

NATIONAL INVESTMENT UNIT TRUST

FUND MANAGER REPORT - June 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. 82 billion assets under management, as on June 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

Fund Type	Open-End	Trustee	Central Depository Company
Category	Equity	Auditors	Anjum Asim Shahid Rehman & 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)

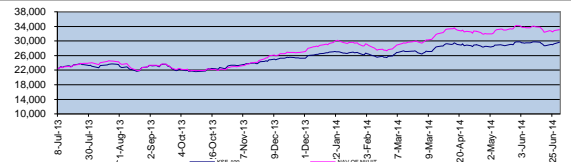
*except public holiday

Fund Commentary & Performance Review

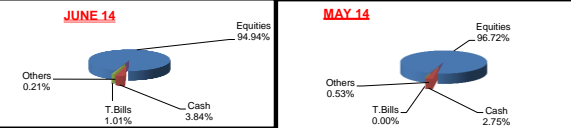
During the month of June 2014, KSE 100 witnessed a marginal decline of 0.3%, however registered as another remarkable fiscal year with a 41.16% YoY gain. During the year Positive developments on the economic front with regard to stable forex reserve position, controlled inflation and lower fiscal deficit; the issuance of Euro bonds, GSP+ status entitlement to Pakistan; successful auction of 3G & 4G licenses, increase in Pakistan's market weight in MSCI Frontier and successful secondary offerings in State owned Enterprises helped the market to stay bullish almost throughout the outgoing fiscal year.

During the month of June 2014, the benchmark KSE-100 index declined by 0.3% whereas your Fund's NAV dropped by 3.34% during the same period thus giving an underperformance of 3.06%. On a YTD basis (July 13 to June 14), the KSE-100 index increased by 41.16% whereas the NAV of your Fund increased by 56.98%, thus, showing an impressive out performance of 15.82%. Your Fund declared an interim dividend @ Rs. 4.10 per unit for unit holders of NI(UT) for the year ending on June 30, 2014.

Fund's Year to Date Performance



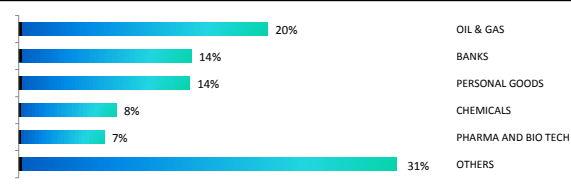
Fund's Asset Allocation



Future Outlook

The participation witnessed from local and foreign investors in the recently offered SPO's of UBL & PPL has reflected that the market has substantial liquidity, confidence and potential to perform well in the new fiscal year. Moreover the efforts of the civil and military agencies to find a long term solution to exemplary law and order in the country are expected to define the healthier prospects for the overall economy and resultantly the dynamic capital market in the period ahead.

Sector Allocation (As % of Total Assets)



Technical Information 30-06-2014

Net Assets NI(UT)	59.90
Nav per Unit NI(UT)	60.69 (Cum Dividend) ; 56.59 (Ex Dividend)

Top Ten Holdings (As % of Total Assets)

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

Risk & Return Ratios (3yrs to date)

	NIT Portfolio	KSE-100
Standard Deviation	12%	15%
Beta	0.52	1.00
Sharpe Ratio	0.56	1.22

Historical Fund Performance

	NI(UT)	KSE 100	DPU (Rs.)
FY 10	17.9%	35.7%	2.25
FY 11	24.0%	28.5%	4.00
FY 12	7.6%	10.5%	3.50
FY 13	58.4%	52.2%	3.75
FY 14	57.0%	41.2%	4.10

WWF Disclosure:

The Scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of **Rs. 380 million**, if the same were not made the NAV per unit/ year to date return of the Scheme would be higher by **Rs. 0.36/ 0.94%**. 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	

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.