



NATIONAL INVESTMENT (UNIT) TRUST

MONTHLY FUND MANAGER REPORT - July 31, 2008

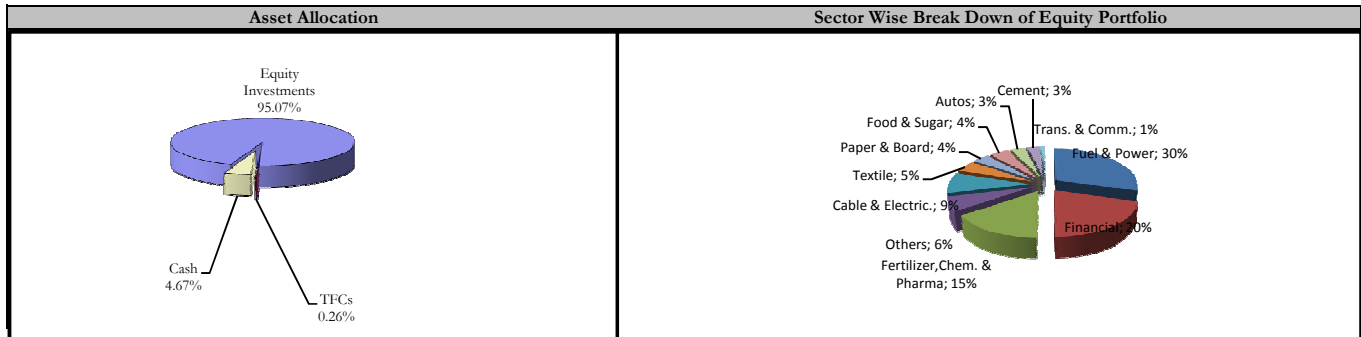
Fund Information	
Launch date	12th November 1962
Type	Open End Equity Fund
Fund Size as on July 31, 2008	Rs. 66.002 Billion
Par Value	Rs. 10
Fund Rating:	5 Star (PACRA & JCR-VIS)
Net Asset Value (per unit) as on July 31, 2008	
NAV LOC	NAV Non-LOC
39.97	40.32
Minimum Investment:	Rs. 5,000
Management Fee:	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(U)T 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. 66 Billion assets under management (30.04 billion for LOC and 35.95 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 Investment

Fund Performance Review
The KSE-100 index started with the bearish spell in the month of July with low volumes due to prolonged uncertainty and weak economic variables; however the decision by SECP and stock exchanges to revert back to the 5% upper and lower circuit mechanism generated some trading volumes but the selling pressure continued in the market. The visit of the SBP Governor to Karachi Stock Exchange and subsequent visit by the Finance Minister with the announcement of launch of Market Opportunity Fund changed the sentiments of the market by recovering around 9% of the loss in the index in just 5 trading sessions. This Fund formally launched its operations on July 25th under the management of NIT. However developments like reduction in the deemed duties of oil refineries from 10% to 7.50%, capping of oil marketing companies margins at USD 100 per barrel price and rise in the discount rate by 100 basis points by the State Bank of Pakistan once again pushed the market in to bearish mode.
Finally the benchmark KSE-100 ended the month of July with the decline of 13.90% whereas your Fund went down by 10.60% during the same period thus giving an out performance of 1.05%.
In spite of the fact that the financial year 2007-08 happened to be a difficult year for Pakistan's stock market with great amount of volatility, your Fund declared the cash dividend of 6.50 per unit to its unit holders which is a all time high dividend in the history of the Fund.
We understand that all the negatives pertaining to weak macroeconomic fundamentals have been priced in to a great extent and any development on the political front will determine the direction of the market.

Top Ten Holdings		Risk & Return Ratios (3 years to date)	
Pakistan State Oil	Soneri Bank Ltd.	NIT Portfolio KSE100	
Fauji Fertilizer Co. Ltd.	National Refinery Ltd.	Standard Deviation	16% 25%
Bank Al-Habib	International Industries	Beta	0.60 1.00
Habib Metropolitan Bank	Packages Ltd.	Sharpe Ratio	0.16 0.17
Siemens Engineering	Glaxo Smith Kline		



Fund Performance						Relative Performance of NAV vs KSE 100	
	FY 04	FY 05	FY 06	FY 07	FY 08		
NIT	60.7%	35.7%	28.2%	44.8%	-6.4%		
KSE 100	55.3%	41.1%	34.1%	37.9%	-10.8%		
DPU	2.55	3.30	5.80	6.20	6.50		

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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