

## NIT GOVERNMENT BOND FUND

### FUND MANAGER REPORT - SEPTEMBER 2013

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 & 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

Benchmark	
Average of weighted average yield of 6 month T-Bill auctions held during the period	<b>70%</b>
1 month average deposit rate of A and above rated scheduled banks	<b>30%</b>

Technical Information	
Net Assets	PKR 4.3 Bln
NAV per Unit (Sept 30 2013)	10.2315
Weighted Avg. Maturity (Days)	105
Leveraging	Nil
Standard Deviation of Return	0.08

Fund's Return v/s Benchmark		
	NIT-GBF	Benchmark
August-13	6.12%	8.12%
September-13	5.39%	8.29%
Year to Date	5.83%	8.18%
Since Inception	11.62%	10.14%
12 M Trailing	8.16%	8.36%

### 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. 77 billion assets under management. 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 has gone to 24, 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.

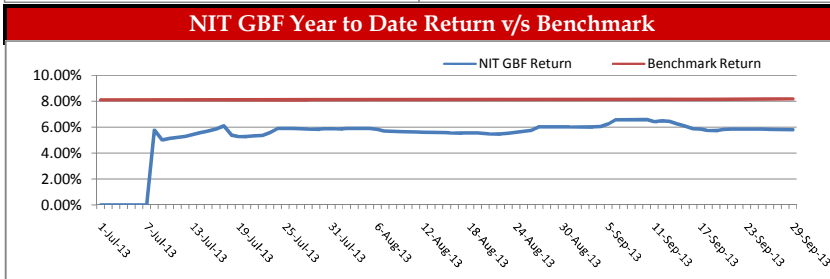
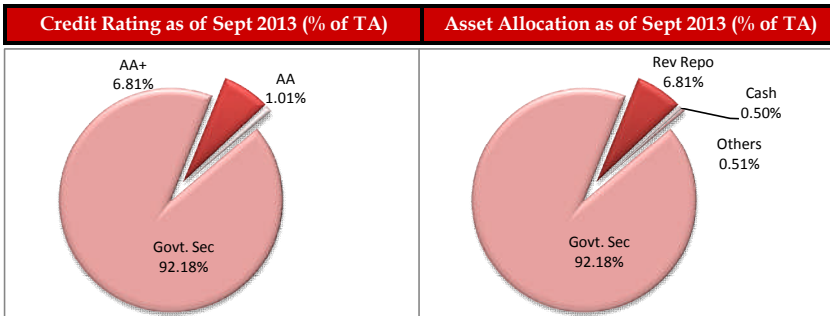
### Fund Performance Review

State Bank of Pakistan in its latest Monetary Policy Statement increased discount rate by 50 basis points to 9.5 percent. State Bank of Pakistan highlighted issues related to the fiscal, external and inflationary front. Although Consumer Price Index (CPI) for the month of September was lower than expectations and was recorded at 7.40% year on year, SBP is expecting a significant rise in inflation after the adjustments of power tariff.

NIT Government Bond Fund annualized year to date return stood at 6.83% against its benchmark return of 8.18% while the annualized return for the month of September was 5.39% against its benchmark return of 8.29%.

Treasury Bills auctions during the month saw participation primarily in the shorter tenor papers and cut off yields rose mainly due to increase in discount rates. Cut off yields stood at 9.3496% and 9.45% for the three and six month tenor respectively, while participants stayed away from the twelve month tenor.

The fund remains invested in Government Securities by about 92% of total assets mainly comprising of Treasury Bills while invested about 7% in Reverse Repo and the remaining is in the form of cash and other assets. NIT GBF has further reduced its weighted average time to maturity of its portfolio from 147 days to 105 days.



**WWF Disclosure-** The Scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 26.409m, if the same were not made the NAV per unit/ current year to date return of the Scheme would be higher by Rs. 0.0624/ 2.46%. For details investors are advised to read the Note 18 of the latest Financial Statement of the Scheme.

### Members of the Investment Committee

Manzoor Ahmed - COO / Manging 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	Khurram Aftab - Fund Manager
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.

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