



NATIONAL INVESTMENT (UNIT) TRUST

MONTHLY FUND MANAGER REPORT - December 31, 2008

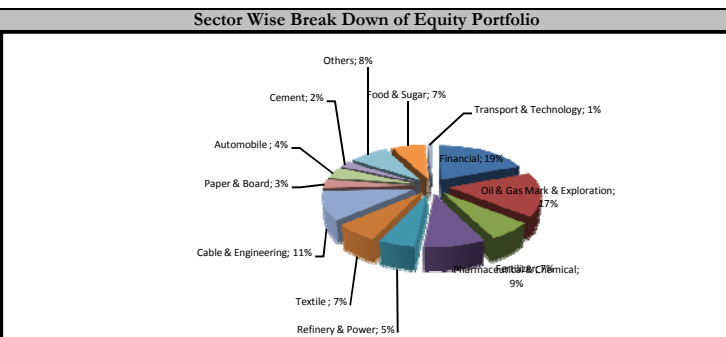
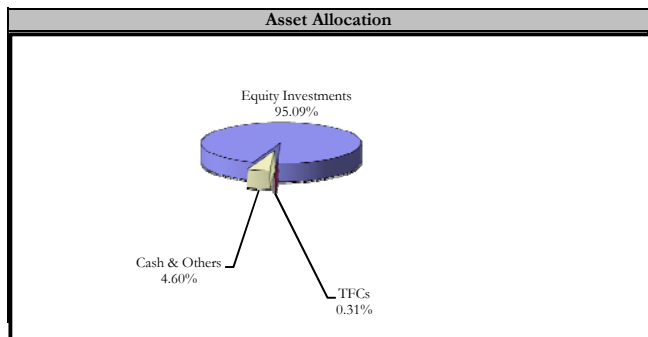
Fund Information	
Launch date	12th November 1962
Type	Open End Equity Fund
Fund Size as on October 06, 2008	Rs. 56.807 Billion
Par Value	Rs. 10
Fund Rating: (Normal & Long Term)	5 Star (PACRA & JCR-VIS)
Net Asset Value (per unit) as on October 06, 2008	NAV LOC: 32.87, NAV Non-LOC: 33.73
Minimum Investment:	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 industry standards and benchmarks. All Investment decisions are taken by the Investment Committee of NITL.

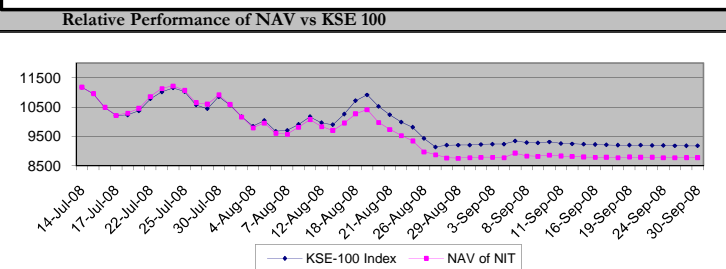
Fund Performance Review
After the 110 days of extremely lackluster performance of Karachi Stock Exchange, floor mechanism was finally ended on December 15, 2008. The average daily volumes improved to 59.61 million shares after the removal of the floor as compared to the trade volumes which remained abysmally low during the floor system. The index which could not move in line with the international and economic conditions finally started to adjust for long overdue downward correction and resultantly KSE 100 index lost 3,322 points recording a massive decline of 36.16% closing at 5,865 points as on December 31, 2008.
As the volumes in the blue chip stocks were not significant during the period so the difficulty in arriving at fair valuation of equity securities remained a problem for the asset management companies managing open ended schemes with direct exposure to equity securities. Keeping in view the situation in the stock market and the best interest of the unit holders most of the AMC's including National Investment Trust Limited (NITL) decided to extend the suspension of pricing and dealing in units already imposed by the apex regulator.
Currently the market is going through a downward adjustment period with massive selling pressure especially from foreign investors. After remaining in consolidation phase for some time the market may start showing strength.

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