



NATIONAL INVESTMENT UNIT TRUST



FUND MANAGER REPORT -May 2019

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 among the largest Asset Management Company of Pakistan, formed in 1962. With approximately Rs. 80 billion assets as of May 31, 2019 the family of Funds of NIT comprises of 10 funds including 4 equity Funds 2 fixed Income Funds, 1 money market Fund, 1 Islamic Income Fund, 1 conventional Pension Fund and 1 Islamic Pension Fund. NIT's tally of nationwide branches is 24 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 demonstrates that the Asset Manager meets high investment management industry standards and benchmarks with noted strengths in several of the rating factors. All Investment decisions are taken by the Investment Committee of NITL.

Fund's Information

Fund Type	Open-End	Trustee	Central Depository Company
Category	Equity	Auditors	A.F. Ferguson & Company
Launch Date	12th November 1962	Pricing Mechanism	Forward Pricing
Management Fee	1.20%	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 (** Ramzan Timing 10.00 AM to 2.00 PM (Mon to Thur), 9.00 AM to 12.00 Noon (Fri))

Fund Commentary & Performance Review

The benchmark KSE-100 index posted a return of -2.20% during May, 2019. The market fell by almost 7% during the first fortnight of the month amidst negative sentiment particularly with reference to conditionalities associated with the IMF program. PKR remained under pressure as it touched the level of 150 against the USD for the first time in history. Expectations of further raise in interest rates coupled with expectations of high inflation number for the month further dampened market sentiment. The second half of the month however, witnessed some recovery whereby news regarding the Finance Minister meeting with market participants and announcing market stabilization measures including market support fund caused a minor rally as the market recovered most of its losses of the first half of the month. Ramzan effect caused volumes to remain lower which stood at 123 million shares during the month, a decline of 13% MoM. Foreign investors remained net buyers for the second consecutive month with net buying of USD 18.42 million.

On 20th May 2019, SPB issued a monetary policy statement which stated that there is a need to address underlying inflationary pressures from higher recent month-on-month headline and core inflation outturns; recent exchange rate depreciation; an elevated fiscal deficit and its increased monetization, and potential adjustments in utility tariffs. In this context, the MPC decided to increase the policy rate by 150 bps to 12.25 percent effective from 21st May 2019.

During the month of May 2019, the benchmark KSE-100 index declined by 2.20% whereas your Fund's NAV decreased by 2.97% thus giving an underperformance of 0.77%. On a YTD basis (July 18 to May 19), the KSE-100 index has fallen by 14.16% whereas the NAV of your Fund has gone down by 19.29%, thus, showing an underperformance of 5.13%.

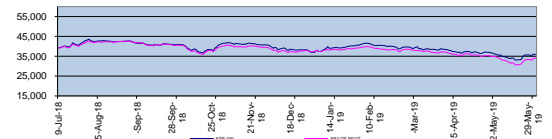
**Fund Returns

	NI(UT) Fund	KSE-100
Trailing 12- months	-21.17%	-16.04%
3yrs	1.45%	-0.24%
5yrs	22.78%	20.97%
10 yrs	385.08%	394.39%
Leverage	Nil	
Selling & Marketing Expenses	0.10% per annum	
*Total Expense Ratio	1.75%	

*This includes 0.30% representing Govt. Levy, Sindh Workers Welfare Fund & SECP Fee.

**Returns calculated are inclusive of dividends

NI(UT) VS KSE-100



Future Outlook

Future direction of the market will largely be determined by the outcome of the upcoming federal budget.

Sector Allocation (As % of Total Assets)



Technical Information 31-05-2019

Net Assets NI(UT)	54.931
Nav per Unit NI(UT)	57.72

Top Ten Holdings (As % of Total Assets)

(As % of Total Assets)	
Pakistan State Oil	10%
Bank Al-Habib Ltd.	9%
Pak Tobacco Co. Ltd.	8%
Mari Petroleum Ltd.	5%
Fauji Fertilizer Co. Ltd.	4%
Habib Metropolitan Bank	3%
Sui Northren Gas Pipelines	3%
Bata Pakistan Ltd.	3%
Abbott Laboratories	2%
Packages Ltd.	2%

Fund's Asset Allocation



Historical Fund Performance

	NI(UT)	KSE 100	DPU (Rs.)
FY 14	57.0%	41.2%	4.10
FY 15	20.3%	16.0%	4.25
FY 16	9.59%	9.84%	4.50
FY 17	35.44%	23.24%	4.50
FY 18	-11.81%	-10.00%	2.33

Sindh Workers Welfare Fund :

The Scheme has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of **Rs. 423 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/ 0.63%**. 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% of net assets) does not meet the requirements of current regulations.

Members of the Investment Committee

Adnan Afridi - Managing Director	Manzoor Ahmed - Chief Operating Officer	Amir Amin - Head of Finance
Syed Ali Raza Bukhari - Head of Marketing	Raza Abbas Jaffery - Head of Trading	Ali Kamal - Head of Research
Salman.H.Chawala / Incharge Risk Mngmnt	Faisal Aslam -Head of Compliance	

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. 49.39 million as of May 31 2019 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, 2019 is Rs. 122.49 million.