

NATIONAL INVESTMENT UNIT TRUST

FUND MANAGER REPORT - December 2013

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 Asset Management Company of Pakistan, formed in 1962. NITL is the largest asset management company of Pakistan with approximately Rs 87 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 23 NIT branches and various Authorized bank branches all over Pakistan. To cater the matters relating to investments in NIT and day to day inquiries / issues of NIT's unit holders, 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 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 the Investment Committee of NITL.

Fund's Information

Fund Type	Open-End	Trustee	National Bank of Pakistan
Category	Equity	Auditors	Anjum Asim Shahid Rehman & 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)
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)

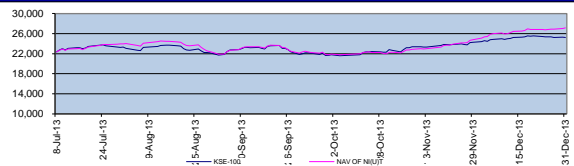
*except public holiday

Fund Commentary & Performance Review

During Dec 2013, KSE 100 index surged by 3.95% or 959 points to close the month at the level of 25,261 points, taking the index to post a robust calendar year growth of 49.4% during 2013. Key triggers for this upbeat performance during the year include smooth democratic, judicial and military transitions, loosening of monetary policy, ample market liquidity and healthy foreign portfolio inflows. During the month the positive development of GSP plus status entitled to Pakistan was warmly taken by the investors with Personal Goods sector being the chief beneficiary. Moreover, the stabilization of PKR against USD also improved the investors' confidence.

During the month of December 2013, the benchmark KSE-100 index increased by 3.95% whereas your Fund's NAV appreciated by 9.41% during the same period thus giving an impressive outperformance of 5.47%. On a YTD basis (July 13 to December 13), the KSE-100 index increased by 20.26% whereas the NAV of your Fund increased by 28.66%, thus showing an out performance of 8.40%.

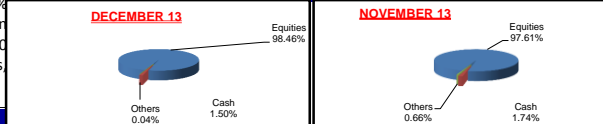
Fund's Year to Date Performance



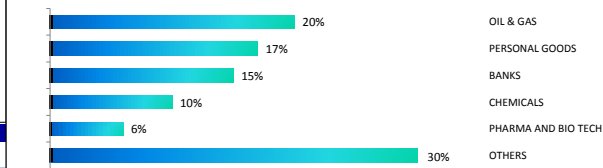
Future Outlook

Stepping in to the new calendar year, Pakistan's capital market is expected to flourish on the back of both local and foreign flow of fresh investments, Economic Reforms including the privatization of state owned companies on the faster pace and improved performance of Pakistan's corporate sector in the days ahead.

Fund's Asset Allocation



Sector Allocation (As % of Total Assets)



Technical Information 29-11-2013

Net Assets NI(UT)	54.04
Nav per Unit NI(UT)	49.74

Top Ten Holdings (As % of Total Assets)

(As % of Total Assets)	
Pakistan State Oil	11%
Bank Al-Habib Ltd.	6%
Fauji Fertilizer Co. Ltd.	6%
Bata Pakistan Ltd.	5%
Habib Metropolitan Bank	3%
Soneri Bank Ltd.	2%
Siemens Pakistan	2%
Packages Ltd.	2%
GlaxoSmith Kline	2%
National Refinery	2%

Risk & Return Ratios (3yrs to date)

	NIT Portfolio	KSE-100
Standard Deviation	12%	15%
Beta	0.50	1.00
Sharpe Ratio	0.22	0.96

Historical Fund Performance

	NI(UT)	KSE 100	DPU (Rs.)
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
FY 13	58.4%	52.2%	3.75

WWF Disclosure:

The Scheme has maintained provisions against Workers' Welfare Fund's liability to the tune of **Rs. 327 million**, if the same were not made the NAV per unit/ year to date return of the Scheme would be higher by **Rs. 0.30 / 0.78%**. 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. 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

Manzoor Ahmed - COO / Managing Director	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

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. 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.