



# NATIONAL INVESTMENT UNIT TRUST



## FUND MANAGER REPORT -March 2019

### 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. 85 billion assets as of March 31, 2019 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 24 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

<b>Fund Type</b>	Open-End	<b>Trustee</b>	Central Depository Company
<b>Category</b>	Equity	<b>Auditors</b>	A.F. Ferguson & Company
<b>Launch Date</b>	12th November 1962	<b>Pricing Mechanism</b>	Forward Pricing
<b>Management Fee</b>	1.20%	<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

The benchmark KSE-100 index posted a return of -1.04% during March, 2019. Market sentiment continued to remain negative with border tension with India lingering. Concerns over the macro direction of the economy also remained unclear with issues such as FATF, Pakistan's entry into an IMF program and the future direction of interest rates resulted in weak sentiment among investors. Volumes dropped substantially and stood at 106 million shares during the month, down 29% on a MoM basis. This lack of interest can also be attributed to investors awaiting the announcement of the monetary policy towards the end of the month whereby SBP raised policy rate by another 50 bps. Foreign investors remained net sellers and sold off positions worth USD 18 million during the month.

During the month of March 2019, the benchmark KSE-100 index declined by 1.04% whereas your Fund's NAV decreased by 1.57% thus giving an underperformance of 0.53%. On a YTD basis (July 18 to March 19), the KSE-100 index has fallen by 7.78% whereas the NAV of your Fund has gone down by 11.58%, thus, showing an underperformance of 3.80%.

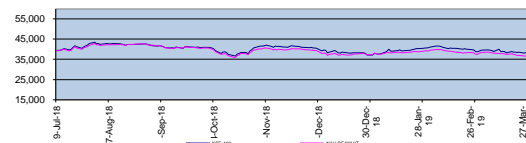
### \*\*Fund Returns

	NI(UT) Fund	KSE-100
<b>Trailing 12- months</b>	-17.03%	-15.17%
<b>3yrs</b>	16.62%	16.63%
<b>5yrs</b>	51.35%	42.30%
<b>10 yrs</b>	477.82%	463.38%
<b>Leverage</b>	0.03% of Net Assets	
<b>Selling &amp; Marketing Expenses</b>	0.12% per annum	
<b>*Total Expense Ratio</b>	1.76%	

\*This includes 0.29% representing Govt. Levy, Sindh Workers Welfare Fund & SECP Fee.

\*\*Returns calculated are inclusive of dividends

### NI(UT) VS KSE-100



### Future Outlook

Outcome of the FATF review and negotiations with the IMF will determine the future direction of the market.

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



### Technical Information 31-03-2019

<b>Net Assets NI(UT)</b>	60.761
<b>Nav per Unit NI(UT)</b>	63.24

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

(As % of Total Assets)	
Pakistan State Oil	10%
Bank Al-Habib Ltd.	8%
Pak Tobacco Co. Ltd.	7%
Mari Petroleum Ltd.	5%
Fauji Fertilizer Co. Ltd.	4%
Bata Pakistan Ltd.	3%
Habib Metropolitan Bank	3%
Abbott Laboratories	3%
Sui Northren Gas Pipelines	3%
Packages Ltd.	2%

### Fund's Asset Allocation



### Historical Fund Performance

	NI(UT)	KSE 100	DPU (Rs.)
<b>FY 14</b>	57.0%	41.2%	4.10
<b>FY 15</b>	20.3%	16.0%	4.25
<b>FY 16</b>	9.59%	9.84%	4.50
<b>FY 17</b>	35.44%	23.24%	4.50
<b>FY 18</b>	-11.81%	-10.00%	2.33

### Sindh Workers Welfare Fund :

The Scheme has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of **Rs. 417 million**, if the same were not made the NAV per unit/ year to date return of the Scheme would be higher by **Rs. 0.44/ 0.62%**. 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

<b>Adnan Afridi - Managing Director</b>	<b>Manzoor Ahmed - Chief Operating Officer</b>	<b>Amir Amin - Head of Finance</b>
<b>Syed Ali Raza Bukhari - Head of Marketing</b>	<b>Raza Abbas Jaffery - Head of Trading</b>	<b>Ali Kamal - Head of Research</b>
<b>Salman.H.Chawala / Incharge Risk Mngmnt</b>	<b>Faisal Aslam - Head of Compliance</b>	

### MUEFAP'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. 49.39 million as of March 31 2019 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 March 31, 2019 is Rs. 142.421 million.