

NATIONAL INVESTMENT UNIT TRUST

FUND MANAGER REPORT - June 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. 81 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 (AEIB) 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

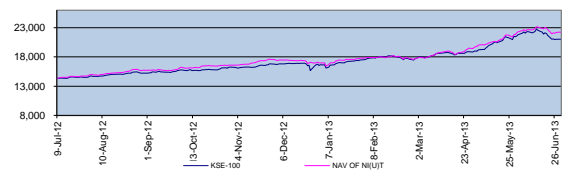
Fund Type	Open-End	Trustee	National Bank of Pakistan
Category	Equity	Auditors	A.F Ferguson & Co.
Launch Date	12th November 1962	Pricing Mechanism	Forward Pricing
Management Fee	1.00%	Dealing Days*	Daily (Monday to Friday)
Front End Load	3.00%	Valuation Days*	Daily (Monday to Friday)
Back End Load	0.00%	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

During the month of June 2013, KSE-100 witnessed bearish trend on account of profit taking from the investors, posting a negative return of 3.75%. However despite the negative return, KSE 100 recorded a hefty performance of 52.2% during the fiscal year to close the benchmark KSE-100 levels at 21,006 points and remained one of the best performing markets of the Asia Pacific region. Federal Budget 2013-14 being the first major legislative activity of the newly elected parliament was the main event of the month. The unveiled Federal Budget offers a fine balancing act between aspirations and realities and has come with its fair share of tough reforms including phase out of subsidies and measures to broaden tax base. As anticipated, energy sector drew a considerable focus with commitment to erase inter-corporate debt within 60 days while rolling out a hefty increase in development expenditures. Notable taxation measures included 1% increase in GST to 17%, 1% reduction in corporate tax rate and increase in minimum turnover tax from 0.5% to 1% remained some of the highlights of the finance bill 2013-14. In another development SBP in its monetary policy statement on 21st June 2013, slashed the policy rate by 50 bps to 9%. The Central Board of Directors of SBP placed higher weight to declining inflation and low private sector credit relative to risks to the balance of payments position.

Fund's Year to Date Performance

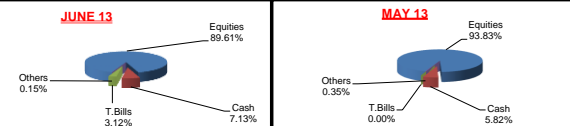


Performance Review & Future Outlook

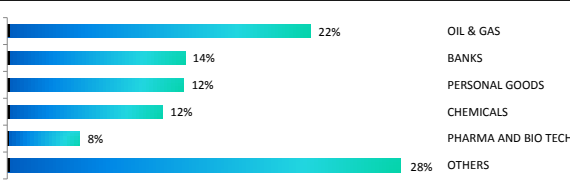
During the month of June 2013, the benchmark KSE-100 index declined by 3.75% whereas your Fund's NAV went down by 0.4% during the same period thus giving an outperformance of 3.35%. On a YTD basis (July 12 to June 13), the KSE-100 index increased by 52.20% whereas the NAV of your Fund increased by 58.42%, thus, showing a resounding out performance of 6.22%.

Looking ahead, the market's future direction will be determined by the outcome of negotiations between the Govt and IMF over the bailout package. Moreover, the upcoming result season with healthy earning growth and dividend announcement expectations would keep investor sentiments uplifted.

Fund's Asset Allocation



Sector Allocation (As % of Total Assets)



Technical Information 30-06-2013

Net Assets NI(UT)	47.297
Nav per Unit NI(UT)	42.41

Top Ten Holdings (As % of Total Assets)

(As % of Total Assets)	
Pakistan State Oil	12%
Fauji Fertilizer Co. Ltd.	7%
Bank Al-Habib Ltd.	5%
Bata Pakistan Ltd.	4%
National Refinery	3%
Habib Metropolitan Bank	2%
GlaxoSmith Kline	2%
Pakistan OilFields Ltd.	2%
Packages Ltd.	2%
Soneri Bank Ltd.	2%

Risk & Return Ratios (3yrs to date)

	NIT Portfolio	KSE-100
Standard Deviation	12%	15%
Beta	0.47	1.00
Sharpe Ratio	-0.11	0.91

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. 269.5 million**, if the same were not made the NAV per unit/ year to date return of the Scheme would be higher by **Rs. 0.24 / 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 7.00% 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 Sectt. & 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.