

# NATIONAL INVESTMENT UNIT TRUST

## FUND MANAGER REPORT - May 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. 96 billion assets under management, as on May 30 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

<b>Fund Type</b>	Open-End	<b>Trustee</b>	Central Depository Company
<b>Category</b>	Equity	<b>Auditors</b>	Anjum Asim Shahid Rehman & Co.
<b>Launch Date</b>	12th November 1962	<b>Pricing Mechanism</b>	Forward Pricing
<b>Management Fee</b>	1.00%	<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)

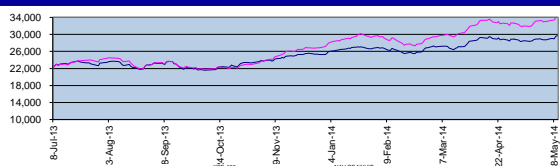
\*except public holiday

### Fund Commentary & Performance Review

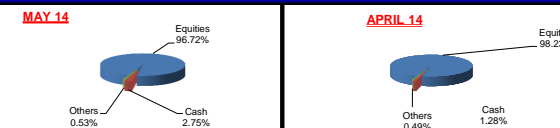
During the month of May 2014, the KSE-100 increased by 2.85%. The average daily trading volume dipped to 166 mn shares as compared to 290 mn shares traded during last month amid uncertainties related to budget announcement. Major development of the month was the increase in Pakistan's market weight from 4% to 7% in the MSCI FM index which resulted in a sizable inflow of around 70 mn USD during the month.

During the month of May 2014, the benchmark KSE-100 index gained 2.85% whereas your Fund's NAV appreciated by 4.60% during the same period thus giving an outperformance of 1.75%. On a YTD basis (July 13 to May 14), the KSE-100 index increased by 41.57% whereas the NAV of your Fund increased by 62.42%, thus, showing an impressive out performance of 20.85%.

### Fund's Year to Date Performance



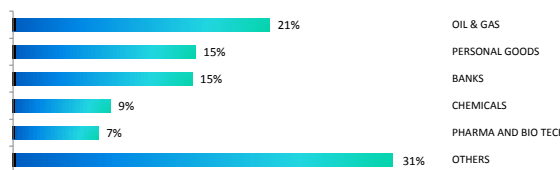
### Fund's Asset Allocation



### Future Outlook

After the unveiling of the federal Budget 2014-15, so far the market has reacted positively despite the increase in CGT rate and extension in the holding period. Moreover, the developments to watch out for in the future will be the upcoming secondary offering of UBL bank and foreign investors' participation in the market subsequent to increase in Pakistan's weight in MSCI FM index

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



### Technical Information 30-05-2014

Net Assets NI(UT)	67.03
Nav per Unit NI(UT)	62.79

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

(As % of Total Assets)	
12%	Pakistan State Oil
6%	Bata Pakistan
6%	Bank Al-Habib Ltd.
5%	Fauji Fertilizer Co. Ltd.
4%	Packages Ltd.
3%	Pak Tobacco Co. Ltd.
3%	Habib Metropolitan Bank
3%	GlaxoSmith Kline
3%	Soneri Bank Ltd.
2%	Abbott Pakistan

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

	NIT Portfolio	KSE-100
<b>Standard Deviation</b>	12%	15%
<b>Beta</b>	0.51	1.00
<b>Sharpe Ratio</b>	0.66	1.22

### Historical Fund Performance

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

### WWF Disclosure:

The Scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of **Rs. 378 million**, if the same were not made the NAV per unit/ year to date return of the Scheme would be higher by **Rs. 0.35/ 0.90%**. 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

Shahid Ghaffar - 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	

### 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.