

NIT GOVERNMENT BOND FUND

FUND MANAGER REPORT - August 2017

Fund's Basic Informations

Fund Type	Open-End
Category	Income Fund
Launch Date	18 th November 2009
Listing	PSX
Stability Rating	AA- (f) (PACRA) 12-July-17
Management Fee	10% of Gross Earnings, subject to minimum 0.50% p.a. and maximum 1% p.a. of Average Annual Net Assets
Front End Load*	1.00%
Back End Load	Nil
Cut-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) 25-May-17
Risk Profile	Low
Fund Manager	Shoaib Ahmad Khan

*Varies as per policy/No sales load is charged if the investor approaches directly.

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. 100 billion assets under management as on 31 August 2017, the family of Funds of NIT comprises of ten funds including 4 equity funds, 2 fixed income funds, 1 money market fund, 1 Islamic income fund, 1 conventional pension fund and 1 Islamic pension fund. NIT's tally of nationwide branches is 23 and sales desk is also available in financial hub at Abbotabad, yet another milestone as no Asset Management Company in Pakistan has such a big network of branches. Further to cater to the matters relating to investments in NITL managed Funds and day to day inquiries/issues of their 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 a nominee of Govt. of Pakistan. The Company has been assigned an Asset Manager rating of "AM2++" by PACRA, which reflects the company's high investment management industry standards and benchmarks with noted strengths in several of the rating factors. All Investment decisions are taken by the Investment Committee of the respective fund.

Fund Performance Review

The YTD return for FY18 stood at 5.03% p.a. against the benchmark return of 6.00% p.a. The Fund posted an annualized return of 4.94% p.a for the month of August against its benchmark return of 6.00% p.a.

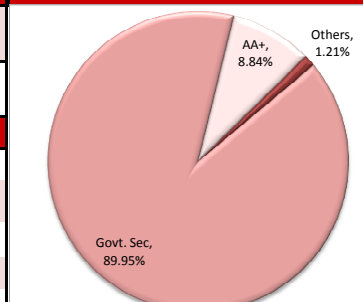
The Consumer Price Index (CPI) for the month of August stood at 3.42% versus 2.91% over the previous month. The FY18 average CPI inflation now stands at 3.16% compared to 3.84% during the previous fiscal year.

As at August 31 2017, the Fund had an exposure of about 20% of total assets in PIBs, about 70% of total assets in T-bills and the remaining was in the form of cash at bank and other assets. The weighted average time to maturity of the portfolio stood at 82 days.

Benchmark

Weighted Average of 6M PKRV

Asset Quality as of 31 August 2017 (% of TA)



Asset Allocation (% of TA)

	Jul-17	Aug-17
T-Bills	51.72%	70.24%
PIBs	20.46%	19.71%
Rev Repo	0.00%	0.00%
Cash	26.66%	8.84%
Others	1.16%	1.21%

Technical Information

Net Assets	PKR 3.98 Bln
NAV per Unit (August 31, 2017)	10.0475
Weighted Avg. Maturity (Days)	82
Leveraging	Nil
Standard Deviation of Return	0.004
Total Expense Ratio*	1.10%

*This includes 0.27% representing Govt. Levy, Sindh Workers Welfare Fund & SECP Fee.

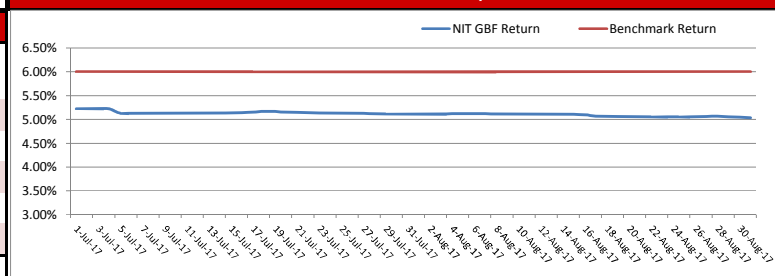
NIT GBF Year to Date Return v/s Benchmark

Fund's Return v/s Benchmark

	NIT-GBF	Benchmark
August-17	4.94%	6.00%
Year to Date	5.03%	6.00%
12 M Trailing	5.45%	5.86%
3 Years **	8.58%	6.50%
5 Years **	9.59%	7.39%
Since Inception	12.42%	8.60%

** Simple annualized return

(Returns are calculated inclusive of dividends)



Performance Period	FY17	FY16	FY15	FY14	FY13
NIT-GBF	5.28%	5.78%	13.86%	7.64%	9.93%
Benchmark	5.80%	5.78%	8.17%	8.80%	8.80%

SINDH-WWF Disclosure- The Scheme has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs.9.70m, if the same were not made the NAV per unit/ current year to date return of the Scheme would be higher by Rs. 0.0245/1.45%.

Members of the Investment Committee

Shahid Ghaffar, Managing Director	Manzoor Ahmed, Chief Operating Officer	Shahid Anwar, Head of MD's Sectt. & Personnel
Aamir Amin, Head of Finance	M. Imran Rafiq, CFA, Head of Research	Shoaib. A. Khan, SVP/ Fund Manager
Ammar Habib, Incharge/Manager Risk Mgmt.	Faisal Aslam, Head of Compliance	

MUFAP's Recommended Format.

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Note: Performance data does not include the cost incurred directly by an investor in the form of sales load etc.

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