



NATIONAL INVESTMENT UNIT TRUST



FUND MANAGER REPORT - February 2012

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. 75 billion assets under management. The family of Funds of NIT comprises of six funds including 4 equity Funds and 2 fixed income nature Funds. NIT's distribution network comprises of 22 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. The Company has been assigned an Asset Manager rating of "AM2-" by JCR-VIS Credit Rating Company Limited, which denotes the stable outlook of the company and the asset manager meets high investment management quality standards. All Investment decisions are taken by the Investment Committee of NITL.

Fund's Information

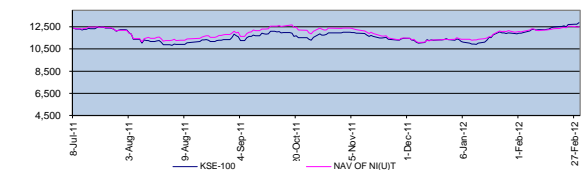
Fund Type	Open-End	Trustee	National Bank of Pakistan
Category	Equity	Auditors	A.F Ferguson & Co.
Launch Date	12th November 1962	Pricing Mechanism	Forward Pricing
Management Fee	1.00%	Valuation Days*	Daily (Monday to Friday)
Front End Load	3.00%	Dealing Days*	Daily (Monday to Friday)
Back End Load	0.00%	AMC Rating	AM2- (JCR-VIS)
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

During the month of February 2012, the benchmark KSE-100 index posted a sharp gain of 8.4% to close at 12,877 points. Trading activity also witnessed significant improvement of 148%. Average daily trading volumes recorded at 184.9 mn shares up from 74.5mshares in January 2012. KSE-100 continued with the bullish trend of the last month which was mainly derived by the commitment of Finance Minister to accept all proposals of the KSE for relaxation in Capital Gains Tax. In addition to that, strong corporate earnings with handsome payouts also served to uphold the momentum in the market. In the monetary policy announcement on February 11, 2012, SBP kept the policy rate unchanged at 12%. SBP concluded in its MPS statement that despite moderate aggregate demand, pressure on liquidity is likely to continue due to uncertain foreign inflows and substantial government borrowings to finance the fiscal deficit. Moreover, inflationary pressures have not eased significantly. Against this backdrop, the Central Board of Directors of SBP considers the 200 bps reduction in the policy rate, already introduced in FY12, to be appropriate and has decided to keep the policy rate unchanged at 12 percent.

During the month of February 2012, the benchmark KSE-100 index increased by 8.4% whereas your Fund's NAV increased by 3.8%, thus, giving an underperformance of 4.6%. Similarly, on a YTD basis (July 11 to Feb 12), the KSE-100 index appreciated by 3.06% whereas the NAV of your Fund has yielded a return of 1.31%, showing an under performance of 1.75%.

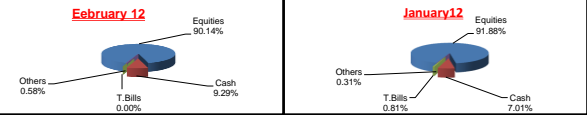
Fund's Year to Date Performance



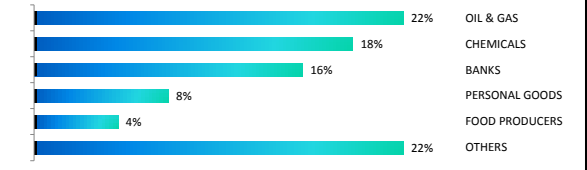
Outlook

The revitalized foreign, and local investor's interest may continue to lend strong support to the market. However, nascent risks to the economy in the form of deteriorating BoP position and higher expected inflation (rising energy prices and weakening off of last year's base effect) are the possible hazards to the upside momentum of the current rally.

Fund's Asset Allocation



Sector Allocation (As % of Total Assets)



Technical Information 29-02-2012

Net Assets NI(UT)	Rs. 38,299 billion
Nav per Unit NI(UT)	Rs. 28.51

Top Ten Holdings (As % of Total Assets)

(As % of Total Assets)	
13%	Fauji Fertilizer Co. Ltd.
9%	Pakistan State Oil
7%	Bank Al-Habib Ltd.
4%	National Refinery Ltd.
3%	Habib Metropolitan Bank
3%	Attock Refinery Ltd.
3%	Pakistan Oilfields Ltd.
2%	Siemens Pakistan
2%	Bata Pakistan Ltd.
2%	Lucky Cement Ltd.

Risk & Return Ratios (3yrs to date)

	NIT Portfolio	KSE-100
Standard Deviation	22%	19%
Beta	0.57	1.00
Sharpe Ratio	-0.80	0.78

Historical Fund Performance

	NI(UT)	KSE 100	DPU (Rs.)
FY 07	44.8%	37.9%	6.20
FY 08	-6.4%	-10.8%	6.50
FY 09	-41.5%	-41.7%	3.25
FY 10	17.9%	35.7%	2.25
FY 11	24.0%	28.5%	4.00

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 6% 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.