



NATIONAL INVESTMENT UNIT TRUST



FUND MANAGER REPORT -January 2017

NIUT 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.

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. 119 billion assets as of January 31, 2017 the family of Funds of NIT comprises of 10 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 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 demonstrates that the Asset Manager meets 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.

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)
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) *except public holiday

Fund Commentary & Performance Review

The Fund's benchmark KSE-100 index gained 1.99% during the month of January, 2017. Bullish trend carried on from the previous month into the month of January, 2017 as the market benchmark KSE-100 index made its first ever closing of above of 50,000 recording an all-time high closing of 50,192. However, the market lost its momentum towards the end of the month as the KSE-100 index lost 1,435 points in the last three trading sessions of the month. Profit taking at the historical high market levels, coupled with certain compliance regulations by SECP and concerns over travelling ban against the nationals of select Islamic countries also stoked fear and anxiety among the investors. Consequently benchmark KSE-100 failed to sustain the 50,000 level towards the end of the month. Steel sector recorded gain of an impressive 30% during the month, on the back of rising international steel prices, imposition of anti-dumping duty on CRC, capacity expansions, and strong result expectations.

In its latest Monetary Policy meeting, State Bank of Pakistan (SBP) maintained the country's main policy interest rate at 5.75 percent and discount rate at 6.25 percent, on account of overall macroeconomic stability and a steady inflation outlook.

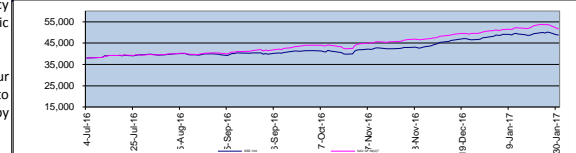
During the month of January 2017, the benchmark KSE-100 index increased by 1.99% whereas your Fund's NAV appreciated by 2.12% thus giving an outperformance of 0.14%. On a YTD basis (July 16 to January 2017), the KSE-100 index increased by 29.04% whereas the NAV of your Fund went up by 37.22%, thus, showing an outperformance of 8.18%.

Fund Returns

	NI(UT) Fund	KSE-100
Trailing 12- months	51.95%	52.95%
3yrs	102.25%	82.04%
5yrs	395.55%	310.59%
10 yrs	394.60%	332.54%
Leverage	Nil	
*Total Expense Ratio	1.95%	

*This includes 0.81% representing Govt. Levy, Workers Welfare Fund & SECP Fee.

NI(UT) VS KSE-100



Future Outlook

Market is likely to take its direction from the ongoing results season this month.

Sector Allocation (As % of Total Assets)



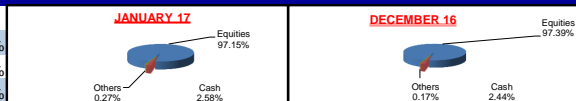
Technical Information 31-01-2017

Net Assets NI(UT)	89.496
Nav per Unit NI(UT)	89.40

Top Ten Holdings (As % of Total Assets)

(As % of Total Assets)	
Pakistan State Oil	10%
Bata Pakistan Ltd.	5%
Bank Al-Habib Ltd.	4%
Mari Petroleum Ltd.	4%
Packages Ltd.	4%
Fauji Fertilizer Co. Ltd.	3%
Abbott Laboratories	3%
Service Industries	3%
Searle Pakistan	2%
Pak Tobacco Co. Ltd.	2%

Fund's Asset Allocation



Historical Fund Performance

	NI(UT)	KSE 100	DPU (Rs.)
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
FY 16	9.59%	9.84%	4.50

Sindh Workers Welfare Fund :

The Scheme has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of **Rs. 262 million**, if the same were not made the NAV per unit/ year to date return of the Scheme would be higher by **Rs. 0.26/ 0.40%**. 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 3% 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	Amir Amin - Head of Finance	Raza Abbas Jaffery - Head of Trading
Shahid Anwer - Head of MD's Sectt. & Personnel	M. Imran Rafiq, CFA - Head of Research	Syed Aqib Hussain / Incharge Compliance	Ammar Habib - Manager / Incharge Risk Mngmnt

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. 38.97 million as of January 31, 2017 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, 2017 is Rs. 131.63 million.

Note: All the figures given in the report are being under Half Year Audit review.