and SBP picked a total of PKR 92.15 billion worth of T-Bills. The cut off rates for 3-month T-bills declined by a total of 18 bps to 11.8742% where as the cut off rates for 6 & 12 months T-bills declined by 20 & 8 bps to 11.8970% and 12.0150% respectively.

During the month under review the NIT Government Bond Fund has generated a monthly annualized return of 11.31% surpassing its benchmark by 99bps. Fund has also posted an annualized return of 11.66% since its inception against the benchmark return of 10.45%, an out-performance of 121bps. The fund has invested around 75% of net assets in Government Securities. While the remaining portion of the fund is invested in the form of cash and equivalent. The fund's weighted average time to maturity has also increased from 55 days to 261 days owing to investment in relatively longer tenors with better yields. The fund size has also grown significantly by more than 50% as compared to previous month to PKR 3.8 billion.

NIT GBF has developed strategies towards its authorized investments and will continue to look for good opportunities keeping in view the current market situation essentially to best safeguard the interest of our unit holders.

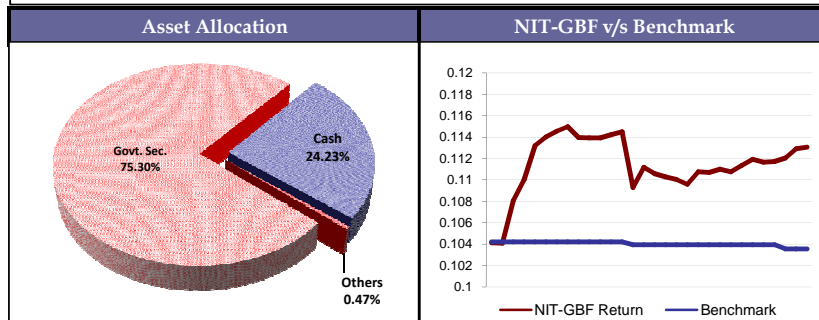
Benchmark	
Average of weighted average yield of 6 month T-Bill auctions held during the period	70%
1 month average deposit rate of A rating and above schedule banks	30%

Technical Information	
Net Assets	PKR 3.8 billion
Nav per Unit (30th Jan 2010)	10.2231
Weighted Average Maturity	261 Days
Sharpe Ratio*	0.56
Standard Deviation	0.02

\* As Against Benchmark

Return History		
	NIT-GBF*	Benchmark
December-09	11.44%	10.55%
January-10	11.31%	10.32%
Year to Date	11.66%	10.45%
Since Inception	11.66%	10.45%

\* Morning Star Method



#### Members of the Investment Committee

Tariq Iqbal Khan - Chairman & MD	Manzoor Ahmed - Head of Asset Management	Firast Ali - Head of Marketing
Shahid Anwer - Head of MD's Sectt. & Personnel	Amir Amin - Head of Finance	Khurram Aftab - Fund Manager NIT-GBF

**Disclaimer:** 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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