

FUND MANAGER REPORT - Jun 2010

Fund's Basic Informations

Fund Type	Open-End
Category	Income Fund
Launch Date	18 th November, 2009
Listing	KSE, LSE & ISE
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 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	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. 66 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). 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

CPI Inflation for the month of May 2010 increased by 13.07% and the annual average JUL-MAY 2010 CPI increased to 11.64% from 11.49% last month. Positive inflows on account of home remittances coupled with significant reduction in trade and services deficit resulted in a current account surplus of \$136Mln in May 2010. The current account deficit for the current fiscal year stood at USD2.9bn (July-May 2010) as against USD8.6bn during corresponding period last year

Money Market during the month remained volatile as SBP continued to intervene through frequent OMOs to efficiently manage liquidity. During the month under review SBP conducted two T-Bill auctions. Liquidity constraints in the market and higher inflation figures kept pressure on cut off rates, which increased sharply by 18 to 23 bps as compared to previous month and stood at 12.1036%, 12.3029% & 12.4188% for 3, 6 & 12 months tenor respectively.

NIT Government Bond Fund (NIT GBF) yielded an annualized return of 8.21% in June 2010, whereas, the Fund's since inception annualized return was 10.77% against the benchmark return of 10.42%, an out-performance of 35 bps. Returns were lower as a contribution was made towards Workers Welfare Funds (WWF) drawn by the judgment of Sindh High Court. NIT GBF has 90% of net assets invested in Govt. Securities, while the remaining portion of the fund is in the form of cash with bank. NIT GBF will look to invest in shorter tenor securities due to uncertainty in the market so that it would best safeguard the interest of its unit holders.

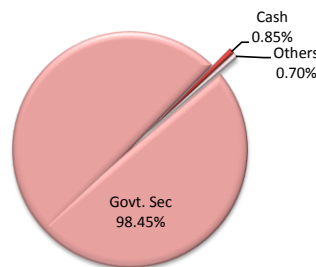
Benchmark

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%

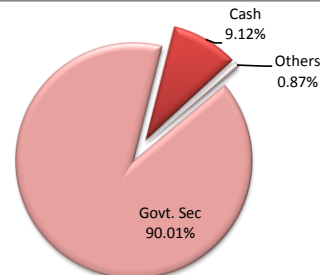
Technical Information

Net Assets	PKR 3.7 Bln
Nav per Unit (30th Jun 2010)	10.6480
Weighted Average Maturity	293
Leveraging	Nil
Standard Deviation	0.08

Asset Allocation as of May 2010



Asset Allocation as of Jun 2010

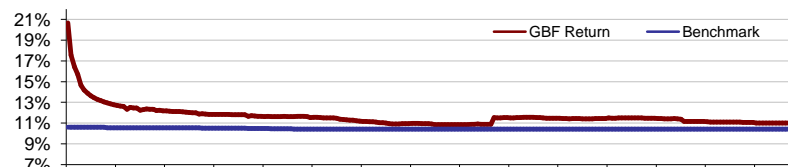


Return History

	NIT-GBF*	Benchmark
May-10	9.80%	10.34%
June-10	8.21%	10.45%
Year to Date	10.77%	10.42%
Since Inception	10.77%	10.42%

*Morning Star Method

NIT-GBF 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	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.

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