

NATIONAL INVESTMENT UNIT TRUST

FUND MANAGER REPORT - August 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. 80 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)

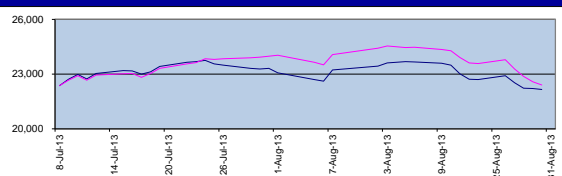
*except public holiday

Fund Commentary & Performance Review

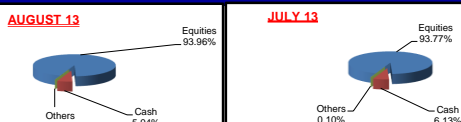
KSE-100 declined by 4.94% during the month of Aug 2013 to close at the level of 22,161. Trading activity also dropped with average daily trading volume recorded at 201 million shares versus 253 million shares during the previous month. Slippage of the market during the month was due to multiple factors such as lower than expected corporate results in some of the blue-chip stocks, higher than expected CPI inflation at 8.26% for the month of July resulting in a possible hike in the interest rate and depreciation of the Pak Rupee in the wake of declining forex reserves. Furthermore, sell-off in the global and regional markets amid ongoing Syrian conflict heightened the uncertainty among investors.

During the month of August 2013, the benchmark KSE-100 index declined by 4.94% whereas your Fund's NAV fell by 6.57% during the same period thus giving an underperformance of -1.63%. On a YTD basis (July 13 to August 13), the KSE-100 index increased by 5.50% whereas the NAV of your Fund increased by 6.23%, thus, showing an out performance of 0.73%.

Fund's Year to Date Performance



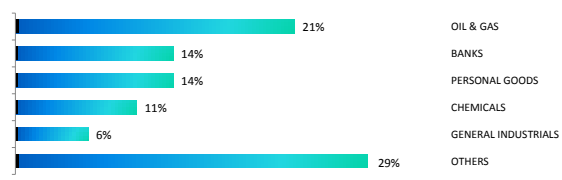
Fund's Asset Allocation



Future Outlook

Going forward, market's direction will rest on the approval of the IMF loan by its board in the 1st week of Sept, upcoming monetary policy statement and clarity on the issues of Syria.

Sector Allocation (As % of Total Assets)



Technical Information 31-08-2013

Net Assets NI(UT)	46.70
Nav per Unit NI(UT)	41.07

Top Ten Holdings (As % of Total Assets)

(As % of Total Assets)	
Pakistan State Oil	11%
Fauji Fertilizer Co. Ltd.	7%
Bank Al-Habib Ltd.	6%
Bata Pakistan Ltd.	4%
Habib Metropolitan Bank	3%
National Refinery	3%
Packages Ltd.	2%
Abbot Laboratories	2%
Siemens Pakistan	2%
Soneri Bank Ltd.	2%

Risk & Return Ratios (3yrs to date)

	NIT Portfolio	KSE-100
Standard Deviation	11%	15%
Beta	0.48	1.00
Sharpe Ratio	0.10	1.02

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. 275 million**, if the same were not made the NAV per unit/ year to date return of the Scheme would be higher by **Rs. 0.24/ 0.62%**. 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 6% 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.