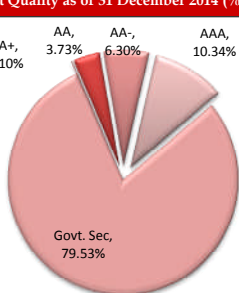


NIT GOVERNMENT BOND FUND

FUND MANAGER REPORT -December 2014

Fund's Basic Informations		Objective of the fund
Fund Type	Open-End	<p>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.</p> <p>Profile of Investment Managers</p> <p>National Investment Trust Ltd. (NITL) is the first and the largest Asset Management Company of Pakistan, formed in 1962. With approximately Rs. 96 billion assets under management as on 31 December 2014, the family of Funds of NIT comprises of five funds including 3 equity funds and 2 fixed income Funds. NIT's tally of nationwide branches is 23, yet another milestone as no Mutual Fund 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 very strong capacity to manage 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.</p> <p>Fund Performance Review</p> <p>NIT Government Bond Fund generated an annualized return of 17.65% for the month of December and outperformed its benchmark return of 8.73% p.a., by 8.92%. The YTD return for FY15 stood at 15.32% p.a. against the benchmark return of 9.07% p.a., an out-performance by 6.25%. The Fund is invested by about 80% of total assets in Government Securities.</p> <p>The Consumer Price Index (CPI) for the month of December clocked in at below-consensus 4.3%, keeping average inflation in 6MFY15 at 6.1%. Treasury bills participation has been mostly observed in the longer tenor papers whereas secondary market rates for longer tenor securities have also inched down due mainly to anticipation that SBP may continue with its monetary easing stance.</p> <p>As at December 31, 2014, the Fund had an exposure of about 69% in PIBs, 10% in T-bills and the remaining was in the form of cash and other assets, whereas the weighted average time to maturity of the portfolio stood at 574 days.</p>
Category	Income Fund	
Launch Date	18 th November 2009	
Listing	KSE, LSE & ISE	
Stability Rating	AA- (f) (PACRA) 11-Jun-14	
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	
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) 21-Apr-14	
Risk Profile	Low	
Fund Manager	Shoab Ahmad Khan	

* Varies as per policy

Benchmark		Asset Quality as of 31 December 2014 (% of TA)		Asset Allocation (% of TA)	
Average of weighted average yield of 6 month T-Bill auctions held during the period	70%	AA+, 0.10%	AA, 3.73%	Nov-14	Dec-14
1 month average deposit rate of A and above rated scheduled banks	30%	AA-, 6.30%	AAA, 10.34%	T-Bills	18.62%
				PIBs	71.13%
				Rev Repo	0.00%
				Cash	7.10%
				Others	3.15%
					16.74%

Technical Information

Net Assets

PKR 7.86 Bln

NAV per Unit (December 31, 2014)

10.8841

Weighted Avg. Maturity (Days)

574

Leveraging

Nil

Standard Deviation of Return

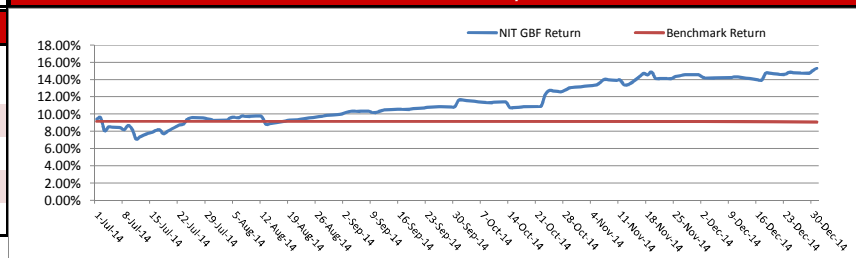
0.28

Fund's Return v/s Benchmark

	NIT-GBF	Benchmark*
Dec-14	17.65%	8.73%
Year to Date	15.32%	9.07%
12 M Trailing	12.28%	9.11%
3 Years	10.71%	9.08%
Since Inception	12.82%	9.86%

* Last updated deposit rates of few banks.

NIT GBF Year to Date Return v/s Benchmark



Performance Period	FY14	FY13	FY12	FY11	FY10*
NIT-GBF	7.64%	9.93%	9.76%	11.19%	10.72%
Benchmark	8.80%	8.80%	10.64%	11.33%	10.42%

* From Nov 18, 2009 to Jun30, 2010

WWF Disclosure - The Scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of Rs. 38.36m, if the same were not made the NAV per unit/ current year to date return of the Scheme would be higher by Rs. 0.0531/ 1.04%. For details investors are advised to read the Note 6.1 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 Hussian, Incharge 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.

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