



NATIONAL INVESTMENT UNIT TRUST



FUND MANAGER REPORT -December 2018

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	A.F. Ferguson & Company
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

Fund Commentary & Performance Review

The KSE-100 index posted a return of -8.47% during December, 2018. The market continued on its downward trajectory mainly on account of uncertainty on the economic front. Nervousness persisted on account of the bleak current account situation coupled with lack of clarity regarding the IMF package. Despite pledges from friendly countries for support, market participants remained skeptical about further depreciation of the PKR against the USD, and further increase in interest rates. Political situation also remained murky, adding further to the negative sentiment prevailing in the market. Average volumes stood at 131 million shares during the month, down 34% on a MoM basis. Foreigners remained net sellers to the tune of USD 28 million during the month.

For the calendar year, performance of the KSE-100 index remained disappointing in CY18 posting a negative return of 8.4% YoY. This is the second time local bourse posted consecutive second year negative return since 1996. The market's dull performance during the year was mostly attributable to deteriorating macroeconomic environment including twin deficits and uncertainty on the PKR-USD front, Political noise prior to General Elections 2018, negative growth in corporate earnings specially in the banking sector, and continued outflow from the foreign investors.

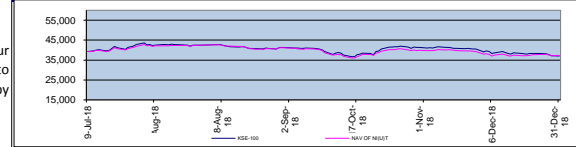
During the month of December 2018, the benchmark KSE-100 index declined by 8.47% whereas your Fund's NAV depreciated by 4.95 % thus giving an outperformance of 3.52%. On a YTD basis (July 18 to December 18), the KSE-100 index has fallen by 11.56% whereas the NAV of your Fund has gone down by 11.37%, thus, showing an outperformance of 0.19%.

**Fund Returns

	NI(UT) Fund	KSE-100
Trailing 12- months	-7.25%	-8.41%
3yrs	16.95%	12.95%
5yrs	70.22%	46.73%
10 yrs	339.07%	303.82%
Leverage	Nil	
Selling & Marketing Expenses	0.06% per annum	
*Total Expense Ratio	1.71%	

*This includes 0.29% representing Govt. Levy, Sindh Workers Welfare Fund & SECP Fee.
**Returns calculated are inclusive of dividends

NI(UT) VS KSE-100



Future Outlook

The rising interest rate scenario is always the challenging period for equity market and equity market would also react in the same manner. Moreover, the outcome of measures regarding balance of payment, clarity over the IMF program, political stability and decision of the FATF will shape investor sentiment in the days to come.

Sector Allocation (As % of Total Assets)



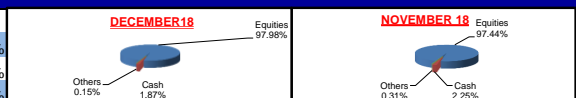
Technical Information 31-12-2018

Net Assets NI(UT)	61.413
Nav per Unit NI(UT)	63.39

Top Ten Holdings (As % of Total Assets)

(As % of Total Assets)	
Pakistan State Oil	10%
Pak Tobacco Co. Ltd.	8%
Bank Al-Habib Ltd.	7%
Mari Petroleum Ltd.	5%
Fauji Fertilizer Co. Ltd.	4%
Habib Metropolitan Bank	3%
Bata Pakistan Ltd.	3%
Abbott Laboratories	3%
Sui Northren Gas Pipelines	3%
Packages Ltd.	2%

Fund's Asset Allocation



Historical Fund Performance

	NI(UT)	KSE 100	DPU (Rs.)
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
FY 18	-11.81%	-10.00%	2.33

Sindh Workers Welfare Fund :

The Scheme has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of **Rs. 410 million**, if the same were not made the NAV per unit/ year to date return of the Scheme would be higher by **Rs. 0.42/ 0.59%**. 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 3% 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	Syed Ali Raza Bukhari - Head of Marketing
Raza Abbas Jaffery - Headof Trading	Ali Kamal - 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. 49.39 million as of December 31, 2018 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 December 31, 2018 is Rs. 145.277million.

Note: All the figures given in the report are being under Half Year Audit review.