



NATIONAL INVESTMENT UNIT TRUST



FUND MANAGER REPORT -September 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.

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	1.20%	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

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. 102 billion assets as of September 30, 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 Commentary & Performance Review

**Fund Returns

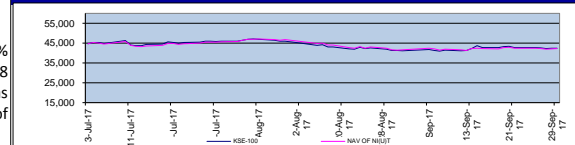
The benchmark KSE-100 index posted a gain of 2.92% during the month of September, 2017. The gains provided some respite in an otherwise dismal first quarter for the current fiscal year. During the month of September, 2017, FTSE announced inclusion of five Pakistani companies (MCB, SNGP, BAFL, MTL and THALL) in its Asia Pacific ex-Japan Index. Foreign investors remained net buyers during the month with net buying of USD 28 million. This was the first positive number of foreign activity in the market on a monthly basis for the current fiscal year. Some respite to the market came from the news regarding out of court settlement by HBL with the US regulators following imposition of penalty on its New York operations. However, further negative news emanated from the banking sector as the Supreme Court ruled against NBP directing the bank to restore original pension of its employees having a substantial impact on its profitability going forward.

	NI(UT) Fund	KSE-100
Trailing 12- months	10.85%	5.25%
3yrs	57.10%	42.67%
5yrs	260.43%	174.59%
10 yrs	252.19%	217.63%
Leverage	Nil	
*Total Expense Ratio	1.61%	

*This includes 0.25% representing Govt. Levy, Sindh Workers Welfare Fund & SECP Fee.

**Returns calculated are inclusive of dividends

NI(UT) VS KSE-100



During the month of September 2017, the benchmark KSE-100 index increased by 2.92% whereas your Fund's NAV appreciated by 1.34% thus giving an underperformance of 1.58%. On a YTD basis (July 17 to Sept 2017), the KSE-100 index has fallen by 8.93% whereas the NAV of your Fund has gone down by 8.85%, thus, showing an outperformance of 0.08%.

Future Outlook

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

Sector Allocation (As % of Total Assets)



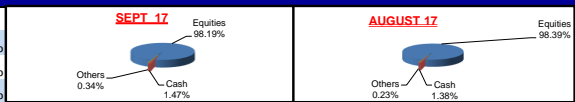
Technical Information 29-09-2017

Net Assets NI(UT)	74.585
Nav per Unit NI(UT)	76.33

Top Ten Holdings (As % of Total Assets)

(As % of Total Assets)	
Pakistan State Oil	12%
Mari Petroleum Ltd.	5%
Bank Al-Habib Ltd.	5%
Bata Pakistan Ltd.	4%
Pak Tobacco Co. Ltd.	4%
Sui Northren Gas Pipelines	3%
Packages Ltd.	3%
Fauji Fertilizer Co. Ltd.	3%
Abbott Laboratories	3%
International Industries Ltd.	3%

Fund's Asset Allocation



Historical Fund Performance

	NI(UT)	KSE 100	DPU (Rs.)
FY 13	58.4%	52.2%	3.75
FY 14	57.0%	41.2%	4.10
FY 15	20.3%	16.0%	4.25
FY 16	9.59%	9.84%	4.50
FY 17	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. 0.35/ 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 5% of net assets) does not meet the requirements of current regulations.

Members of the Investment Committee

Manzoor Ahmed - COO / Managing Director	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	Ammar Habib - Manager / Incharge Risk Mngmnt
	Faisal Aslam - Head of 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 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 September 30, 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 September 30, 2017 is Rs. 118.89 million.