

NATIONAL INVESTMENT UNIT TRUST

FUND MANAGER REPORT - January 2013

NI(UT) Objective

The core objective of NIT is to maximize return for Unit holders, provide a regular stream of current income through dividends, while long term growth is achieved by the management of diversified portfolio and investments into growth and high yielding equity securities.

Fund's Information

Fund Type	Open-End	Trustee	National Bank of Pakistan
Category	Equity	Auditors	A.F Ferguson & Co.
Launch Date	12th November 1962	Pricing Mechanism	Forward Pricing
Management Fee	1.00%	Dealing Days*	Daily (Monday to Friday)
Front End Load	3.00%	Valuation Days*	Daily (Monday to Friday)
Back End Load	0.00%	AMC Rating	AM2- (PACRA)
Benchmark	KSE-100	Risk Profile	Moderate / High
Par Value	PKR 10.00	Fund Manager	Manzoor Ahmed
Minimum Investment	PKR 5,000	Cutt-off timing	9:00 AM to 3:30 PM (Mon to Fri)

Profile of Investment Managers

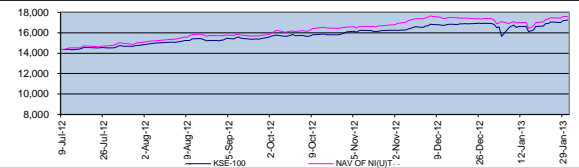
National Investment Trust Ltd. (NITL) is the first Asset Management Company of Pakistan, formed in 1962. NITL is the largest asset management company of Pakistan with approximately Rs. 79 billion assets under management. The family of Funds of NIT comprises of five funds including 3 equity Funds and 2 fixed income nature Funds. NIT's distribution network comprises of 23 NIT branches, various Authorized bank branches all over Pakistan and Arab Emirates Investment Bank (AEIB) in Dubai(UAE)and to cater the matters relating to investments in NIT and day to day inquiries / issues of NIT's unit holders , 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 Pakistan Credit Rating Agency, 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

*except public holiday

Fund Commentary & Performance Review

During the month of January 2013, the KSE-100 gained 2% surpassing the landmark of 17,000 points to close at an all-time high of 17,273 points. Trading activity remained healthy during the month with average daily trading volume recorded at 161 million shares. Foreign investors were net buyers during the month as evidenced by FPI inflows of around US \$15 million. The month started in a jittery fashion amid uncertainty in the domestic politics and Supreme Court's ruling on the Rental Power case. However, in the later part of the month, the market rebounded sharply. Healthy start to the results season, lower inflation figure for the month of December 2012 and hefty participation from the foreign investors were the major causes behind the bull run of the market.

Fund's Year to Date Performance



During the month of January 2013, the benchmark KSE-100 index increased by 2.00% whereas your Fund's NAV appreciated by 1.18% during the same period thus giving an underperformance of 0.82%. On a YTD basis (July 12 to January 13), the KSE-100 index increased by 24.93% whereas the NAV of your Fund increased by 25.44%, thus, showing an out performance of 0.50%.

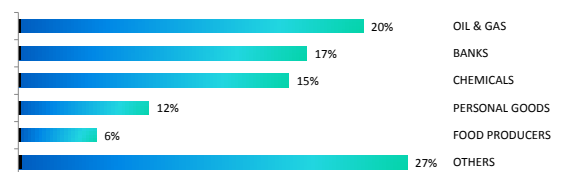
Fund's Asset Allocation



Future Outlook

In our view, the markets future direction will be largely contingent to smooth transition of outgoing legislative assemblies to a mutually agreed interim setup, upcoming Monetary Policy and Foreign investor's stance. Nevertheless the ongoing result season will keep the investor's interest alive in the market.

Sector Allocation (As % of Total Assets)



Technical Information 31-01-2013

Net Assets NI(UT)	41.283
Nav per Unit NI(UT)	33.58

Top Ten Holdings (As % of Total Assets)

(As % of Total Assets)	
Fauji Fertilizer Co. Ltd.	10%
Pakistan State Oil	9%
Bank Al-Habib Ltd.	7%
Bata Pakistan Ltd.	3%
Habib Metropolitan Bank	3%
National Refinery	3%
Attock Refinery	3%
Pakistan Oilfields	3%
Unilever Pakistan	3%
Soneri Bank Ltd.	2%

Risk & Return Ratios (3yrs to date)

	NIT Portfolio	KSE-100
Standard Deviation	12%	15%
Beta	0.51	1.00
Sharpe Ratio	-0.80	0.49

Historical Fund Performance

	NI(UT)	KSE 100	DPU (Rs.)
FY 08	-6.4%	-10.8%	6.50
FY 09	-41.5%	-41.7%	3.25
FY 10	17.9%	35.7%	2.25
FY 11	24.0%	28.5%	4.00
FY 12	7.6%	10.5%	3.50

WWF Disclosure:

The Scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of **Rs. 242 million**, if the same were not made the NAV per unit/ year to date return of the Scheme would be higher by **Rs. 0.20/ 0.6%**. For details investors are advised to read the latest Financial Statement of the Scheme.

Compliance with Circular # 16 of 2010 / Non-compliant Investments

NI(UT), our flagship fund, was launched in 1962 with an intention to provide investment opportunities to masses. Since its inception NI(UT) has a policy of making investments while remaining compliant with the requirements of its constitutive documents and all other relevant rules and regulations. However, with the promulgation of NBFC Regulations 2008 small portion (around 5% of net assets) does not meet the requirements of current regulations. However, efforts are being made to bring all such investments in compliance with NBFC Regulations 2008 while protecting the best interest of the unit holders

Members of the Investment Committee

Wazir Ali Khoja - Managing Director	Manzoor Ahmed - Chief operating Officer	S. Zubair Ahmed - Controller of Branches	Amir Amin - Head of Finance
Shahid Anwer - Head of MD's Sectt. & Personnel	M. Imran Rafiq, CFA - Head of Research	M. Atif Khan, Manager Compliance & Risk Management	

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. The NAV based prices of units and any dividends / returns thereon are on forces and factors affecting the capital markets. These may go up or down based on market conditions. Past performance is not necessarily indicative of future results.