



NATIONAL INVESTMENT (UNIT) TRUST

MONTHLY FUND MANAGER REPORT - MAY 31, 2008

Fund Information	
Launch date	12th November 1962
Type	Open End Equity Fund
Fund Size as on May 31, 2008	Rs. 84.305 Billion
Par Value	Rs. 10
Fund Rating:	5 Star (PACRA & JCR-VIS)
Net Asset Value (per unit) as on May 31, 2008	
NAV LOC	NAV Non-LOC
52.58	53.18
Minimum Investment:	
Rs. 5,000	
Management Fee:	
1.00%	
Front End Load:	
2.50%	
Back End Load:	
1.00%	
Benchmark	
KSE 100 Index	
Trustee:	
National Bank of Pakistan	
Auditors:	
Anjum Asim Shahid Rehman Chartered Accountants	

NI(UT) Objective
The core objective of NIT is to maximize returns for Unit holders, provide a regular stream of current income through dividends, while long term growth is achieved by diversified portfolio management and investments into growth and high yielding securities.

Profile of Investment Manager
National Investment Trust Ltd. (NITL) is the first Asset Management Company of Pakistan, formed in 1962. NITL manages the largest fund in the country i.e. National Investment (Unit) Trust with approximately Rs. 84 Billion assets under management (39.43 billion for LOC and 44.35 billion for Non-LOC funds) with 19 NIT branches spread across the country. The Board of Directors of NITL representing shareholders are mainly from leading financial institutions in addition to a representative of Govt. of Pakistan. The company has been assigned an asset manager rating of "AM2-" by Pakistan Credit Rating Agency (PACRA), which denotes strong capacity to manage the risks inherent in asset management and the asset manager meets high investment management industry standards and benchmarks. All Investment decisions are taken by the

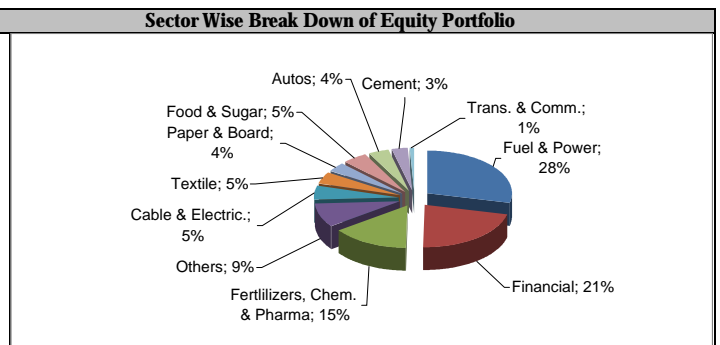
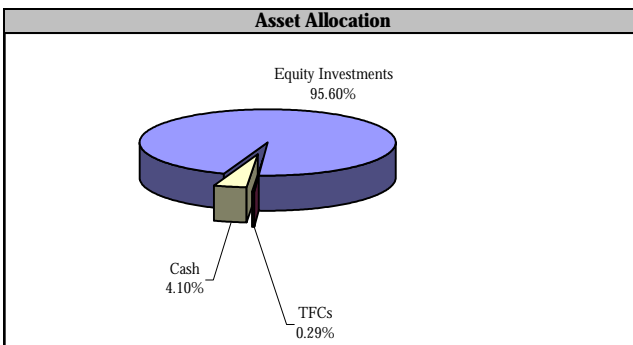
Fund Performance Review
The month of May proved to be one of the worst performing months for Pakistan's stock market where KSE-100 index received a heavy battering of 19.80% by falling from the index level of 15,121 to 12,131 points primarily due the current political situation, weak economic indicators and apprehensions regarding the budgetary measures which eroded the confidence of the investors. Downgrading of Pakistan's sovereign ratings by S&P and Moody's further dampened the sentiments of the market. The market witnessed a major plunge in the second half of the month when SBP came with the tight Monetary measures by increasing the Discount Rate by 150bps to 12%, CRR and SLR by 100bps both to 9% and 19% respectively. The SBP also directed the commercial banks to offer minimum of 5% return on PLS accounts.
However during this difficult time NIT acted prudently to manage the portfolio. The NAV of your Fund dropped by 16% in the month and outperformed the benchmark KSE-100 index by 4% which went down by 19.80%. During the year (July 07 to May 08) KSE-100 index declined by 11.92 % whereas NAV of your Fund went down by 6.25% showing a resilient out performance of 5.67%.
Going forward we are hopeful that market may witness some recovery once the political uncertainty comes to an end and some improvement is seen on the economic front after the forthcoming budget. Your Fund Manager will continue to optimize the portfolio through investing in those stocks where the valuations are reasonably attractive with a long term view.

Top Ten Holdings

Pakistan State Oil	Siemens Engineering Packages Ltd.
Fauji Fertilizer Co. Ltd.	National Refinery Ltd.
Bank Al-Habib	International Industries
Habib Metropolitan Bank	Glaxo Smith Kline
Soneri Bank	

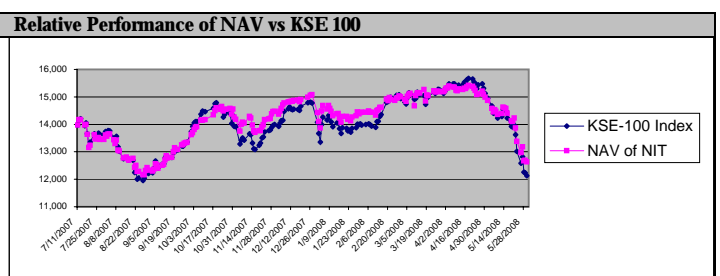
Risk & Return Ratios (3 years to date)

	NIT Portfolio	KSE100
Standard Deviation	15%	23%
Beta	0.60	1.00
Sharpe Ratio	0.55	0.51



Fund Performance

	FY 04	FY 05	FY 06	FY 07	YTD
NIT	60.7%	35.7%	28.2%	44.8%	-6.3%
KSE 100	55.3%	41.1%	34.1%	37.9%	-11.9%



Disclaimer: All Investments in Mutual Funds and Securities are subject to Market Risks. Our target return/dividend range can not be guaranteed. NIT's unit price is neither guaranteed nor administered/managed. It is based on Net Asset Value (NAV) and the NAV of NIT Units may go up or down depending upon the factors and forces affecting the Stock Market. Past performance is not indicative of future results

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