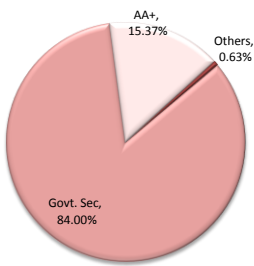


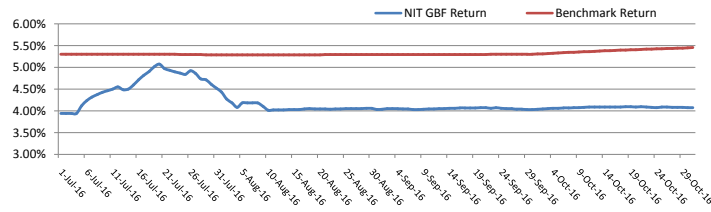
## NIT GOVERNMENT BOND FUND



FUND MANAGER REPORT - October 2016

Fund's Basic Informations		Objective of the fund	
Fund Type	Open-End	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.	
Category	Income Fund		
Launch Date	18 <sup>th</sup> November 2009	<b>Profile of Investment Managers</b>	
Listing	PSX	National Investment Trust Ltd. (NITL) is the first and the largest Asset Management Company of Pakistan, formed in 1962. With approximately Rs. 99 billion assets under management as on 31 October 2016, 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 NITL.	
Stability Rating	AA- (f) (PACRA) 12-Jan-16		
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)		<b>Fund Performance Review</b>
Auditors	KPMG Taseer Hadi		<p>The YTD return for FY17 stood at 4.07% p.a. against the benchmark return of 5.45% p.a. The Fund posted an annualized return of 4.17% p.a for the month of October against its benchmark return of 5.91% p.a.</p> <p>The Consumer Price Index (CPI) for the month of October stood at 4.2% increasing from 3.9% over the previous month. The average 4 months CPI inflation now stands at 3.95% compared to 1.65% in 4 months FY16.</p> <p>As at October 31 2016, the Fund had an exposure of about 10% of total assets in PIBs, about 74% 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 144 days.</p>
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) 18-Aug-16		
Risk Profile	Low		
Fund Manager	Shoab Ahmad Khan		
* Varies as per policy			

Benchmark	Asset Quality as of 31 October 2016 (% of TA)	Asset Allocation (% of TA)																		
Weighted Average of 6M PKRV		<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #e91e63; color: white;"> <th></th> <th>Sep-16</th> <th>Oct-16</th> </tr> </thead> <tbody> <tr> <td>T-Bills</td> <td style="text-align: center;">70.18%</td> <td style="text-align: center;">73.66%</td> </tr> <tr> <td>PIBs</td> <td style="text-align: center;">12.42%</td> <td style="text-align: center;">10.34%</td> </tr> <tr> <td>Rev Repo</td> <td style="text-align: center;">0.00%</td> <td style="text-align: center;">0.00%</td> </tr> <tr> <td>Cash</td> <td style="text-align: center;">16.85%</td> <td style="text-align: center;">15.37%</td> </tr> <tr> <td>Others</td> <td style="text-align: center;">0.55%</td> <td style="text-align: center;">0.63%</td> </tr> </tbody> </table>		Sep-16	Oct-16	T-Bills	70.18%	73.66%	PIBs	12.42%	10.34%	Rev Repo	0.00%	0.00%	Cash	16.85%	15.37%	Others	0.55%	0.63%
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<b>Technical Information</b>																				
Net Assets	PKR 3.89 Bln																			
NAV per Unit (October 31, 2016)	10.0936																			
Weighted Avg. Maturity (Days)	144																			
Leveraging	Nil																			
Standard Deviation of Return	0.03																			
Expense Ratio with Govt. Levy	1.72%																			
Expense Ratio without Govt. Levy	1.47%																			

Fund's Return v/s Benchmark			NIT GBF Year to Date Return v/s Benchmark					
	NIT-GBF	Benchmark*						
October-16	4.17%	5.91%						
Year to Date	4.07%	5.45%						
12 M Trailing	4.91%	5.56%						
3 Years **	9.56%	7.27%						
Since Inception	12.62%	8.88%	<b>Performance Period</b>					
				FY16	FY15	FY14	FY13	FY12
			NIT-GBF	5.78%	13.86%	7.64%	9.93%	9.76%
			Benchmark	5.78%	8.17%	8.80%	8.80%	10.64%
** Simple annualized return			<b>WWF Disclosure-</b> The Scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 39.15m up to 30-June-2015 and thereafter has stopped further provisioning, if the same were not made the NAV per unit/ current year to date return of the Scheme would be higher by Rs. 0.1016/ 3.03%. For details investors are advised to read the Note 11.1 of the latest Financial Statement of the Scheme.					

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	Zubair Ahmed, Controller of Branches/Comp. Secretary
Shoab A. Khan, SVP/ Fund Manager	Ammar Habib, Incharge/Manager Risk Mgmt.	Syed Aqib Hussain, Incharge Compliance

**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 are subject to market risks. Past performance is not necessarily indicative of future results. Please read the Offering Document to understand the investment policies and risks involved.

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

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