



# NATIONAL INVESTMENT UNIT TRUST



## FUND MANAGER REPORT -August 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. 100 billion assets as of August 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 Abbotabad, 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

During the month of August 2017, the benchmark KSE-100 witnessed a sharp decline of 10.44% which was the worst monthly decline for the index since March, 2015. Political situation in the aftermath of the disqualification of Prime Minister, concerns over PKR depreciation and widening current account deficit continue to hurt the market. Furthermore, US President's Afghan Policy and large potential fine on HBL to the tune of USD 630 million caused further panic among investors.

During the month of August 2017, the benchmark KSE-100 index declined by 10.44% whereas your Fund's NAV depreciated by 9.19% thus giving an outperformance of 1.25%. On a YTD basis (July 17 to August 2017), the KSE-100 index has fallen by 11.51% whereas the NAV of your Fund has gone down by 10.05%, thus, showing an outperformance of 1.45%.

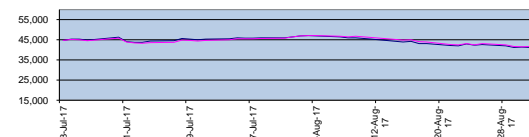
### \*\*Fund Returns

	NI(UT) Fund	KSE-100
<b>Trailing 12- months</b>	13.74%	3.51%
<b>3yrs</b>	66.38%	44.24%
<b>5yrs</b>	254.01%	167.72%
<b>10 yrs</b>	275.10%	237.37%
<b>Leverage</b>	Nil	
<b>*Total Expense Ratio</b>	1.63%	

\*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

Domestic political developments and geo political concerns are likely to impact the performance of the market in the month ahead.

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



### Technical Information 31-08-2017

<b>Net Assets NI(UT)</b>	73.590
<b>Nav per Unit NI(UT)</b>	75.32

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

(As % of Total Assets)	
Pakistan State Oil	11%
Mari Petroleum Ltd.	5%
Bank Al-Habib Ltd.	5%
Bata Pakistan Ltd.	4%
Sui Northren Gas Pipelines	4%
Pak Tobacco Co. Ltd.	4%
Packages Ltd.	3%
International Industries	3%
Abbott Laboratories	3%
Sapphire Textile Mills Ltd.	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. 0.36/ 0.42%**. 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. Additionally Cash & Credit Limit of the Fund also falls 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

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

**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 August 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 August 31, 2017 is Rs. 113.39 million.

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