



# NATIONAL INVESTMENT UNIT TRUST



## FUND MANAGER REPORT -January 2018

### 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.

### Profile of Investment Managers

National Investment Trust Ltd. (NITL) is the first and among the largest Asset Management Company of Pakistan, formed in 1962. With approximately Rs. 105 billion assets as of January 31, 2018 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	1.20%	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 New Year started on a strong bullish note with the benchmark KSE-100 index posting a gain of 8.84% during the month of January, 2018. The rally was mainly led by foreign investors with net buying of USD 86 million during the month. Moreover clarity at domestic political front with the announcement of Senate Elections by Election Commission of Pakistan lifted the investor's overall confidence. Average volumes remained at 239 million shares during the month, up 55% MoM. Towards the end of the month, SBP raised discount rate by 25 bps further extending the already bullish trend in the banking sector.

SBP in its Monetary Policy Statement stated that in order to preempt overheating of the economy and inflation breaching its target rate, this is the right time to make a policy decision that would balance growth and stability in the medium to long term. Accordingly, the Monetary Policy Committee decided to raise the policy rate by 25 bps to 6.00 percent.

During the month of January 2018, the benchmark KSE-100 index increased by 8.84% whereas your Fund's NAV appreciated by 10.23% thus giving an outperformance of 1.39%. On a YTD basis (July 17 to Jan 2018), the KSE-100 index has fallen by 5.40% whereas the NAV of your Fund has gone down by 7.11%, thus, showing an underperformance of 1.71%.

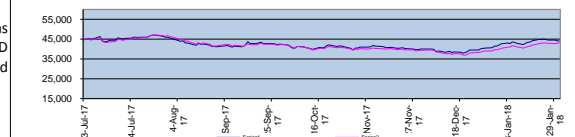
### \*\*Fund Returns

	NI(UT) Fund	KSE-100
Trailing 12- months	-8.31%	-9.66%
3yrs	33.94%	27.89%
5yrs	228.71%	155.46%
10 yrs	231.80%	214.25%
Leverage	Nil	
*Total Expense Ratio	1.67%	

\*This includes 0.31% representing Govt. Levy, Sindh Workers Welfare Fund & SECP Fee.

\*\*Returns calculated are inclusive of dividends

### NI(UT) VS KSE-100



### Future Outlook

We expect that the market will take direction from developments on the domestic politics, foreign portfolio investment activity and upcoming financial results of the listed companies.

### Sector Allocation (As % of Total Assets)



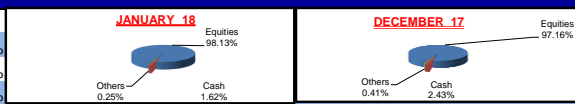
### Technical Information 31-01-2018

Net Assets NI(UT)	75.552
Nav per Unit NI(UT)	77.79

### Top Ten Holdings (As % of Total Assets)

(As % of Total Assets)	
Pakistan State Oil	10%
Bank Al-Habib Ltd.	6%
Pak Tobacco Co. Ltd.	5%
Mari Petroleum Ltd.	5%
Bata Pakistan Ltd.	4%
Sui Northren Gas Pipelines	3%
Fauji Fertilizer Co. Ltd.	3%
Packages Ltd.	3%
International Industries Ltd.	3%
Abbot Laboratories	2%

### Fund's Asset Allocation



### Historical Fund Performance

	NI(UT)	KSE 100	DPU (Rs.)
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
FY 17	35.44%	23.24%	4.50

### Sindh Workers Welfare Fund :

The Scheme has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of **Rs. 369 million**, if the same were not made the NAV per unit/ year to date return of the Scheme would be higher by **Rs. 0.38/ 0.46%**. 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.

### Members of the Investment Committee

Manzoor Ahmed -COO / Managing Director	Amir Amin - Head of Finance	Raza Abbas Jaffery - Headof Trading
Ali Kamal - Head of Research	Ammar Habib - Manager / Incharge Risk Mngmnt	Faisal Aslam - Head of 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. 49.01 million as of January 31, 2018 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, 2018 is Rs. 198.303 million.

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