

NATIONAL INVESTMENT UNIT TRUST

FUND MANAGER REPORT - September 2012

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.

Fund's Information

Fund Type	Open-End	Trustee	National Bank of Pakistan
Category	Equity	Auditors	A.F Ferguson & 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- (JCR-VIS)
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

Profile of Investment Managers

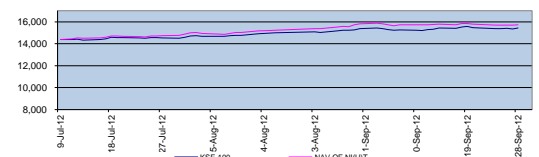
National Investment Trust Ltd. (NITL) is the first Asset Management Company of Pakistan, formed in 1962. NITL is the largest asset management company of Pakistan with approximately Rs. 74 billion assets under management. The family of Funds of NIT comprises of five funds including 3 equity Funds and 2 fixed income nature Funds. NIT's distribution network comprises of 22 NIT branches, various Authorized bank branches all over Pakistan and Arab Emirates Investment Bank (AEIB) in Dubai(UAE). NIT recently launched a state of the art Investors' Facilitation Centre to cater matters relating to investments in NIT and day to day inquiries / issues of NIT's unit holders regarding NIT Funds. 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

Fund Commentary & Performance Review

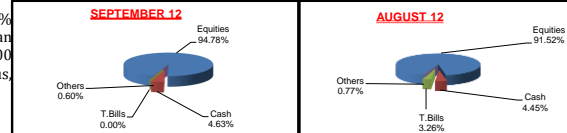
The KSE-100 index posted a return of 0.3%, with average trading volume stood at 147 million shares during the month of September 2012. Equity market seems consolidating close to its all-time high levels. Equity investors generally remained interested in money market yields which fell significantly during Sept 2012, thus indicating another discount rate cut in the upcoming monetary policy. CPI for the month of September 2012 clocked in at 8.8% on YoY basis which is the lowest in the last 33 months also signifying the ease off in the policy rate next month. Meanwhile, PTA's approval for the formation of International Clearing House and reduction in Export Refinance Rates by 150bps were some positive sector specific developments during the month.

During the month of September the benchmark KSE-100 index increased by 0.35% whereas your Fund's NAV declined by 0.46% during the same period thus giving an underperformance of 0.81%. On a YTD basis (July 12 to September 12), the KSE-100 index increased by 11.91% whereas the NAV of your Fund increased by 12.25%, thus showing an out performance of 0.34%.

Fund's Year to Date Performance



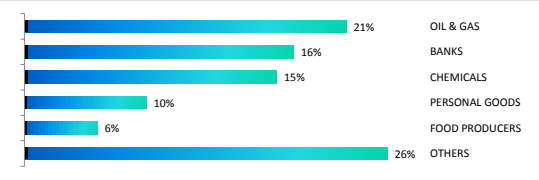
Fund's Asset Allocation



Future Outlook

Monetary Policy on Oct. 05,2012 will be the key event in equity market's perspective next month. This coupled with the forthcoming result season and the political climate of the country would determine the future direction of the market.

Sector Allocation (As % of Total Assets)



Technical Information 28-09-2012

Net Assets NI(UT)	40.404
Nav per Unit NI(UT)	30.05

Top Ten Holdings (As % of Total Assets)

(As % of Total Assets)	
10%	Fauji Fertilizer Co. Ltd.
9%	Pakistan State Oil
6%	Bank Al-Habib Ltd.
3%	National Refinery Ltd.
3%	Habib Metropolitan Bank
3%	Pakistan Oilfields Ltd.
3%	Bata Pakistan Ltd.
3%	Unilever Pakistan Ltd.
3%	Attock Refinery Ltd.
2%	Engro Corporation Ltd.

Risk & Return Ratios (Yrs to date)

	NIT Portfolio	KSE-100
Standard Deviation	22%	15%
Beta	0.62	1.00
Sharpe Ratio	-1.03	0.29

	NI(UT)	KSE 100	DPU (Rs.)
FY 08	-6.4%	-10.8%	6.50
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

WWF Disclosure:

The Scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of **Rs. 245 million**, if the same were not made the NAV per unit/ year to date return of the Scheme would be higher by **Rs. 0.18/ 0.7%**. For details investors are advised to read the Note 14 of 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

Wazir Ali Khoja - 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	M. Atif Khan, Manager Compliance & Risk Management	

MUEAP'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.