



# NATIONAL INVESTMENT UNIT TRUST



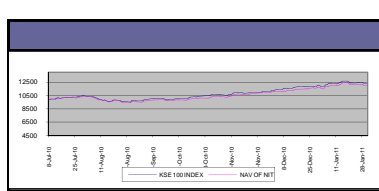
FUND MANAGER REPORT - January 2011

Basic Fund's Informations		NI(UT) Objective
<b>Fund Type</b>	Open-End	<p>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.</p> <p><b>Profile of Investment Managers</b></p> <p>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. 80 billion assets under management. In order to cater to varied needs of investors, NITL for the very first time in the 48 years history of the company, ventured in to fixed income category by launching two Funds in the FY10. NIT Government Bond Fund, a very low risk product was launched in Nov. 2009 followed by NIT Income Fund which was introduced in Feb. 2010. With the launching of these two funds the family of Funds of NIT has increased to six funds including 4 equity Funds and 2 fixed income nature Funds. NIT's distribution network comprises of 20 NIT branches, various Authorized bank branches all over Pakistan and Arab Emirates Investment Bank (AEIB) in Dubai(UAE). The Board of Directors of NITL consists of representatives of leading financial institutions, prominent industrialists and nominee of Govt. of Pakistan. During the year rating of NITL has also been improved by one notch to "AM2" by Pakistan Credit Rating Agency (PACRA), which denotes very strong capacity to manage risks inherent in asset management and the asset manager meets very high investment management industry standards and benchmarks. All Investment decisions are taken by the Investment Committee of NITL.</p> <p><b>Fund Performance Review</b></p> <p>The KSE-100 gained 2.8% during the month of January 2011 and closed at 12,359 points. The average traded volumes for the month of January 2011 were 170 million shares as compared to 140 million shares in the previous month. The upsurge in the market was a result of steady foreign inflows in the market and better than expected earnings and payouts from the corporate sector. The Monetary policy announced by the SBP came as a surprise for investors as discount rate remained unchanged. SBP stated in its policy to maintain the delicate balance that needs to be struck between risks to inflation and economic growth and therefore Central bank decided to keep the policy rate unchanged at 14 percent for the time being. Market reacted positively to this surprise development however failed to keep the momentum as rumors spread wide in the market during the last trading session of the month that government will change the oil pricing formula and reduce the deemed duty on diesel which will severely hit the margins of refineries.</p> <p>During the month of January 2011, the benchmark KSE-100 index increased by 2.80% whereas your Fund's NAV appreciated by 2.01% thus, giving an under performance of 0.79%. Similarly, on YTD basis (July 10 to Jan 11), the KSE-100 index increased by 27.13% whereas the NAV of your Fund increased by 23.65%, thus, showing an under performance of 3.48%.</p> <p>Developments regarding the slash in the deemed duty and oil companies distribution margin can have a significant impact on the market, however market may remain vibrant on the back of ongoing corporate results season and possible introduction of Margin Trading System in the month to follow.</p>
<b>Category</b>	Equity	
<b>Launch Date</b>	12th November 1962	
<b>Management Fee</b>	1.00%	
<b>Front End Load</b>	3.00%	
<b>Back End Load</b>	0.00%	
<b>Cutt-off timing</b>	9.00 AM to 3.30 PM (Mon to Fri) 9.00 AM to 12.30 PM (Saturday)	
<b>Par Value</b>	PKR 10.00	
<b>Minimum Investment</b>	PKR 5,000	
<b>Trustee</b>	National Bank of Pakistan	
<b>Auditors</b>	A.F Ferguson & Co.	
<b>Pricing Mechanism</b>	Forward Pricing	
<b>Valuation Days</b>	Daily (Monday to Friday) except public holiday	
<b>Dealing Days</b>	Daily (Monday to Saturday) except public holiday	
<b>AMC Rating</b>	AM2 (PACRA)	
<b>Risk Profile</b>	Moderate / High	
<b>Fund Manager</b>	Manzoor Ahmed	

Benchmark
KSE-100

Technical Information 31-01-2011		
<b>Net Assets NI(UT)</b>	Rs. 36.993 billion	
<b>Nav per Unit NI(UT)</b>	Rs. 32.05	
Risk & Return Ratios (3yrs to date)		
	<b>NIT Portfolio</b>	<b>KSE-100</b>
<b>Standard Deviation</b>	17%	33%
<b>Beta</b>	0.48	1.00
<b>Sharpe Ratio*</b>	-1.13	-0.32

Sector Allocation (As % of Total Assets)		Top Ten Holdings (As % of Total Assets)																					
		<table border="1"> <tr> <td>Fauji Fertilizer Co. Ltd.</td> <td>11%</td> <td>Siemens Pakistan</td> <td>3%</td> </tr> <tr> <td>Pakistan State Oil</td> <td>11%</td> <td>Attock Refinery Ltd.</td> <td>3%</td> </tr> <tr> <td>Bank Al-Habib Ltd.</td> <td>7%</td> <td>Pakistan Oilfields Ltd.</td> <td>2%</td> </tr> <tr> <td>National Refinery Ltd.</td> <td>5%</td> <td>Nishat Mills Ltd</td> <td>2%</td> </tr> <tr> <td>Habib Metropolitan Bank Ltd.</td> <td>4%</td> <td>Bata Pakistan Ltd.</td> <td>2%</td> </tr> </table>		Fauji Fertilizer Co. Ltd.	11%	Siemens Pakistan	3%	Pakistan State Oil	11%	Attock Refinery Ltd.	3%	Bank Al-Habib Ltd.	7%	Pakistan Oilfields Ltd.	2%	National Refinery Ltd.	5%	Nishat Mills Ltd	2%	Habib Metropolitan Bank Ltd.	4%	Bata Pakistan Ltd.	2%
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Asset Allocation		Fund Performance				
	January 11		NI(UT)	KSE 100	DPU (Rs.)	
			<b>FY 06</b>	28.2%	34.1%	5.80
			<b>FY 07</b>	44.8%	37.9%	6.20
			<b>FY 08</b>	-6.4%	-10.8%	6.50
			<b>FY 09</b>	-41.5%	-41.7%	3.25
			<b>FY 10</b>	17.9%	35.7%	2.25

**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 best protecting the interest of the unit holders

Members of the Investment Committee		
<b>Wazir Ali Khoja - Managing Director</b>	<b>Manzoor Ahmed - Chief operating Officer</b>	<b>S. Zubair Ahmed - Controller of Branches</b>
<b>Shahid Anwer - Head of MD's Sectt. &amp; Personnel</b>	<b>Amir Amin - Head of Finance</b>	

**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 dependant 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.

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