

NATIONAL INVESTMENT UNIT TRUST

FUND MANAGER REPORT - August 2014

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. 82 billion assets under management as on August 29 2014. The family of Funds of NIT comprises of five funds including 3 equity Funds and 2 fixed income nature Funds. 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 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	Central Depository Company
Category	Equity	Auditors	-
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)

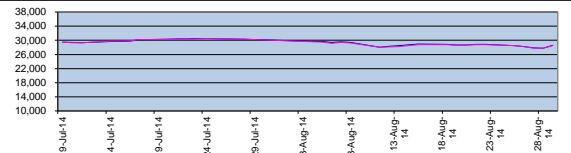
*except public holiday

Fund Commentary & Performance Review

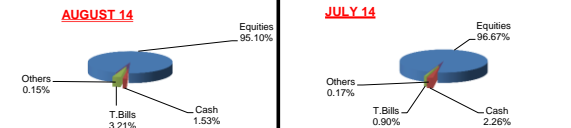
During the month of August 2014, Stock Market remained bearish for most part of the month amid severe political uncertainty following the sit-ins and protests in the capital city. KSE-100 declining by a massive 5.76% or 1,746 points to close at 28,568 levels. Market activity also remained subdued with the average daily turnover of 133.6 million shares. During the month market recorded its steepest decline of 1,309 points on 11th Aug 2014, The Pak Rupee also depreciated to the extent of 3.1% during the month of Aug-14, however some recovery in the market was seen in the last sessions over the hope that the deadlock between government and protesting parties would be over and the political crises will be diffused any time soon and the democratic system would not be derailed. Encouragingly despite the deepest political crises foreign investors continued to be net buyers with an inflow of USD35.7mn.

During August 2014, both the benchmark KSE-100 index and your Fund's NAV dropped by 5.76% each hence remained neck to neck for the month. On a YTD basis (July 13 to Aug 14), the KSE-100 index declined by 3.66% whereas the NAV of your Fund dropped by 3.52%, thus, showing a minor out performance of 0.14%.

Fund's Year to Date Performance



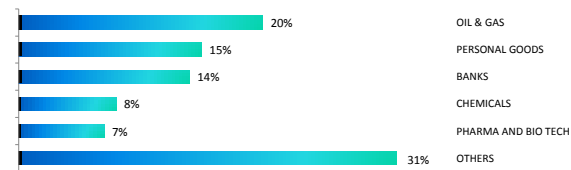
Fund's Asset Allocation



Future Outlook

Peaceful end to the prevailing political crises and the continuity of current democratic process remains crucial to the macroeconomic stability and economic reforms and will be the key determinant to the future direction of the market.

Sector Allocation (As % of Total Assets)



Technical Information 29-08-2014

Net Assets NI(UT)	61.24
Nav per Unit NI(UT)	54.60

Top Ten Holdings (As % of Total Assets)

(As % of Total Assets)	
Pakistan State Oil	12%
Bank Al-Habib Ltd.	6%
Bata Pakistan	6%
Fauji Fertilizer Co. Ltd.	5%
Packages Ltd.	4%
Pak Tobacco Co. Ltd.	3%
Habib Metropolitan Bank	3%
GlaxoSmith Kline	2%
Soneri Bank Ltd.	2%
Mari Petroleum	2%

Risk & Return Ratios (3yrs to date)

	NIT Portfolio	KSE-100
Standard Deviation	12%	16%
Beta	0.52	1.00
Sharpe Ratio	0.66	1.12

Historical Fund Performance

	NI(UT)	KSE 100	DPU (Rs.)
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
FY 14	57.0%	41.2%	4.10

WWF Disclosure:

The Scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of **Rs. 403 million**, if the same were not made the NAV per unit/ year to date return of the Scheme would be higher by **Rs. 0.36/ 0.64%**. 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 7% 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

Shahid Ghaffar - Managing Director	Manzoor Ahmed - Chief Operating Officer	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		

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. 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.

Note: Performance data does not include the cost incurred directly by an investor in the form of sales load etc.