



# NATIONAL INVESTMENT UNIT TRUST



## FUND MANAGER REPORT - May 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. 72 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 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

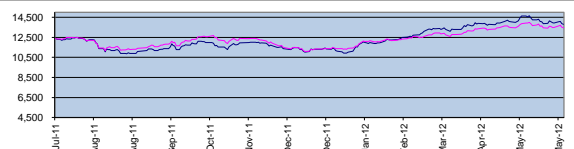
Fund Type	Open-End	Trustee	National Bank of Pakistan
Category	Equity	Auditors	A.F Ferguson & Co.
Launch Date	12th November 1962	Pricing Mechanism	Forward Pricing
Management Fee	1.00%	Dealing Days*	Daily (Monday to Friday)
Front End Load	3.00%	Valuation Days*	Daily (Monday to Friday)
Back End Load	0.00%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

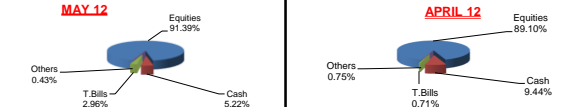
During the month of May 2012, KSE-100 Index slides down by 1.45% to close at 13,787 points. The average daily turnover also declined to 193 mn shares from 314 mn shares last month. Fragile state of economy and deadlock like situation with regard to the ongoing negotiations between Pakistan & USA over discontinued NATO supplies were the major reasons behind the bearish trend. Moreover the turmoil in global and regional markets and weakening of Pak Rupee against US dollar added to the concerns of the equity market investors.

During the month of May 2012, the benchmark KSE-100 index declined by 1.45% whereas your Fund's NAV increased by 0.07%, thus, giving an outperformance of 1.52%. Similarly, on a YTD basis (July 11 to May 12), the KSE-100 index appreciated by 10.33% whereas the NAV of your Fund has yielded a return of 8.99%, showing an under performance of 1.34%.

### Fund's Year to Date Performance



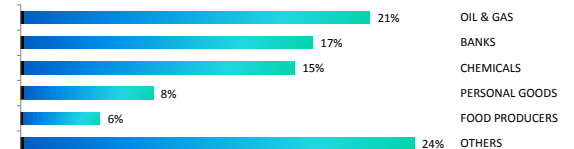
### Fund's Asset Allocation



### Outlook

Recently issued economic survey of Pakistan reveals that government has not been able to meet most of its targets for the current fiscal year. In the middle of murky economic indicators, the current depreciation of Pak Rupee against US dollar is also a big concern for the economy. However, budget announcement for FY12-13 would set the direction of the equity market going forward.

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



### Technical Information 31-05-2012

Net Assets NI(UT)	39.287
Nav per Unit NI(UT)	30.67

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

(As % of Total Assets)	
10%	Fauji Fertilizer Co. Ltd.
9%	Pakistan State Oil
6%	Bank Al-Habib Ltd.
4%	National Refinery Ltd.
3%	Habib Metropolitan Bank
3%	Attock Refinery Ltd.
3%	Pakistan Oilfields Ltd.
2%	Soneri Bank Ltd.
2%	Unilever Pakistan Ltd.
2%	Siemens Pakistan

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

	NIT Portfolio	KSE-100
Standard Deviation	22%	17%
Beta	0.62	1.00
Sharpe Ratio	-0.86	0.54

### 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 3% 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.