

NATIONAL INVESTMENT UNIT TRUST

FUND MANAGER REPORT - March 2014

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 the largest Asset Management Company of Pakistan, formed in 1962. With approximately Rs. 92 billion assets under management, as on 31 March 2014. The family of Funds of NIT comprises of five funds including 3 equity Funds and 2 fixed income nature Funds. NIT's tally of nationwide branches is 23, yet another milestone as no Mutual Fund in Pakistan has such a big 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 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 of NITL.

Fund's Information

Fund Type	Open-End	Trustee	National Bank of Pakistan
Category	Equity	Auditors	Anjum Asim Shahid Rehman & 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)

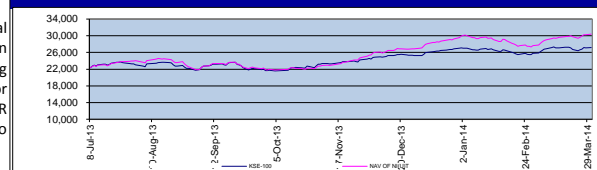
*except public holiday

Fund Commentary & Performance Review

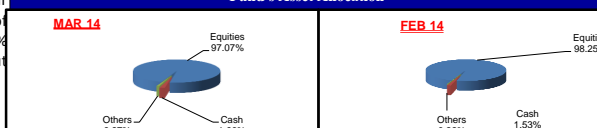
During the month of March 2014, KSE 100 bounced back with a MoM gain of 5.34%. Local Institutions shown strong participation with Mutual Funds remained net buyers of 55mn USD in the market also indicating of a surplus liquidity available to equity investors. Banking sector performed well mainly on the expectation of higher PIB yields, the preference for longer tenor securities resulted in a historic participation in the latest PIB auction of PKR 540bn compared to a target of PKR 60bn. Moreover, the appreciation of PKR vs USD also resulted in the strong gains in import dependent sectors such as pharma and autos.

During the month of March 2014, the benchmark KSE-100 index gained 5.34% whereas your Fund's NAV appreciated by 10.08% during the same period thus giving an outperformance of 4.74%. On a YTD basis (July 13 to March 14), the KSE-100 index increased by 29.30% whereas the NAV of your Fund increased by 44.36%, thus, showing an impressive outperformance of 15.06%.

Fund's Year to Date Performance



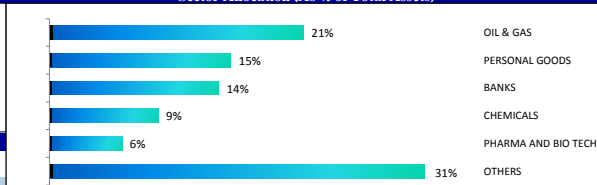
Fund's Asset Allocation



Future Outlook

Fast track developments on secondary offerings of State Enterprises, 3G & 4G auctions and government's plan to issue Euro bonds worth USD 500mn are the possible positive triggers in the period ahead.

Sector Allocation (As % of Total Assets)



Technical Information 31-03-2014

Net Assets NI(UT)	59.89
Nav per Unit NI(UT)	55.81

Top Ten Holdings (As % of Total Assets)

(As % of Total Assets)	
Pakistan State Oil	13%
Bank Al-Habib Ltd.	6%
Fauji Fertilizer Co. Ltd.	5%
Bata Pakistan	5%
Pak Tobacco Co. Ltd.	4%
Habib Metropolitan Bank	3%
Soneri Bank Ltd.	3%
Packages Ltd.	3%
GlaxoSmith Kline	2%
Siemens Pakistan	2%

Risk & Return Ratios (3yrs to date)

	NIT Portfolio	KSE-100
Standard Deviation	12%	15%
Beta	0.50	1.00
Sharpe Ratio	0.52	1.14

Historical Fund Performance

	NI(UT)	KSE 100	DPU (Rs.)
FY 09	-41.5%	-41.7%	3.25
FY 10	17.9%	35.7%	2.25
FY 11	24.0%	28.5%	4.00
FY 12	7.6%	10.5%	3.50
FY 13	58.4%	52.2%	3.75

WWF Disclosure:

The Scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of **Rs. 356 million**, if the same were not made the NAV per unit/ year to date return of the Scheme would be higher by **Rs. 0.33/ 0.85%**. 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 8% 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

Manzoor Ahmed - COO / Managing Director	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

MUFA'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.