

FUND MANAGER REPORT - March 2010

Fund's Basic Informations

Fund Type	Open-End
Category	Income Fund
Launch Date	18 th November, 2009
Listing	KSE & LSE
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	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 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. 65 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 new Funds namely NIT Government Bond Fund and NIT Inome Fund the size of total Funds under management has increased to approximately Rs.72 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 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

In the month of March 2010, State Bank of Pakistan announced the Monterey Policy Statement and decided to keep policy rate unchanged at 12.50%. SBP showed its concern regarding resurgence of inflationary pressures and a weak fiscal position. Consumer Price Index (CPI) for the month of February 2010 came down to 13.04%YoY while cumulative CPI for current FY has reached at 11.1%, SBP expects FY10 CPI to be around 12%. Current Account deficit for the period of Jul 09 to Feb 10 shrunk to USD2.5Bln compared to USD7.9Bln in the same period last year.

During the month under review SBP conducted two T-bill auctions. A total amount of PKR181.4Bln worth of T-Bills were accepted from the market while cut off rates were 12.1954%, 12.3481% & 12.4062 for the 3, 6 & 12 months tenor respectively. Increase of 6 bps was noted in both the 6 and 12 month tenor.

During the month of March 2010, NIT Government Bond Fund generated monthly annualized return of 13.44% surpassing the benchmark by a healthy margin of 2.97 percent. The Fund has also generated annualized return since its inception of 11.51% against the benchmark return of 10.43%, an out-performance of 105bps. The fund has invested around 98% of its net assets in Government Securities, while the remaining portion of the fund is in the form of cash at bank. Going forward we will continue to look for good opportunities keeping in view the current market situation essentially to best safeguard the interest of our unit holders.

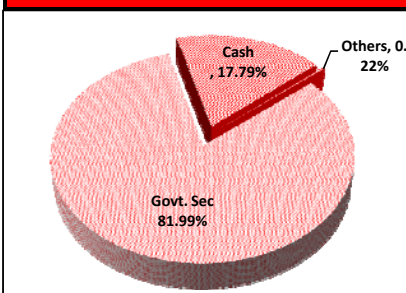
Benchmark

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%

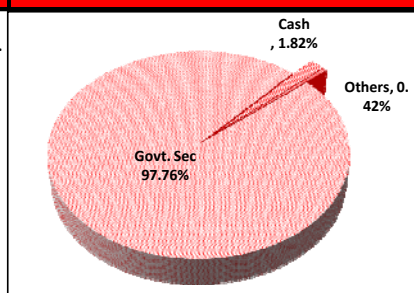
Technical Information

Net Assets	PKR 3.95 Bln
Nav per Unit (31st Mar 2010)	10.4050
Weighted Average Maturity	310 Days
Leveraging	Nil
Standard Deviation	0.22

Asset Allocation as of Feb 2010



Asset Allocation as of Mar 2010

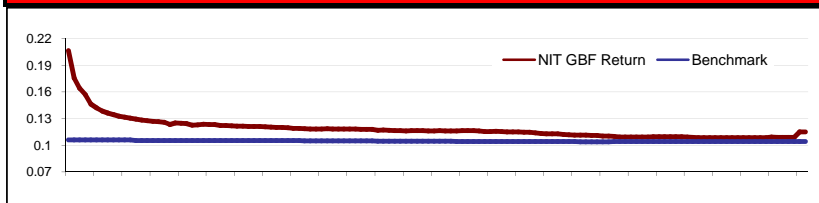


Return History

	NIT-GBF*	Benchmark
February-10	9.07%	10.38%
March-10	13.44%	10.47%
Year to Date	11.51%	10.43%
Since Inception	11.51%	10.43%

* Morning Star Method

NIT-GBF Return v/s Benchmark



Members of the Investment Committee

Tariq Iqbal Khan - Chairman & MD	Manzoor Ahmed - Chief Operating Officer	Firasat Ali - Head of Marketing
Shahid Anwer - Head of MD's Sectt. & Personnel	Amir Amin - Head of Finance	Khurram Aftab - Fund Manager

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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