



# NATIONAL INVESTMENT UNIT TRUST



## FUND MANAGER REPORT - July 2017

### 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. 109 billion assets as of July 31, 2017 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 and sales desk is also available in financial hub at Abbottabad, 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

<b>Fund Type</b>	Open-End	<b>Trustee</b>	Central Depository Company
<b>Category</b>	Equity	<b>Auditors</b>	KPMG Taseer Hadi & Co.
<b>Launch Date</b>	12th November 1962	<b>Pricing Mechanism</b>	Forward Pricing
<b>Management Fee</b>	1.20%	<b>Dealing Days*</b>	Daily (Monday to Friday)
<b>Front End Load</b>	3.00%	<b>Valuation Days*</b>	Daily (Monday to Friday)
<b>Back End Load</b>	0.00%	<b>AMC Rating</b>	AM2++ (PACRA)
<b>Benchmark</b>	KSE-100	<b>Risk Profile</b>	Moderate / High
<b>Par Value</b>	PKR 10.00	<b>Fund Manager</b>	Manzoor Ahmed
<b>Minimum Investment</b>	PKR 5,000	<b>Cutt-off timing</b>	**9.00 AM to 3.30 PM (Mon to Fri)
*except public holiday			

### Fund Commentary & Performance Review

The benchmark KSE-100 index lost 1.19% for the month of July, 2017. Anticipation regarding the decision on the Panama case by the Supreme Court, which was announced towards the end of the month, kept the market nervous throughout the month following submission of the JIT report. Volumes dried up with average volumes for the month standing at 175 million shares, down 32% MoM. State Bank of Pakistan (SBP) in its recently announced bi-monthly Monetary Policy review maintained the policy rate at 5.75%. The Monetary Policy Committee took the decision after strong deliberations and taking into consideration the strong likelihood of continued growth momentum, contained inflation and the challenges on the external front.

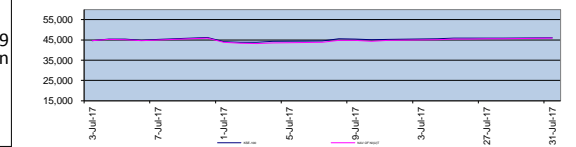
During the month of July 2017, the benchmark KSE-100 index declined by 1.19% whereas your Fund's NAV depreciated by 0.96% thus giving an outperformance of 0.24%.

### Fund Returns

	NI(UT) Fund	KSE-100
<b>Trailing 12- months</b>	28.22%	16.40%
<b>3yrs</b>	72.65%	51.78%
<b>5yrs</b>	314.55%	215.64%
<b>10 yrs</b>	275.76%	234.89%
<b>Leverage</b>	0.82% of Net Assets	
<b>*Total Expense Ratio</b>	1.67%	

\*This includes 0.26% representing Govt. Levy, Sindh Workers Welfare Fund & SECP Fee.

### NI(UT) VS KSE-100



### Future Outlook

Stability of the political set-up following the Panama case verdict, growing macro concerns such as widening current account deficit and its impact on the PKR valuation against major currencies coupled with the ongoing result season will determine the future direction of the market.

### Sector Allocation (As % of Total Assets)



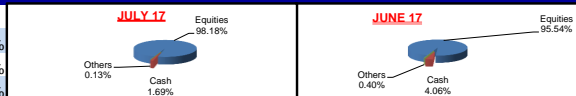
### Technical Information 31-07-2017

<b>Net Assets NI(UT)</b>	80.924
<b>Nav per Unit NI(UT)</b>	82.94

### Top Ten Holdings (As % of Total Assets)

(As % of Total Assets)	
Pakistan State Oil	10%
Mari Petroleum Ltd.	5%
Bank Al-Habib Ltd.	5%
Bata Pakistan Ltd.	4%
Pak Tobacco Co. Ltd.	4%
Sui Northren Gas Pipelines	4%
Packages Ltd.	3%
International Industries	3%
Abbott Laboratories	3%
Service Industries	3%

### Fund's Asset Allocation



### Historical Fund Performance

	NI(UT)	KSE 100	DPU (Rs.)
<b>FY 13</b>	58.4%	52.2%	3.75
<b>FY 14</b>	57.0%	41.2%	4.10
<b>FY 15</b>	20.3%	16.0%	4.25
<b>FY 16</b>	9.59%	9.84%	4.50
<b>FY 17</b>	35.44%	23.24%	4.50

### Sindh Workers Welfare Fund :

The Scheme has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of **Rs. 347 million**, if the same were not made the NAV per unit/ year to date return of the Scheme would be higher by **Rs. 0.35/ 0.47%**. 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. Additionally Cash & Credit Limit of the Fund also falls marginally below the specified limit of 15%. However, efforts are being made to bring all such investments in compliance with the regulatory framework while protecting the best interest of the unit holders.

### Members of the Investment Committee

<b>Shahid Ghaffar - Managing Director</b>	<b>Manzoor Ahmed - Chief Operating Officer</b>	<b>Amir Amin - Head of Finance</b>	<b>Raza Abbas Jaffery - Head of Trading</b>
<b>Shahid Anwer - Head of MD's Sect. &amp; Personnel</b>	<b>M. Imran Rafiq, CFA - Head of Research</b>	<b>Faisal Aslam - Head of Compliance</b>	<b>Ammar Habib - Manager / Incharge Risk Mngmnt</b>

### 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 July 31, 2017 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 July 31, 2017 is Rs. 139.243 million.

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