



NATIONAL INVESTMENT UNIT TRUST



FUND MANAGER REPORT - January 2016

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) (14-04-2015)
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. 87 billion assets as of January 31 the family of Funds of NIT comprises of 9 funds including 4 equity Funds 2 fixed income nature Funds, 1 money market 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 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

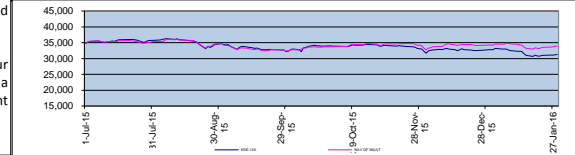
The benchmark KSE-100 index started the calendar year on a bearish note, declining by 4.6% to close at 31,299 level. Major drag to the benchmark KSE-100 came from Oil & Gas Exploration, Banks & Fertilizer sectors. The Oil & Gas sector followed the declining trend of International oil prices on oversupply fears; Similarly, Banks remained under pressure on expectations of a benign inflation outlook which strengthened expectations of further monetary easing. Moreover concerns of dwindling fertilizer prices in the international market were also among the major reasons for the underperformance of the overall equity market. Foreign investors continue to be net sellers in the market with an outflow of USD 50 million. Monetary policy was also announced during the month where newly formed Monetary Policy Committee of the State Bank of Pakistan (SBP) decided to keep the benchmark interest rate unchanged at 6% for the next two months.

During the month of January 2016, the benchmark KSE-100 index declined by 4.62% whereas your Fund's NAV depreciated by 1.04% during the same period thus giving an outperformance of 3.58%. On a YTD basis (July 15 to Jan 16), the KSE-100 index declined by 9.01% whereas the NAV of your Fund went down by 1.84%, thus, showing an out performance of 7.17%.

Fund Returns

	NI(UT) Fund	KSE-100
Trailing 12- months	-4.50%	-9.13%
3yrs	134.03%	181.52%
5yrs	216.68%	153.24%
10 yrs	216.11%	197.40%
Leverage	Nil	

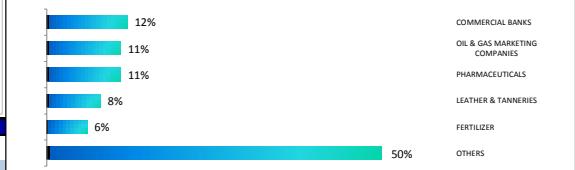
NI(UT) VS KSE-100



Future Outlook

The fundamentals of the stock market are intact and the market is trading at a significant discount as compared to the regional peers. However slowdown in the global economy and decline in commodity prices is expected to keep local equity markets volatile in the period ahead.

Sector Allocation (As % of Total Assets)



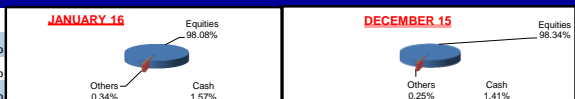
Technical Information 31-01-2016

Net Assets NI(UT)	63.276
Nav per Unit NI(UT)	62.58

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%	Pak Tobacco Co. Ltd.
4%	Packages Ltd.
3%	GlaxoSmith Kline (Pak) Ltd.
3%	Mari Petroleum Ltd.
3%	Soneri Banl Ltd.
3%	Habib Metropolitan Bank

Fund's Asset Allocation



Historical Fund Performance

	NI(UT)	KSE 100	DPU (Rs.)
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
FY 15	20.3%	16.0%	4.25

WWF Disclosure:

The Scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of **Rs.507 million**, if the same were not made the NAV per unit/ year to date return of the Scheme would be higher by **Rs. 0.51 / 0.80%**. 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 Mngm	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 etc.

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. 25.93 million as of January 31, 2016 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 31, 2016 is Rs.58.70 million.