

NATIONAL INVESTMENT UNIT TRUST

FUND MANAGER REPORT - July 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's distribution network comprises of 24 NIT branches and various Authorized bank branches all over Pakistan. 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	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)

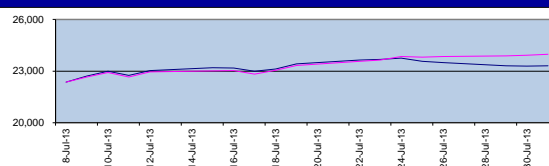
*except public holiday

Fund Commentary & Performance Review

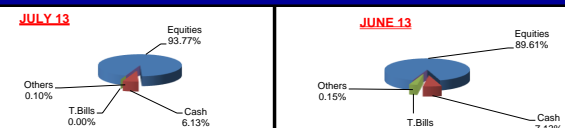
Pakistan's stock market made an impressive start to the new fiscal year, with benchmark KSE-100 index appreciating by 10.98% to close at the level of 23,312. However the average daily trading volume fell by 28% to 252 million shares as compared to 354 million shares traded during June 2013. Payment of circular debt dues from the Government led to a rally in the index heavy energy chain stocks. Moreover, the government's energy plan and re-entry into the IMF program helped in maintaining the upward momentum.

During the month of July 2013, the benchmark KSE-100 index increased by 10.98% whereas your Fund's NAV appreciated by 13.71% during the same period thus giving an outperformance of 2.73%. NI(UT) in line with its remarkable history of regularly paying cash dividends over the entire 51 years life of the Trust, declared a cash dividend of Rs. 3.75 per unit for the year ended June 30, 2013. The payment of dividend @ Rs. 3.75 per unit involved a total cash payout of Rs. 4,182 million among its unit holders.

Fund's Year to Date Performance



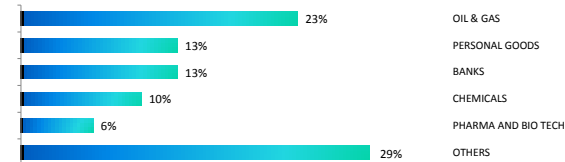
Fund's Asset Allocation



Future Outlook

With corporate announcement season is underway, investor's interest will be keenly focused on earnings growth and payouts. Monetary Policy Statement also due in early August will pave the path forward for capital markets.

Sector Allocation (As % of Total Assets)



Technical Information 31-07-2013

Net Assets NI(UT)	50.775
Nav per Unit NI(UT)	43.96

Top Ten Holdings (As % of Total Assets)

(As % of Total Assets)	
12%	Pakistan State Oil
6%	Fauji Fertilizer Co. Ltd.
5%	Bank Al-Habib Ltd.
3%	Bata Pakistan Ltd.
3%	National Refinery
2%	Habib Metropolitan Bank
2%	GlaxoSmith Kline
2%	Attock Refinery
2%	Packages Ltd.
2%	Abbot Laboratories

Risk & Return Ratios (3yrs to date)

	NIT Portfolio	KSE-100
Standard Deviation	11%	15%
Beta	0.48	1.00
Sharpe Ratio	0.08	0.96

Historical Fund Performance

	NI(UT)	KSE 100	DPU (Rs.)
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
FY 13	58.4%	52.2%	3.75

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. 0.23/ 0.60%**. 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 8.00% 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

MUFA'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.