

FUND MANAGER REPORT - APRIL 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)
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. 79 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 into 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 19 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. During the year rating of NITL has also been improved by one notch to "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

Consumer Price Index (CPI) for the month of March 2011 has increased by 13.16% as compared to March 2010. While average CPI for the period of Jul-Mar FY11 stood at 14.2%. On external front, current account balance showed a surplus of USD99m during Jul-Mar FY11 as against the deficit of USD3,106m during same period of FY10.

On money markets front, SBP conducted two T-Bill auctions during the month of April 2011. Cut off rates remained at the same level from the previous month. The cut-off yields at the end of the month stood at 13.2542%, 13.6213% and 13.8684% for 3, 6 and 12 months respectively.

NIT Government Bond Fund has been assigned stability rating of 'AA(f)' (Double A - fund rating) by PACRA. The fund's rating denotes a very strong capacity to manage relative stability in returns and possesses very low exposure to risks.

NIT Government Bond Fund (NIT GBF) yielded an annualized return of 11.93% for the month of April 2011 surpassing its benchmark of 11.75% by a margin of 18 bps. Where as, the Fund's annualized year to date return stood at 11.16%. The fund is currently invested around 90% of total assets in Govt. Securities mainly in shorter tenor Treasury Bills, while the remaining is in the form of cash and other assets.

The fund has decreased its investments in T-Bills to book some capital gains while started investing in medium tenor Treasury Bills to yield higher returns. NIT GBF will remain cautious and invest in short to medium tenor Treasury Bills in order to generate superior returns and suitably manage risk for its unit holders.

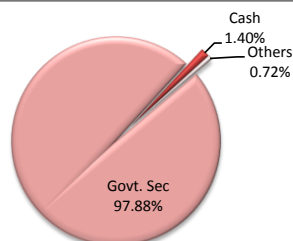
Benchmark

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%

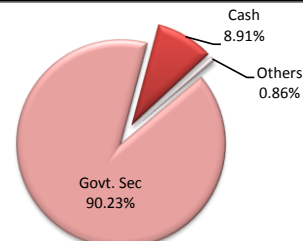
Technical Information

Net Assets	PKR 3.1 Bln
Nav per Unit (30th Apr 2011)	10.9192
Weighted Average Maturity	199
Leveraging	Nil
Standard Deviation of Return	0.49%

Asset Allocation as of Mar 2011



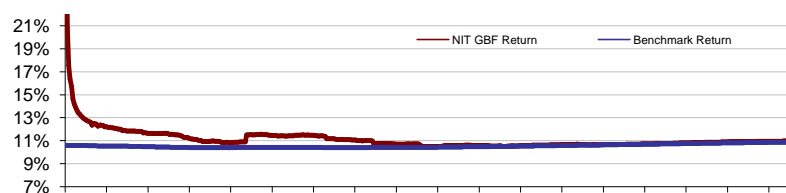
Asset Allocation as of Apr 2011



Fund's Return v/s Benchmark

	NIT-GBF	Benchmark
March-11	12.01%	11.63%
April-11	11.93%	11.75%
Year to Date	11.16%	11.25%
Since Inception	11.00%	10.89%
12 M Trailing	10.80%	11.10%

NIT-GBF Since Inception Return v/s Benchmark



Members of the Investment Committee

Wazir Ali Khoja - Managing Director	Manzoor Ahmed - Chief Operating Officer	Amir Amin - Head of Finance
Shahid Anwer - Head of MD's Sectt. & Personnel	Zubair Ahmed - Controller of Branches/ Comp. Secretary	Khurram Aftab - Fund Manager

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.

National Investment Trust Ltd,
National Bank Building, (6th Floor)
I.I. Chundrigar Road, P.O Box # 5671.
Karachi - 74000, Pakistan
Tel: 111-648-648