

NATIONAL INVESTMENT UNIT TRUST

FUND MANAGER REPORT - January 2015

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	Central Depository Company
Category	Equity	Auditors	KPMG Taseer Hadi & 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) (21-04-2014)
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 and the largest Asset Management Company of Pakistan, formed in 1962. With approximately Rs. 100 billion assets under management as on January 30, 2015. The family of Funds of NIT comprises of five funds including 3 equity Funds and 2 fixed income mature Funds. NIT's tally of nationwide branches is 23, yet another milestone as no other Mutual Fund in Pakistan has such a vast 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 Commentary & Performance Review

Pakistan's equity market made an impressive start to the calendar year by posting a return of 7.2% to close at 34,444 points. Upward momentum of the market continued mainly due to persistent decline in CPI along with decline in International oil prices and expectation of cut in the policy rate. Chemicals, Construction and Materials and Electricity sector lead the positive momentum as the expectation of reduction in financial charges of leverage companies amid declining interest rates, coupled with increased investor focus on high dividend yielding stocks proved to be the main driving force behind the positive performance of these sectors. On the other hand, Oil & Gas and Banking sectors were the major underperforming sectors of the market mainly due to declining international oil prices for the oil sector; and shrinking margins for banks in a low interest rate environment. During the course of the month, SBP reduced the policy rate by 100 basis points from 9.5 percent to 8.5 percent considering the improved key macroeconomic and expectations of lower CPI inflation going forward.

During the month of January 2015, the benchmark KSE-100 index gained 7.20% whereas your Fund's NAV appreciated by 6.09% during the same period thus giving an underperformance of 1.11%. On a YTD basis (July 14 to January 15), the KSE-100 index increased by 16.16% whereas the NAV of your Fund increased by 23.79%, thus, showing an out performance of 7.63%.

Fund Returns

	NI(UT) Fund	KSE-100
Trailing 12- months	39.61%	29.45%
3yrs	239.23%	190.06%
5yrs	275.32%	258.26%
10 yrs	400.92%	410.48%
Leverage	Nil	

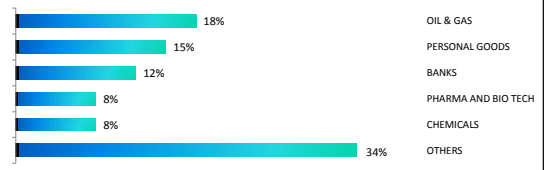
Fund's Asset Allocation



Future Outlook

Going forward, the direction of the stock market will be determined by the ongoing result season coupled with the outlook of inflation and interest rates.

Sector Allocation (As % of Total Assets)



Technical Information 30-01-2015

Net Assets NI(UT)	75.758
Nav per Unit NI(UT)	70.05

Top Ten Holdings (As % of Total Assets)

(As % of Total Assets)	
10%	Pakistan State Oil
6%	Bata Pakistan Ltd.
5%	Bank Al-Habib Ltd.
5%	Fauji Fertilizer Co. Ltd.
4%	Packages Ltd.
4%	Mari Petroleum Ltd.
3%	Habib Metropolitan Bank
3%	GlaxoSmith Kline (Pak) Ltd.
3%	Shezan International
2%	Abbott Laboratories Pakistan Ltd.

Risk & Return Ratios (3yrs to date)

	NIT Portfolio	KSE-100
Standard Deviation	11%	15%
Beta	0.50	1.00
Sharpe Ratio	1.48	1.81

Historical Fund Performance

	NI(UT)	KSE 100	DPU (Rs.)
FY 10	17.9%	35.7%	2.25
FY 11	24.0%	28.5%	4.00
FY 12	7.6%	10.5%	3.50
FY 13	58.4%	52.2%	3.75
FY 14	57.0%	41.2%	4.10

WWF Disclosure:

The Scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of **Rs. 476 million**, if the same were not made the NAV per unit/ year to date return of the Scheme would be higher by **Rs. 0.44 / 0.77%**. 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 4% 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

Shahid Ghaffar - 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	Raza Abbas Jaffery - Head of Trading	
Ammar Habib - Manager / Incharge Risk Mngmn	Syed Aqib Hussain - Incharge / Manager 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.

Disclosure regarding Tax on Bonus Shares – NI(U)T

Finance Act 2014 has introduced tax on bonus shares issued by companies. Most Equity Funds including NI(U)T Fund have challenged this on various legal grounds and have sought relief from the Court. The Court, in its order dated November 25, 2014, has granted interim relief by passing the restraining order whereby the Defendants, (issuers of the Bonus shares) are being refrained from deducting or transferring 5% withholding tax on Bonus shares issued by them to the CDC Account of the Income Tax department.

As an abundant caution, the NI(U)T Fund has made payment of Rs. 13.43 million as of January 30, 2015 which is equivalent to 5% value of the bonus shares, determined on the basis of day-end price on the first day of book closure. The market value of 5% bonus shares as on January 30, 2015 is Rs. 46.63 million.