

## NATIONAL INVESTMENT UNIT TRUST

FUND MANAGER REPORT - February 2013

### 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 Asset Management Company of Pakistan, formed in 1962. NITL is the largest asset management company of Pakistan with approximately Rs. 76 billion assets under management. The family of Funds of NIT comprises of five funds including 3 equity Funds and 2 fixed income nature Funds. NIT's distribution network comprises of 23 NIT branches, various Authorized bank branches all over Pakistan and Arab Emirates Investment Bank (AEIB) in Dubai(UAE) and to cater the matters relating to investments in NIT and day to day inquiries / issues of NIT's unit holders, 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 Pakistan Credit Rating Agency, 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

### Fund's Information

<b>Fund Type</b>	Open-End	<b>Trustee</b>	National Bank of Pakistan
<b>Category</b>	Equity	<b>Auditors</b>	A.F Ferguson & Co.
<b>Launch Date</b>	12th November 1962	<b>Pricing Mechanism</b>	Forward Pricing
<b>Management Fee</b>	1.00%	<b>Dealing Days*</b>	Daily (Monday to Friday)
<b>Front End Load</b>	3.00%	<b>Valuation Days*</b>	Daily (Monday to Friday)
<b>Back End Load</b>	0.00%	<b>AMC Rating</b>	AM2- (PACRA)
<b>Benchmark</b>	KSE-100	<b>Risk Profile</b>	Moderate / High
<b>Par Value</b>	PKR 10.00	<b>Fund Manager</b>	Manzoor Ahmed
<b>Minimum Investment</b>	PKR 5,000	<b>Cutt-off timing</b>	9:00 AM to 3:30 PM (Mon to Fri)

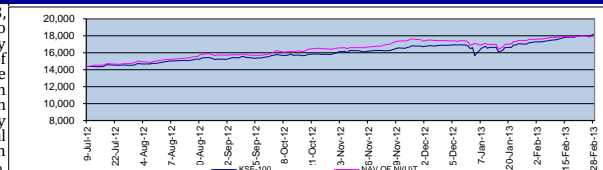
\*except public holiday

### Fund Commentary & Performance Review

KSE-100 continued with its bullish momentum during the month of February 2013, registering a gain of 5.4%, hence also surpassing another landmark of 18,000 points to close at an all-time high level of 18,173 points. Trading activity improved significantly with average daily trading volume at 206 million shares. The glittering performance of the market was a result of positive developments in telecom and fertilizer sector. The Supreme Court's decision of overruling the suspension of ICH by the Lahore High Court and ECCs move over agreement on providing gas to Fertilizer plants were taken positively by the investors. Moreover, strong December 2012 results, along with healthy payouts especially from the Electricity, Personal Goods and Construction & Material sectors kept the momentum of the market animated. The State Bank of Pakistan announced its monetary policy and kept the benchmark policy rate unchanged at 9.50%. However, with the objective of improving transmission mechanism by minimizing short-term volatility in interest rates and to bring more transparency, existing width of the interest rate corridor was reduced from 300bps to 250bps.

During the month of February 2013, the benchmark KSE-100 index increased by 5.40% whereas your Fund's NAV appreciated by 2.35% during the same period thus giving an underperformance of 3.05%. On a YTD basis (July 12 to February 13), the KSE-100 index increased by 31.68% whereas the NAV of your Fund increased by 28.39%, thus, showing an underperformance of 3.29%.

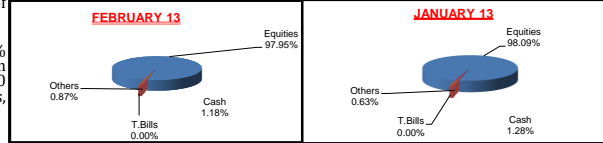
### Fund's Year to Date Performance



### Future Outlook

Now that majority of companies have made earning announcements for the quarter ending Dec'12, entire focus of the market will now shift on to the upcoming general elections. In our view, the markets future direction will be largely contingent to smooth transition of outgoing legislative assemblies to a mutually agreed interim setup,

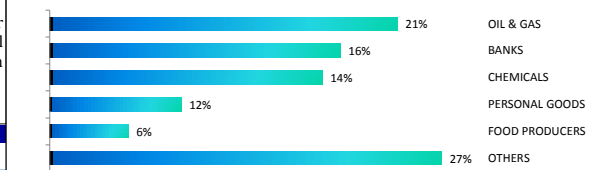
### Fund's Asset Allocation



### Technical Information 28-02-2013

Net Assets NI(UT)	41.164
Nav per Unit NI(UT)	34.37

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



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

(As % of Total Assets)	
Pakistan State Oil	9%
Fauji Fertilizer Co. Ltd.	9%
Bank Al-Habib Ltd.	6%
Bata Pakistan Ltd.	4%
Habib Metropolitan Bank	3%
National Refinery	3%
Unilever Pakistan	3%
Attock Refinery	3%
Pakistan Oilfields	3%
Engro Corporation	2%

### Risk & Return Ratios (3yrs to date)

	NIT Portfolio	KSE-100
<b>Standard Deviation</b>	<b>12%</b>	<b>15%</b>
<b>Beta</b>	<b>0.51</b>	<b>1.00</b>
<b>Sharpe Ratio</b>	<b>-0.76</b>	<b>0.59</b>

### Historical Fund Performance

	NI(UT)	KSE 100	DPU (Rs.)
<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
<b>FY 11</b>	24.0%	28.5%	4.00
<b>FY 12</b>	7.6%	10.5%	3.50

### WWF Disclosure:

The Scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of **Rs. 242 million**, if the same were not made the NAV per unit/ year to date return of the Scheme would be higher by **Rs. 0.20 / 0.76%**. 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 4.50% 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

Wazir Ali Khoja - 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	M. Atif Khan, Manager Compliance & Risk Management	

### 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 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.