



NATIONAL INVESTMENT UNIT TRUST



FUND MANAGER REPORT -June 2018

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. 98 billion assets as of June 30, 2018 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 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 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	KPMG Taseer Hadi & Co.
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 **During Ramadan 8:00 a.m.to : 2:00 PM (Mon-Thr) & 8:00 a.m. to 12:30 PM (Fri)

Fund Commentary & Performance Review

KSE-100 index has undergone 10% YoY correction during FY18 after consecutive 8 years of positive performance since FY10. The overall dismal performance during the fiscal year can be attributed to the deteriorating economic indicators, political uncertainty and Foreign outflows (USD 289 mn during FY18 TD). Jun'18 remained a volatile month where the benchmark KSE-100 index declined by 2.2%MoM. This was primarily due to FATF's crucial decision of placing Pakistan on the grey list and the change in Moody's outlook of Pakistan's B3 rating to negative. Consequently, foreigners taking a cautious approach and exhibited a net outflow of USD74mn during the month of Jun'18, Despite another round of currency depreciation of 5.1% in Jun'18, the benchmark index failed to excite foreign participation.

During the month of June 2018, the benchmark KSE-100 index declined by 2.18% whereas your Fund's NAV depreciated by 2.33% thus giving an underperformance of 0.15%. On a YTD basis (July 17 to June 18), the KSE-100 index has fallen by 10.00% whereas the NAV of your Fund has gone down by 11.81%, thus, showing an underperformance of 1.81%. NI(UT) in line with its remarkable history of regularly paying cash dividends over the entire 56 years life of the Trust, declared a cash dividend of Rs. 2.33 per unit for the fiscal year 2017-18.

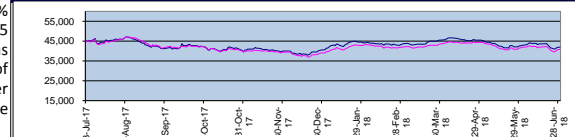
**Fund Returns

	NI(UT) Fund	KSE-100
Trailing 12- months	-11.47%	-10.28%
3yrs	30.88%	21.04%
5yrs	147.07%	99.52%
10 yrs	260.27%	241.04%
Leverage	0.57% of Net Assets	
*Total Expense Ratio	1.69%	

*This includes 0.33% representing Govt. Levy, Sindh Workers Welfare Fund & SECP Fee.

**Returns calculated are inclusive of dividends

NI(UT) VS KSE-100



Future Outlook

Going forward, the market progress will be majorly reliant upon the upcoming general elections. Developments on the political front and momentum of the general elections will be the key determinant to the future direction of the market.

Technical Information 30-06-2018

Net Assets NI(UT)	70.777
Nav per Unit NI(UT)	73.85

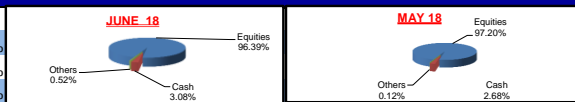
Sector Allocation (As % of Total Assets)



Top Ten Holdings (As % of Total Assets)

(As % of Total Assets)	
Pakistan State Oil	11%
Bank Al-Habib Ltd.	7%
Pak Tobacco Co. Ltd.	6%
Mari Petroleum Ltd.	5%
Fauji Fertilizer Co. Ltd.	3%
Bata Pakistan Ltd.	3%
Sui Northren Gas Pipelines	3%
Packages Ltd.	3%
Habib Metropolitan Bank Ltd.	2%
Abbott Laboratories	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. 399 million**, if the same were not made the NAV per unit/ year to date return of the Scheme would be higher by **Rs. 0.42/ 0.50%**. 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

Manzoor Ahmed -COO / Managing Director	Amir Amin - Head of Finance	Syed Ali Raza Bukhari - Head of Marketing
Raza Abbas Jaffery - Headof Trading	Ali Kamal - Head of Research	Ammar Habib - Manager / 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. 49.01 million as of June 30, 2018 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 June 30, 2018 is Rs. 191.343 million.

Note: All the figures given in the report are being under Full Year Audit review.