



NATIONAL INVESTMENT (UNIT) TRUST

MONTHLY FUND MANAGER REPORT - August 31, 2009

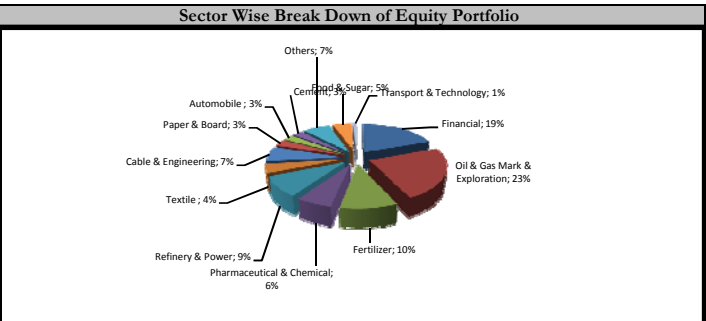
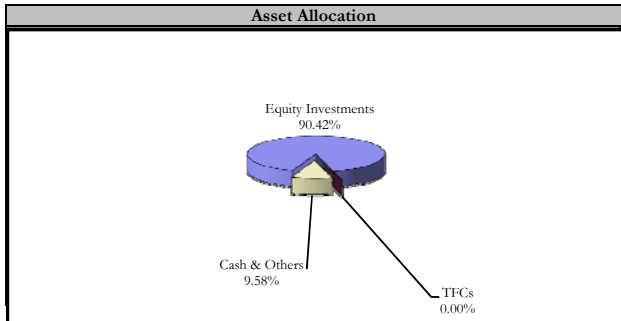
Fund Information	
Launch date	
12th November 1962	
Type	
Open End Equity Fund	
Fund Size as on August 31, 2009 (Rs. in billion)	
Fund Size LOC	Fund Size NI(u)T
25.339	29.657
Par Value	
Rs. 10	
Fund Rating: for the period ended June 30, 2009 2 Star Short Term ; 3 Star Long Term (PACRA)	
Net Asset Value (per unit) as on August 31, 2009	
NAV LOC	NAV NI(u)T
25.51	28.00
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:	
A.F. Ferguson & Company Chartered Accountants	

NI(U)T 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.

Profile of Investment Manager
National Investment Trust Ltd. (NITL) is the first Asset Management Company of Pakistan, formed in 1962. NITL manages the largest and oldest mutual fund of the country i.e. National Investment (Unit) Trust with approximately Rs. 55 Billion assets under management (25.33 billion for NI(U)T-LOC and 29.66 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 during the fiscal year 2008-09 the size of total Funds under management has increased to approximately Rs. 79 billion. The Board of Directors of NITL consists of representatives of leading financial institutions, prominent industrialists and nominee 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.

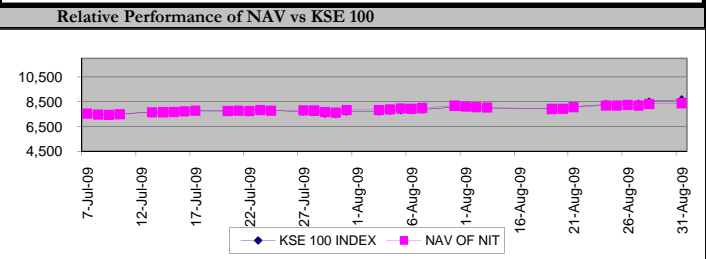
Fund Performance Review
August'09 turned out to be one of the best performing months for the KSE-100 during the past 5 months. The KSE 100 Index gained 955pts (12.37%) to close at 8,676 with the average daily trading volume improving to 155mn shares. The month of August witnessed a number of events which kept the stock market bullish throughout the month. The meeting with the IMF remained successful where the third tranche of USD 840 mn was released. The IMF appreciated the significant improvement seen on the economic front and also approved additional USD3.23bn funding for Pakistan, taking the total package to USD11.3bn. On 15th of August 2009 SBP announced its 1QFY10 Monetary Policy slashing the discount rate by 100 bps which was another good news for the equity market. To improve the efficiency and reaction time of the monetary policy SBP also decided to increase the frequency of monetary policy statement from quarterly basis to bi-monthly basis. Another development which further boosted the sentiments of the market was a revision of Pakistan's Sovereign rating outlook (foreign and local currency bond) from 'Negative' to 'Stable' by Moody's Investors Service. Soon after S&P also raised Pakistan's sovereign rating from "CCC+" to "B-". Consequently foreign investor's confidence was boosted and it led to an inflow of USD95mn in foreign portfolio investment during the month which is the highest foreign inflow in the last 18 months.
During the month of August the benchmark KSE-100 index increased by 12.37% whereas your Fund's NAV increased by 7.12% during the same period thus giving an under performance of 5.25%. Whereas during the year (July 09 to August 09), the KSE-100 index increased by 21.13% whereas the NAV of your Fund increased by 17.20% showing an under performance of 3.93%. This underperformance is attributable to few stocks held in the portfolio of the Fund not performing in line with the market. However since these stocks are fundamentally strong we expect them to outperform the market in the period ahead.
Moreover, upcoming Friends of Pakistan meeting to be held in September is expected to bring some good news for country's economy. We feel that owing to growing interest of the foreign investors in the stock market, the overall trend is expected to remain positive.

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



Fund Performance

	FY 05	FY 06	FY 07	FY 08	FY 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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