

NATIONAL INVESTMENT UNIT TRUST

FUND MANAGER REPORT - May 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. 82 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, in pursuance of its policy of business through its operational network, has established a new branch covering Karachi's densely populated area of Gulistan-e-Johar, Gulshan-e-Iqbal along with rural pockets. Now the tally of nationwide branches has gone to 24, yet another milestone as no Mutual Fund Organization in Pakistan has such a big and nationwide branches network. NIT's distribution network also comprises of various Authorized bank branches all over Pakistan and Arab Emirates Investment Bank (AIEB) 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 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- (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)

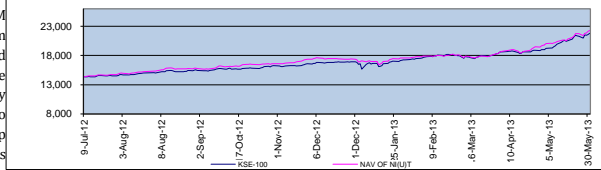
*except public holiday

Fund Commentary & Performance Review

KSE-100 index performed exceptionally well during the month of May registering a 14.96% MoM rise (2,841 points). Average daily volumes also considerably improved to 341mn shares from 176mn shares in the previous month. Phenomenal performance of the market was largely dictated by smooth transition of power as a result of general elections held on May 11, 2013. Comfortable majority in the center by PML(N) also lifted the confidence level of investors as the ruling party generally perceived to be instigating the economic reforms at a faster pace, their commitment to resolve the long-standing circular debt issue and attracting the foreign investment by speeding up the privatization process. During the month the energy sector remained in the lime light on hopes that the new government, will take immediate steps to resolve the power crisis on top priority. Moreover Banking and cement sector stocks also performed well showing decent returns during the month.

During the month of May 2013, the benchmark KSE-100 index increased by 14.96% whereas your Fund's NAV appreciated by 13.37% during the same period thus giving an underperformance of -1.59%. On a YTD basis (July 12 to May 13), the KSE-100 index increased by 58.12% whereas the NAV of your Fund increased by 59.06%, thus, showing an out performance of 0.94%.

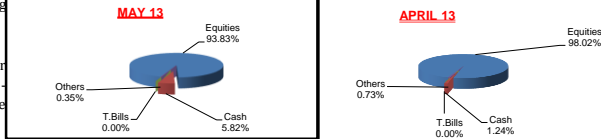
Fund's Year to Date Performance



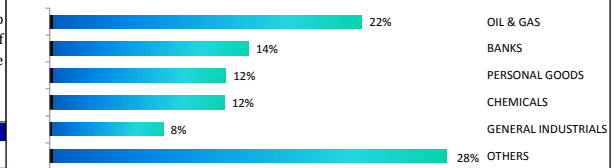
Future Outlook

With the election euphoria is now over, the entire focus of the market will now shift on to federal budget to be announced in mid of June. Moreover, developments on the resolution of circular debt and the stance of the Central Bank in the upcoming monetary policy will be the key in determining the future direction of the market.

Fund's Asset Allocation



Sector Allocation (As % of Total Assets)



Technical Information 31-05-2013

Net Assets NI(UT)	45.966
Nav per Unit NI(UT)	42.58

Top Ten Holdings (As % of Total Assets)

(As % of Total Assets)	
Pakistan State Oil	11%
Fauji Fertilizer Co. Ltd.	8%
Bank Al-Habib Ltd.	5%
Bata Pakistan Ltd.	4%
National Refinery	3%
Habib Metropolitan Bank	3%
Packages Ltd.	2%
Pakistan OilFields Ltd.	2%
Soneri Bank Ltd.	2%
Attock Refinery	2%

Risk & Return Ratios (3yrs to date)

	NIT Portfolio	KSE-100
Standard Deviation	12%	15%
Beta	0.50	1.00
Sharpe Ratio	-0.06	1.09

Historical Fund Performance

	NI(UT)	KSE 100	DPU (Rs.)
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
FY 12	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. 0.23/ 0.84%**. 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 3.40% 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 Sect. & 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.