



**NATIONAL INVESTMENT UNIT TRUST**



**FUND MANAGER REPORT -July 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. 97 billion assets as of July 31, 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**

<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 posted a return of 1.91% during July, 2018. The positive sentiment was mainly on account of successful conclusion of general elections in the country with PTI likely to form government in the capital as well as KPK and Punjab provinces. Signs of respite on the fiscal side with news of monetary assistance from friendly countries to support Pakistan's forex reserves also improved market sentiment.

State Bank of Pakistan (SBP) raised the policy rate by 100bps to 7.5% in the most recent monetary policy, the highest single hike the country has seen in over 10 years. The committee cited soaring aggregate demand, rising inflation projections, hefty PKR depreciation and continued pressure on CAD as the major reasons behind the hike.

During the month of July 2018, the benchmark KSE-100 index increased by 1.91% whereas your Fund's NAV appreciated by 0.04% thus giving an underperformance of 1.87 %.

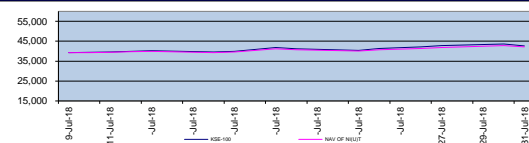
**\*\*Fund Returns**

	NI(UT) Fund	KSE-100
<b>Trailing 12- months</b>	-10.92%	-7.17%
<b>3yrs</b>	27.94%	19.50%
<b>5yrs</b>	117.39%	83.21%
<b>10 yrs</b>	314.59%	304.34%
<b>Leverage</b>	Nil	
<b>*Total Expense Ratio</b>	1.61%	

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

\*\*Returns calculated are inclusive of dividends

**NI(UT) VS KSE-100**



**Future Outlook**

Smooth transition of power to the elected government along with negotiations with IMF for a bailout package and the result season will be the key drivers of the market going forward.

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



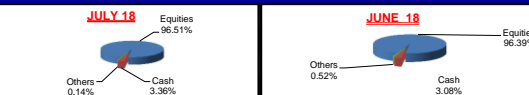
**Technical Information 31-07-2018**

<b>Net Assets NI(UT)</b>	70.426
<b>Nav per Unit NI(UT)</b>	71.55

**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%
Packages Ltd.	3%
Sui Northren Gas Pipelines	3%
Bata Pakistan Ltd.	3%
Abbott Laboratories	2%
Habib Metropolitan Bank	2%

**Fund's Asset Allocation**



**Historical Fund Performance**

	NI(UT)	KSE 100	DPU (Rs.)
<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
<b>FY 18</b>	-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. 0.40/ 0.56%**. 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 4% of net assets) does not meet the requirements of current regulations.

**Members of the Investment Committee**

<b>Manzoor Ahmed -COO / Managing Director</b>	<b>Amir Amin - Head of Finance</b>	<b>Syed Ali Raza Bukhari - Head of Marketing</b>
<b>Raza Abbas Jaffery - Headof Trading</b>	<b>Ali Kamal - Head of Research</b>	<b>Ammar Habib - Manager / Incharge Risk Mngmnt</b>
	<b>Faisal Aslam -Head of Compliance</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. 49.39 million as of July 31, 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 July 31, 2018 is Rs. 190.722 million.

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