



# NATIONAL INVESTMENT (UNIT) TRUST

MONTHLY FUND MANAGER REPORT - July 31, 2009

Fund Information	
Launch date	
12th November 1962	
Type	
Open End Equity Fund	
Fund Size as on July 31, 2009 (Rs. In billion)	
Fund Size LOC	Fund Size NI(u)T
22.269	27.917
Par Value	
Rs. 10	
Fund Rating: for the period ended June 30, 2008	
3 Star Normal ; 4 Star Long Term (PACRA)	
Net Asset Value (per unit) as on July 31, 2009	
NAV LOC	NAV NI(u)T
24.02	26.14
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:	
F.A. Ferguson & Company 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 the management of diversified portfolio 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. 50 Billion assets under management (22.269 billion for LOC and 27.917 billion for NI(u)T) with 19 NIT branches spread across the country. With the launching of two new Funds namely NIT-Equity Market Opportunity Fund & NIT-State Enterprise Fund the size of total Funds under management has increased to approximately Rs. 70 billion. (14.971 billion for SEF & 5,045 billion for EMOF). 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 Committee of NITL.

**Fund Performance Review**

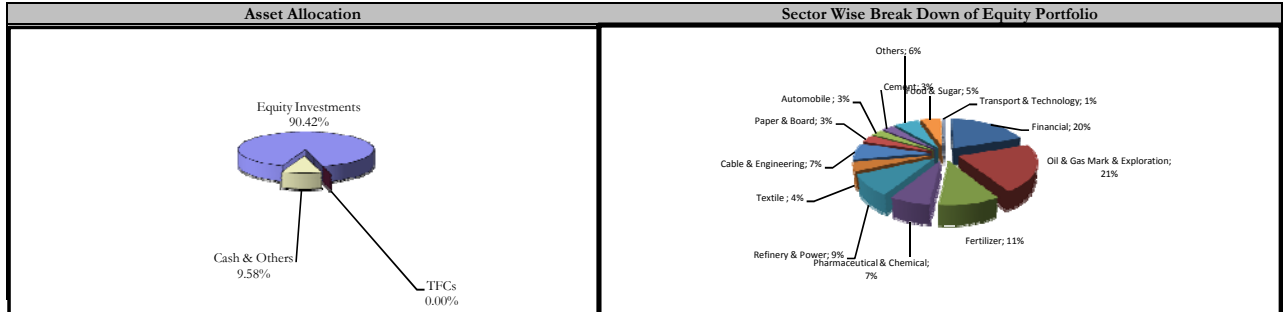
In the month of July the KSE 100 index ended on a positive note by witnessing a decent increase of 559 points (7.8%) to close at 7,721 level. Average daily trading volumes improved to 160mn shares compared to 111mn shares recorded in June 2009. The month kicked off with a cut in the profit rates of various National Savings schemes ranging from 50 to 190 bps. The Supreme Court's decision to eliminate the carbon surcharge from the petroleum prices created some uncertainty as this would have caused a loss of approximately Rs. 110 billion in the Government revenue, however quick response by the Government to replace "Carbon surcharge" with "Petroleum Levy" through a Presidential Ordinance removed all the uncertainties. SECP's decision to re-launch the Deliverables Futures in 18 stocks from 27th July'09 also boosted the positive sentiments in the market. However postponement in announcement of monetary policy statement by SBP to 15th August 2009 turned the sentiments a bit bearish. As a result the market under went downward correction of around 5% before it rebounded on the last day by over 200pts on the back of positive perception regarding discount rate cut in the upcoming monetary policy.

During the month of July the benchmark KSE-100 index increased by 7.8% whereas your Fund's NAV increased by 9.42% thus giving an impressive out performance of 1.62%.

Despite the fact that the outgoing Fiscal Year 2008-09 happened to be one of the most challenging and difficult years in the history of Pakistan's equity market, your Fund NI(U)T maintained its tradition of offering good cash dividend to its unit holders by declaring a dividend of Rs. 3.25 per unit for the year ended June 30, 2009.

We expect the market to perform well in the next month on the back of release of third tranche from IMF, monetary policy announcement on 15th August and expectation of better corporate results.

Top Ten Holdings		Risk & Return Ratios (3 years to date)	
Pakistan Stee Oil	National Refinery Ltd.	NIT Portfolio KSE100	
Fauji Fertilizer Co. Ltd.	Attock Refinery Ltd.	Standard Deviation	19% 34%
Bank Al-Habib Ltd.	GlaxoSmithKline Pakistan	Beta	0.50 1.00
Habib Metropolitan Bank Ltd.	Packages Ltd.	Sharpe Ratio	(0.85) (0.53)
Siemens Pakistan Eng. Co. Ltd.	Bata Pakistan Ltd.		



Fund Performance						Relative Performance of NAV vs KSE 100	
	FY 05	FY 06	FY 07	FY 08	FY 09	Line chart showing KSE 100 INDEX and NAV OF NIT from Jul-08 to Jun-09	
NI(U)T	35.7%	28.2%	44.8%	-6.4%	-41.5%		
KSE 100	41.1%	34.1%	37.9%	-10.8%	-41.7%		
DPU (Rs.)	3.30	5.80	6.20	6.50	3.25		

**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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