

NATIONAL INVESTMENT UNIT TRUST

FUND MANAGER REPORT - October 2014

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	1.00%	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) (21-04-2014)
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. 90 billion assets under management as on October 31, 2014. The family of Funds of NIT comprises of five funds including 3 equity Funds and 2 fixed income nature Funds. NIT's tally of nationwide branches is 23, 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 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

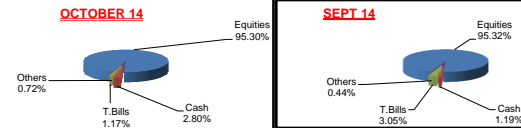
During the month of October 2014, KSE-100 index gained 2.19% or 650 points to close at 30,377 level. However amid significant decline in the international oil prices, anticipated public offering of OGDCL in the 1st week of November and hefty outflow from the foreign investors amounting to 31 mn USD, restricted the upward momentum of the market. On the other side local investor's interest in the market was revived mainly due to the subsiding effect at the political scenes, positive impact of falling commodity prices at the fiscal level and expected decline in the CPI with recently petroleum prices being slashed by the Govt. Pharmaceutical and Automobiles sector remained in the limelight during the month. Much of the rally in the Automobiles sector can be attributed to weakening Yen as it has depreciated by 5.74% against Pakistani Rupee in the first four months of the financial year 2015.

During the month of October 2014, the benchmark KSE-100 index gained 2.19% whereas your Fund's NAV appreciated by 5.75% during the same period thus giving an outperformance of 3.56%. On a YTD basis (July 14 to October 14), the KSE-100 index increased by 2.44% whereas the NAV of your Fund increased by 9.51%, thus, showing an out performance of 7.07%.

Fund Returns

	NI(UT) Fund	KSE-100
Trailing 12- months	63.01%	33.37%
3yrs	39.65%	39.08%
5yrs	29.43%	25.59%
10 yrs	15.92%	15.09%

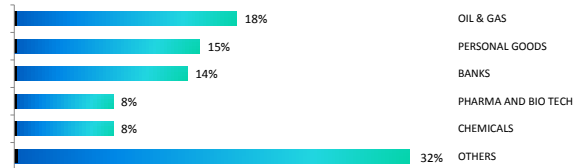
Fund's Asset Allocation



Future Outlook

With further improvement in the political climate, Stability on the external account due to falling commodity prices and privatization proceeds and expected cut in policy rate by SBP in its next monetary policy remains the fresh triggers for the market to perform well in the period ahead.

Sector Allocation (As % of Total Assets)



Technical Information 31-10-2014

Net Assets NI(UT)	68.624
Nav per Unit NI(UT)	61.97

Top Ten Holdings (As % of Total Assets)

(As % of Total Assets)	
Pakistan State Oil	12%
Bank Al-Habib Ltd.	6%
Bata Pakistan	6%
Fauji Fertilizer Co. Ltd.	5%
Packages Ltd.	4%
GlaxoSmith Kline	3%
Mari Petroleum	3%
Habib Metropolitan Bank	2%
Pak Tobacco Co. Ltd.	2%
Soneri Bank Ltd.	2%

Risk & Return Ratios (3yrs to date)

	NIT Portfolio	KSE-100
Standard Deviation	11%	15%
Beta	0.52	1.00
Sharpe Ratio	1.00	1.42

Historical Fund Performance

	NI(UT)	KSE 100	DPU (Rs.)
FY 10	17.9%	35.7%	2.25
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

WWF Disclosure:

The Scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of **Rs. 439 million**, if the same were not made the NAV per unit/ year to date return of the Scheme would be higher by **Rs. 0.39 / 0.69%**. 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	Head of Trading/Fund Manager NIT-EMOF	
Ammar Habib - Manager / Incharge Risk Mngmr	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 etc.