

# NATIONAL INVESTMENT UNIT TRUST

## FUND MANAGER REPORT - May 2015

### 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 the recent launch of a new Fund namely **NIT Islamic Equity Fund** the size of total Funds under management has increased to approximately Rs. 97 billion as of May 29 2015. The family of Funds of NIT comprises of six funds including 4 equity Funds and 2 fixed income nature Funds. NIT's tally of nationwide branches is 23, 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 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>	KPMG Taseer Hadi & 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) (14-04-2015)
<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

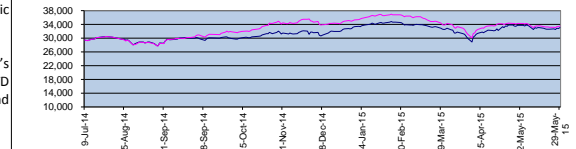
During the month of May 2015, the benchmark KSE-100 declined by 2.0% to close at a level of 33,056. The market remained sluggish during most part of the month with average daily trading volumes fell to 168 million shares in May from 276 million shares in April. Despite the surprise slash of discount rate by 100 bps, market behaved cautiously over the apprehensions on proposed increase in CGT rates and imposition of GIDC & potential hike in gas tariff from July 1, 2015. Monetary Policy statement issued by SBP on 23<sup>rd</sup> May 2015 stated that Macroeconomic conditions towards the end of FY15 have further improved compared to the beginning of the fiscal year. Current account deficit has narrowed down; average annual inflation is significantly below the target; there is a marginal uptick in real GDP growth; and foreign exchange reserve buildup continues. Considering the prevailing macroeconomic considerations, SBP Board of Directors decided to reduce the policy rate by 100 bps from 8% to 7%.

During the month of May 2015, the benchmark KSE-100 index declined by 2.00% whereas your Fund's NAV depreciated by 2.27% during the same period thus giving an underperformance of 0.27%. On a YTD basis (July 14 to May 15), the KSE-100 index increased by 11.48% whereas the NAV of your Fund increased by 13.29%, thus, showing an out performance of 1.81%.

### Fund Returns

	NI(UT) Fund	KSE-100
<b>Trailing 12- months</b>	<b>10.43%</b>	<b>11.89%</b>
<b>3yrs</b>	<b>178.07%</b>	<b>139.77%</b>
<b>5yrs</b>	<b>284.12%</b>	<b>254.44%</b>
<b>10 yrs</b>	<b>366.77%</b>	<b>382.04%</b>
<b>Leverage</b>	<b>Nil</b>	

### NI(UT) VS KSE-100



### Future Outlook

The Federal Budget on June the 5<sup>th</sup> is expected to determine the market & sector specific direction going forward.

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



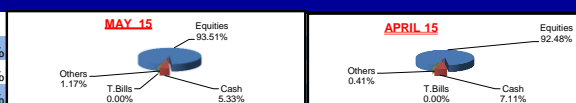
### Technical Information 29-05-2015

<b>Net Assets NI(UT)</b>	69.895
<b>Nav per Unit NI(UT)</b>	64.11

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

(As % of Total Assets)	
10%	Pakistan State Oil
5%	Fauji Fertilizer Co. Ltd.
5%	Bank Al-Habib Ltd.
5%	Bata Pakistan Ltd.
3%	Packages Ltd.
3%	Mari Petroleum Ltd.
3%	GlaxoSmith Kline (Pak) Ltd.
3%	Pak Tobacco Co. Ltd.
3%	Habib Metropolitan Bank
2%	Abbott Laboratories Pakistan

### Fund's Asset Allocation



### Historical Fund Performance

	NI(UT)	KSE 100	DPU (Rs.)
<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
<b>FY 14</b>	57.0%	41.2%	4.10

### WWF Disclosure:

The Scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of **Rs. 493 million**, if the same were not made the NAV per unit/ year to date return of the Scheme would be higher by **Rs. 0.45 / 0.79%**. 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 4% 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

<b>Shahid Ghaffar - Managing Director</b>	<b>Manzoor Ahmed - Chief Operating Officer</b>	<b>S. Zubair Ahmed - Controller of Branches</b>	<b>Amir Amin - Head of Finance</b>
<b>Shahid Anwer - Head of MD's Sectt. &amp; Personnel</b>	<b>M. Imran Rafiq, CFA - Head of Research</b>	<b>Raza Abbas Jaffery - Head of Trading</b>	
<b>Ammar Habib - Manager / Incharge Risk Mngm</b>	<b>Syed Aqib Hussain - Incharge / Manager Compliance</b>		

### 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. 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.

**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. 14.72 million as of May 29, 2015 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 May 29, 2015 is Rs. 39.02 million.