



NATIONAL INVESTMENT (UNIT) TRUST

MONTHLY FUND MANAGER REPORT - August 31, 2008

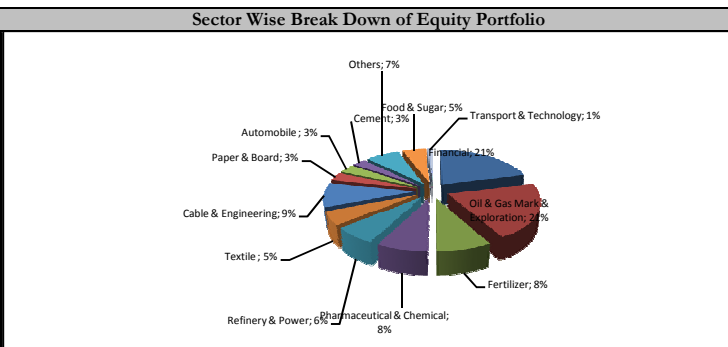
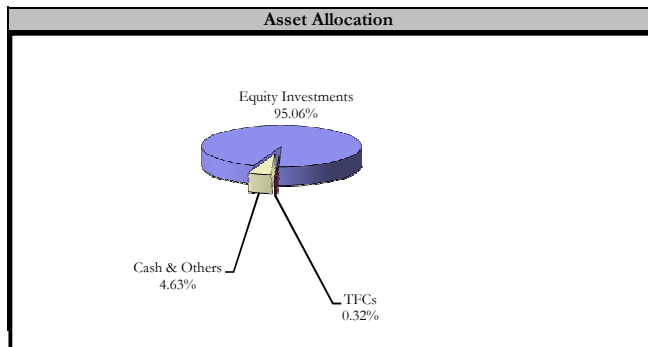
Fund Information	
Launch date	12th November 1962
Type	Open End Equity Fund
Fund Size as on August 31, 2008	Rs. 56.536 Billion
Par Value	Rs. 10
Fund Rating: (Normal & Long Term)	5 Star (PACRA & JCR-VIS)
Net Asset Value (per unit) as on August 31, 2008	
NAV LOC	NAV Non-LOC
32.78	33.68
Minimum Investment:	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 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. 57 Billion assets under management (24.64 billion for LOC and 31.89 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

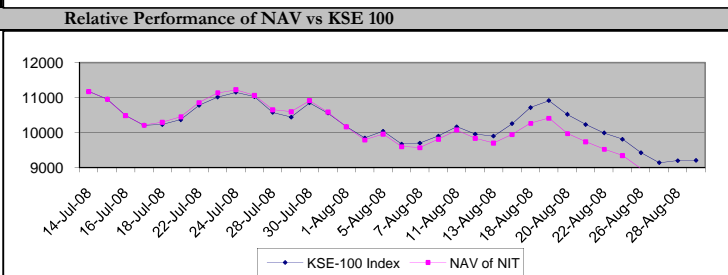
Fund Performance Review
The bearish trend persisted in the market during the month of August amid major political events and concerns about the economic situation. A special trading session on August 02, 2008 was held by the KSE to absorb the distress selling pressure but it could not halt its downside and the KSE-100 index fell below the psychological level of 10,000 points. On the political front developments regarding the impeachment of President Musharraf consequently reached its climax on 18th of August, 2008 when President Musharraf announced his resignation from the highest office. Both the stock market and currency market rebounded instantly on hopes that much awaited political uncertainty would end and focus would now shift towards the weakening economy. KSE-100 index gained 660 points (6.35%) in just two sessions in reaction to President's resignation. Nevertheless, this rally was short-lived and subsequently the market dropped by 17.46% during the next six sessions as differences between the coalition parties on the resolution of the judges issue aggravated which eventually led to break up of the coalition. The market again came in the tight grip of bearish forces consequently the KSE Board decided to place a floor on individual stocks prices at the closing prices of August 27, 2007 at the index level of 9,144 points
Finally the month of August ended with the sharp decline of 13.00% in the benchmark KSE-100 index on MoM basis whereas your Fund's NAV dropped by 17.23% thus underperforming the benchmark by 4.23% during the month. During the year (July 08 to Aug 08) KSE-100 declined by 25.07% whereas NAV of your Fund went down by 27.85% giving an underperformance of 2.78%.
With the floor placed on individual stock prices the performance of the stock market is expected to remain lackluster. However any market stabilization measures and improvement in the law and order situation can provide some respite to the falling equity market in the days to come.

Top Ten Holdings		Risk & Return Ratios (3 years to date)	
Pakistan State Oil	National Refinery Ltd.	NIT Portfolio KSE100	
Fauji Fertilizer Co. Ltd.	Soneri Bank Ltd.	Standard Deviation	17% 25%
Habib Metropolitan Bank Ltd	Bata Pakistan Ltd.	Beta	0.59 1.00
Bank Al-Habib Ltd.	International Industries	Sharpe Ratio	(0.17) (0.14)
Siemens Engineering	Glaxo Smith Kline		



Fund Performance

	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 (Rs.)	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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