

NIT GOVERNMENT BOND FUND



FUND MANAGER REPORT - JULY 2012

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) (PACRA)
Management Fee	1.25%
Front End Load*	1.00%
Back End Load	Nil
Cutt-off timing	2:00 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 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	Khurram Aftab Ahmed

*Varies as per policy **Ramadan Timings varies

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. 73 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 in to 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 five funds including 3 equity Funds and 2 fixed income Funds. NIT's distribution network comprises of 22 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. All Investment decisions are taken by the Investment Committee of NITL.

Fund Performance Review

NIT Government Bond Fund (NIT GBF) yielded an annualized return of 10.64% for the month of July 2012 where its benchmark stood at 10.54%.

Consumer price index (CPI) for the month of July 2012 recorded at its lowest level and stood at 9.60%. The Government has projected an inflation target of 9.50% for FY13. This has led to anticipations in the secondary markets for a cut in Discount rates by as much as 100 basis points.

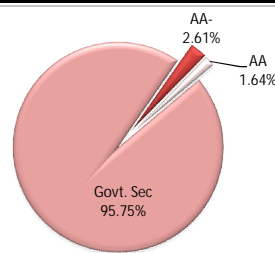
SBP conducted two T-Bill auctions during the month of July 2012. Cut off Yields at the end of the month reduced to 11.8283%, 11.8745% and 11.8894% for the 3, 6 and 12 respectively. Although money market remained on the higher side throughout this month, secondary market rates on Government securities reduced in anticipation of a cut in Discount rates during the period.

The fund has currently invested about 96% of total assets in Govt. Securities, mainly comprising of Treasury Bills while the remaining is in the form of cash and other assets. NIT GBF weighted average time to maturity of its portfolio is about 154 days.

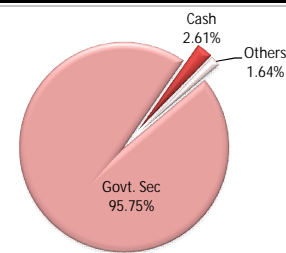
Benchmark

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 July 2012 (% of TA)



Asset Allocation as of July 2012 (% of TA)



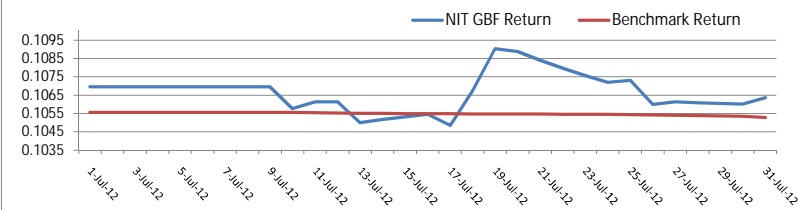
Technical Information

Net Assets	PKR 3.2 Bln
NAV per Unit (July 31 2012)	Rs. 10.063
Weighted Avg. Maturity (Days)	154
Leveraging	Nil
Standard Deviation of Return	0.01

Fund's Return v/s Benchmark

	NIT-GBF	Benchmark
June-12	9.65%	10.36%
July-12	10.64%	10.54%
Year to Date	10.64%	10.54%
Since Inception	11.52%	10.84%
12 M Trailing	9.67%	10.53%

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. 17.493m, if the same were not made the NAV per unit/ current year to date return of the Scheme would be higher by Rs. 0.0566/ 6.68%. For details investors are advised to read the Note 6 of the latest Financial Statement of the Scheme.

Members of the Investment Committee

Wazir Ali Khoja - Managing Director	Manzoor Ahmed - Chief Operating Officer	Aamir Amin - Head of Finance
Shahid Anwar - Head of MD's Sectt. & Personnel	Zubair Ahmed - Controller of Branches/ Comp. Secretary	Khurram Aftab - Fund Manager
M. Imran Rafiq, CFA - Head of Research	M. Atif Khan - Manager Compliance and Risk Mgmt	

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.

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