



# NATIONAL INVESTMENT (UNIT) TRUST

MONTHLY FUND MANAGER REPORT - October 31, 2008

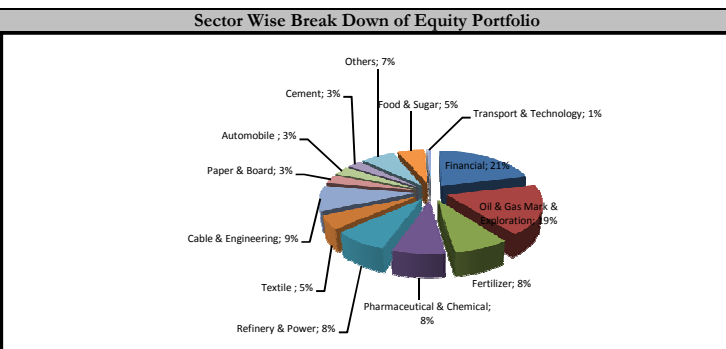
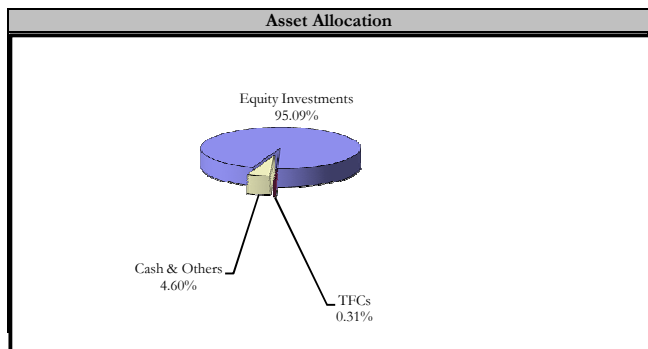
| Fund Information                                  |  |
|---|--|
| Launch date                                       | 12th November 1962                             |
| Type  | Open End Equity Fund                           |
| Fund Size as on October 06, 2008                  | Rs. 56.807 Billion                             |
| Par Value   | Rs. 10   |
| Fund Rating: (Normal & Long Term)                 | 5 Star (PACRA & JCR-VIS)                       |
| Net Asset Value (per unit) as on October 06, 2008 | NAV LOC: 32.87, NAV Non-LOC: 33.73             |
| 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 (24.71 billion for LOC and 32.09 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

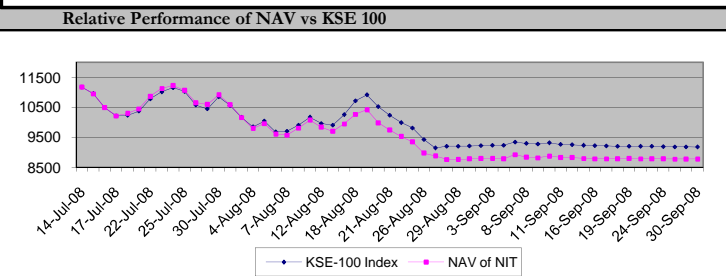
**Fund Performance Review**  
During the month the Pakistan's stock market virtually stayed at halt as the price floor mechanism remained unchanged. The average daily trading volume recorded at all time lowest of 0.71 million shares and the benchmark KSE-100 index gained a mere 3.20 points during the month. In view of the introduction of a 'Floor' on the equity prices at the stock exchanges the market volumes have drastically reduced leading to difficulty in discovery of fair valuation of equity securities, the SECP on the request of Mutual Funds Association of Pakistan made an intervention by suspending the pricing, issuance and redemption of units of open-ended schemes with direct exposure to equity securities with effect from 7th October, 2008. This suspension will remain in effect till third business day after the floor is removed at the stock exchanges.  
As the Govt. of Pakistan is reportedly negotiating with the IMF for the loan of around 10 billion US\$, Approval of IMF loan, possible financial assistance from International Financial Institutions including the 'Friends of Pakistan' consortium and Saudi oil facility on deferred payments may ease out the pressure on external accounts to help in tackling the economic challenges being faced by Pakistan.

| Top Ten Holdings            |                          | Risk & Return Ratios (3 years to date) |               |
|-----------------------------|--------------------------|--|---------------|
|                             |                          | NIT Portfolio                          | KSE100        |
| Pakistan State Oil          | Soneri Bank Ltd.         | Standard Deviation                     | 17% 25%       |
| Fauji Fertilizer Co. Ltd.   | Bata Pakistan Ltd.       | Beta                                   | 0.59 1.00     |
| Habib Metropolitan Bank Ltd | International Industries | Sharpe Ratio                           | (0.34) (0.22) |
| Bank Al-Habib Ltd.          | National Refinery        |  |               |
| 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.

**National Investment Trust Ltd,**  
National Bank Building, (6th Floor)  
I.I. Chundrigar Road, P.O Box # 5671.  
Karachi - 74000, Pakistan  
Tel: 111-648-648

\* Since the NAV calculations has been suspended from Oct. 07, Risk & Return Ratios & Relative Performance of NAV vs KSE 100 is representing the trend until 30th Sept. 2008.