



NATIONAL INVESTMENT UNIT TRUST



FUND MANAGER REPORT - August 2015

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 the recent launch of 2 new Funds namely **NIT Pension Fund** & **NIT Islamic Pension Fund** the size of total Funds under management by NITL is approximately Rs. 92 billion as of August 31, 2015. The family of Funds of NIT comprises of 8 funds including 4 equity Funds 2 fixed income nature Funds, 1 conventional Pension Fund and 1 Islamic Pension Fund. NIT's tally of nationwide branches is 23, 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	KPMG Taseer Hadi & 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) (14-04-2015)
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)

Fund Commentary & Performance Review

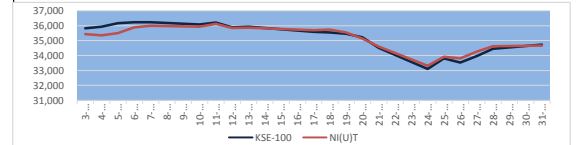
The local equity market remained volatile during the month of August-2015. During the early part of the month, the KSE-100 Index scaled to a new all-time high of 36,228 points. However, the market witnessed immense pressure from foreign institutional investors due to volatility in global equity markets following uncertainty over the interest rate hike by the Fed in the US and a surprise move by the Chinese authorities to devalue its currency. On the local front, political noise remained high as well. Further, the Government increased the gas tariff and also maintained withholding tax on banking transaction for non-filers. Lower oil prices continue to contain inflationary pressures bringing the CPI at a multiyear low level of 1.72% in August-2015. However, the local currency also depreciated during the month due to significant depreciation in regional currencies following a downward slide in Chinese Yuan which triggered a massive foreign sell-off in the region.

During August 2015, the benchmark KSE-100 index declined by 2.84% while your Fund's NAV dropped by 1.90%, thus an outperformance of 0.94%. On an YTD basis (July 15 to Aug 15), the KSE-100 index increased by 0.95% whereas your Fund's NAV appreciated by 0.41%, thus giving an underperformance of 0.54%.

Fund Returns

	NI(UT) Fund	KSE-100
Trailing 12- months	25.14%	21.56%
3yrs	166.26%	125.62%
5yrs	304.10%	253.88%
10 yrs	364.06%	345.39%
Leverage	2.98% of Net Assets	

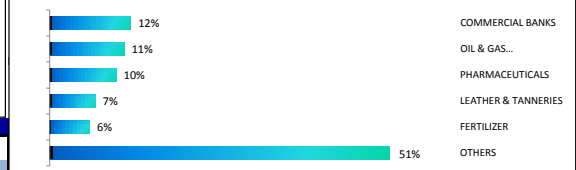
NI(UT) VS KSE-100



Future Outlook

Despite short term pressures on the market emanating from volatility in global oil prices, currency wars, the US rate hike and heightened local political noise, the overall direction is expected to remain positive on the back of attractive valuations, low inflation, easy monetary policy, lower oil prices and release of next IMF tranche and issuance of Eurobonds.

Sector Allocation (As % of Total Assets)



Technical Information 31-08-2015

Net Assets NI(UT)	67.075
Nav per Unit NI(UT)	64.01

Top Ten Holdings (As % of Total Assets)

(As % of Total Assets)	
9%	Pakistan State Oil
5%	Fauji Fertilizer Co. Ltd.
5%	Bank Al-Habib Ltd.
5%	Bata Pakistan Ltd.
3%	Packages Ltd.
3%	GlaxoSmith Kline (Pak) Ltd.
3%	Pakistan Tobacco Ltd.
3%	Abbott Laboratories Pakistan
3%	Habib Metropolitan Bank
2%	Mari Petroleum Ltd.

Fund's Asset Allocation



Historical Fund Performance

	NI(UT)	KSE 100	DPU (Rs.)
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
FY 15	20.3%	16.0%	4.25

WWF Disclosure:

The Scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of **Rs.507 million**, if the same were not made the NAV per unit/ year to date return of the Scheme would be higher by **Rs. 0.48 / 0.75%**. 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. 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	Raza Abbas Jaffery - Head of Trading	
Ammar Habib - Manager / Incharge Risk Mngm	Syed Aqib Hussain - Incharge / Manager Compliance		

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.

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. 14.72 million as of August 31, 2015 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 August 31, 2015 is Rs. 42.152 million.