



**NATIONAL INVESTMENT UNIT TRUST**



**FUND MANAGER REPORT - September 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.

**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>	1.00%	<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) (14-04-2015)
<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)

**Profile of Investment Managers**

National Investment Trust Ltd. (NIT) 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. 86 billion as September 30, 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 Commentary & Performance Review**

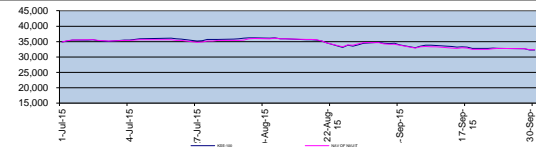
During the month of September '15, the KSE-100 index declined by 7.02% to close at a level of 32,287. Average daily trading volumes dropped to 183mn shares/day. Weak performance of the market during the period is mainly attributable to the slowdown in global economies, fall in international commodity prices and weakening of emerging currencies which prompted a selloff in international markets. Anticipations about Fed interest rate hike also led to foreign investors reducing their emerging market equity exposures. Even the decision by SBP to reduce the policy rate by 50 bps failed to revive the market momentum. SBP stated in its monetary policy statement that Implementation of infrastructure development and energy projects under China Pakistan Economic Corridor would further enhance the improving investment environment. Therefore, there is anticipation of higher economic activity in FY16 which is expected to boost credit uptake. Considering the favorable macroeconomic conditions and benign inflation outlook, the central board of Directors of SBP has decided to reduce the SBP policy rate by 50bps from 6.5 percent to 6.0 percent.

During the month of September 2015, the benchmark KSE-100 index declined by 7.02% whereas your Fund's NAV depreciated by 6.59% during the same period thus giving an outperformance of 0.43%. On a YTD basis (July 14 to Sept 15), the KSE-100 index declined by 6.14% whereas the NAV of your Fund went down by 6.21%, thus, showing an under performance of 0.07%.

**Fund Returns**

	NI(UT) Fund	KSE-100
<b>Trailing 12- months</b>	<b>8.91%</b>	<b>11.20%</b>
<b>3yrs</b>	<b>149.87%</b>	<b>214.03%</b>
<b>5yrs</b>	<b>269.97%</b>	<b>230.13%</b>
<b>10 yrs</b>	<b>294.31%</b>	<b>301.87%</b>
<b>Leverage</b>	<b>2.09% of Net Assets</b>	

**NI(UT) VS KSE-100**



**Future Outlook**

In the context of Global economic slowdown the short term volatility in the market may persist, however, the low interest rates and higher GDP growth is expected to fuel the positive trend in the equity market over the long-term.

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



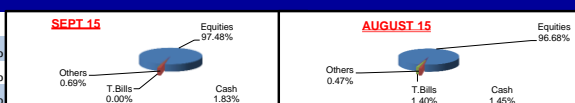
**Technical Information 30-09-2015**

<b>Net Assets NI(UT)</b>	62.111
<b>Nav per Unit NI(UT)</b>	59.79

**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.
4%	Packages Ltd.
3%	GlaxoSmith Kline (Pak) Ltd.
3%	Pak Tobacco Co. Ltd.
3%	Abbott Laboratories Pakistan
2%	Habib Metropolitan Bank
2%	Soneri Bank Ltd.

**Fund's Asset Allocation**



**Historical Fund Performance**

	NI(UT)	KSE 100	DPU (Rs.)
<b>FY 11</b>	24.0%	28.5%	4.00
<b>FY 12</b>	7.6%	10.5%	3.50
<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

**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. 0.49 / 0.77%**. 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**

<b>Shahid Ghaffar - Managing Director</b>	<b>Manzoor Ahmed - Chief Operating Officer</b>	<b>S. Zubair Ahmed - Controller of Branches</b>	<b>Amir Amin - Head of Finance</b>
<b>Shahid Anwer - Head of MD's Sectt. &amp; Personnel</b>	<b>M. Imran Rafiq, CFA - Head of Research</b>	<b>Raza Abbas Jaffery - Head of Trading</b>	
<b>Ammar Habib - Manager / Incharge Risk Mngm</b>	<b>Syed Aqib Hussain - Incharge / Manager Compliance</b>		

**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. 16.167 million as of Sept 30, 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 Sept 30, 2015 is Rs. 40.199 million.