

## NIT GOVERNMENT BOND FUND

### FUND MANAGER REPORT - APRIL 2014

#### Fund's Basic Informations

Fund Type	Open-End
Category	Income Fund
Launch Date	18 <sup>th</sup> 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	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
Fund Manager	Shoaib Ahmad Khan

\* Varies as per policy

#### 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. 92 billion assets under management as on 30 April 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 NIT and day to day inquiries/issues of its 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 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's annualized return for the month of April was 15.07% against its benchmark return of 9.16% while year to date return for the fiscal year stood at 8.43% p.a. against its benchmark return of 8.72% p.a.

The Consumer Price Index (CPI) for the month of April increased from 8.50% to 9.20% year over year over the previous month. Overall inflation for the period July-April 2014 stood at 8.70% against the full year expectations of 10-11% for FY14. Increase in inflation was led by hike in perishable food prices and significant rise in education expense which pushed up overall inflation.

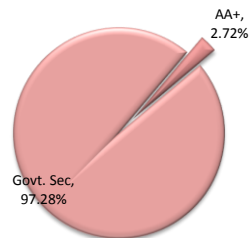
During the month, the government raised over PKR. 417 bn through PIB auction against the target amount of PKR. 100bn whereas only PKR. 317 bn raised through T-bill auctions. The cut-off yields of 3, 5 and 10 years remained unchanged at 12.09%, 12.55% and 12.90% respectively.

The fund remained invested in Government Securities by about 98% of total assets mainly comprising of Treasury Bills while the remaining is in the form of cash and other assets. NIT GBF increased its holding in PIBs from 26% in the previous month to 38% of total assets while weighted average time to maturity of its portfolio increased to 397 days in current month from 277 days in March 2014.

#### 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%

#### Credit Rating as of Apr 2014 (% of TA)



#### Asset Allocation (% of TA)

	Mar-14	Apr-14
T-Bills	71.74%	59.03%
PIBs	26.17%	38.25%
Rev Repo	0.00%	0.00%
Cash	0.92%	0.97%
Others	1.17%	1.74%

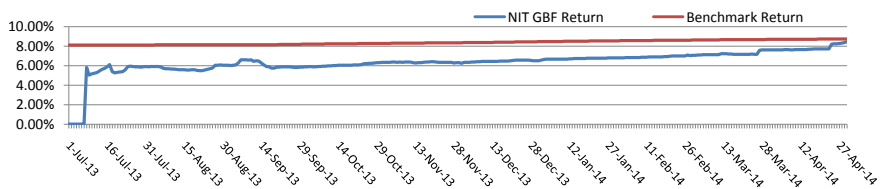
#### Technical Information

Net Assets	PKR 4.1 Bln
NAV per Unit (Apr 30, 2014)	10.7910
Weighted Avg. Maturity (Days)	397
Leveraging	Nil
Standard Deviation of Return	0.25

#### Fund's Return v/s Benchmark

	NIT-GBF	Benchmark*
April-14	15.07%	9.16%
Year to Date	8.43%	8.72%
Since Inception	11.89%	9.98%
12 M Trailing	8.50%	8.67%

#### NIT GBF Year to Date Return v/s Benchmark



**WWF Disclosure-** The Scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 29,968m, if the same were not made the NAV per unit/ current year to date return of the Scheme would be higher by Rs. 0.0791/ 0.94%. For details investors are advised to read the Note 10 of the latest Financial Statement of the Scheme.

\* Last updated deposit rates of few banks.

#### Members of the Investment Committee

Manzoor Ahmed - COO / Managing Director	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
M. Atif Khan - Manager Compliance and Risk Mgmt		

#### MUFAP's Recommended Format.

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