



**NATIONAL INVESTMENT UNIT TRUST**



**FUND MANAGER REPORT -May 2016**

**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.

**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)

**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. 92 billion assets as of May 31, 2016 the family of Funds of NIT comprises of 9 funds including 4 equity Funds 2 fixed income nature Funds, 1 money market Fund 1 conventional Pension Fund and 1 Islamic Pension Fund. NIT's tally of nationwide branches is 23 and sales desk is also available in financial hub at Abbottabad, 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 Commentary & Performance Review**

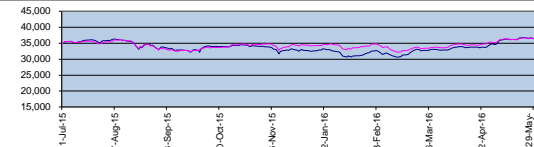
KSE-100 maintained its upward trajectory during the month of May'16, delivering a return of 3.87% to close at 36,062 points. The market continued to derive its strength from the rallying oil prices (WTI up 6.6%MoM) and upcoming decision regarding MSCI-EM reclassification. In tandem, average volumes also inched higher to stand at 274mn shares as compared to 235mn shares in Apr'16. Foreigners were net buyers during the month with purchases of USD 3.6 million worth of stocks. SBP's monetary policy also came as a surprise with discount rate slashed by 25 bps from 6.0% to 5.75%. SBP stated in its policy that Headline CPI inflation, despite its continuous increase on Year-on-Year (YoY) basis, would remain below its FY16 annual average target of 6%. Real GDP growth is set to exceed its FY15 outcome of 4.2%. Foreign exchange reserves are expected to remain on a comfortable level.

During the month of May 2016, the benchmark KSE-100 index increased by 3.87% whereas your Fund's NAV appreciated by 1.95% during the same period thus giving an underperformance of 1.92%. On a YTD basis (July 15 to May 16), the KSE-100 index increased by 4.83% whereas the NAV of your Fund went up by 4.13%, thus, showing an under performance of 0.70%.

**Fund Returns**

	NI(UT) Fund	KSE-100
<b>Trailing 12- months</b>	9.87%	7.44%
<b>3yrs</b>	95.77%	65.25%
<b>5yrs</b>	238.33%	197.46%
<b>10 yrs</b>	292.84%	267.95%
<b>Leverage</b>	Nil	

**NI(UT) VS KSE-100**



**Future Outlook**

Future direction of the market will remain contingent on the outcome of MSCI Annual Review 2016 and Federal Budget 2016-17 to be presented on June 3<sup>rd</sup> 2016.

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



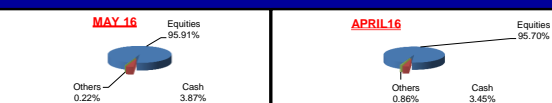
**Technical Information 31-05-2016**

<b>Net Assets NI(UT)</b>	66.006
<b>Nav per Unit NI(UT)</b>	66.38

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

(As % of Total Assets)	
11%	Pakistan State Oil
6%	Bata Pakistan Ltd.
5%	Fauji Fertilizer Co. Ltd.
4%	Bank Al-Habib Ltd.
4%	Packages Ltd.
4%	Mari Petroleum Ltd.
3%	Pak Tobacco Co. Ltd.
3%	GlaxoSmith Kline (Pak) Ltd.
3%	Abbott Laboratories
2%	Ferozsons Laboratories

**Fund's Asset Allocation**



**Historical Fund Performance**

	NI(UT)	KSE 100	DPU (Rs.)
<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
<b>FY 15</b>	20.3%	16.0%	4.25

**WWF Disclosure:**

The Scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of **Rs.507 million**, if the same were not made the NAV per unit/ year to date return of the Scheme would be higher by **Rs. 0.51 / 0.80%**. 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 5% 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>Adamjee Yakoob- Head of 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 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. 28.15 million as of May 31, 2016 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 31, 2016 is Rs.74.38 million.