



NATIONAL INVESTMENT (UNIT) TRUST

MONTHLY FUND MANAGER REPORT - October 31, 2009

| Fund Information | |
|---|------------------|
| Launch date | |
| 12th November 1962 | |
| Type | |
| Open End Equity Fund | |
| Fund Size as on October 31, 2009 (Rs. In billion) | |
| Fund Size LOC | Fund Size NI(u)T |
| 27.679 | 31.979 |
| 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 October 31, 2009 | |
| NAV LOC | NAV NI(u)T |
| 27.87 | 30.42 |
| 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. 60 Billion assets under management (27.67 billion for NI(U)T-LOC and 31.97 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. 85 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

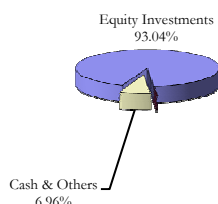
In the month of October 2009, the KSE-100 index lost 181 points (2%) with the average daily trading volume recorded at 215mn shares as compared to 258mn shares in the last month. After making this year's high of 9,978 (intraday) on October 16, the market started slipping due to the renewed law and order concern in the country. Uneasiness on the domestic political front and differences between the various stakeholders relating to the Kerry Lugar Bill further dampened the investor's confidence and the market failed to keep up the upward momentum achieved during the month of September 09. Net foreign inflows which is the major driver of recent rally remained substantially lower at USD 38mn in the month of October 09 as against USD 128 mn during September 09. Quarterly corporate results were mainly in line with the market expectations which provided some support to the market. The benchmark KSE 100 finally closed at 9,159 points with 2% decline.

During the month of October 09 the benchmark KSE-100 index declined by 1.95% whereas your Fund's NAV dropped by 1.11% during the same period thus giving an out performance of 0.84%. Whereas year to date (July 09 to Oct. 09), the KSE-100 index increased by 27.88% whereas the NAV of your Fund increased by 27.33% showing a marginal under performance of 0.55%.

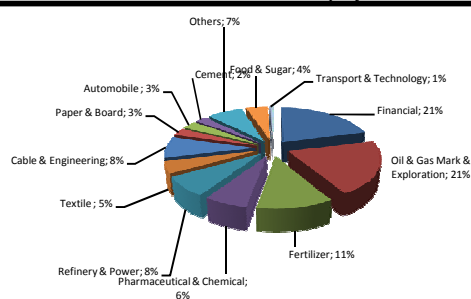
Pakistan's equity market has generated good returns since its lowest levels in January 2009 so the recent correction in the market should not worry the investors too much. The stock market is expected to regain its upward momentum with the improvement of law and order condition and political stability.

| Top 10 Holdings | | Risk & Return Ratios (3 years to date) | |
|--------------------------------|------------------------|--|---------------|
| | | NIT Portfolio | KSE100 |
| Pakistan Sste Oil | Bata Pakistan Ltd. | Standard Deviation | 19% 34% |
| Fauji Fertilizer Co. Ltd. | National Refinery Ltd. | Beta | 0.50 1.00 |
| Bank Al-Habib Ltd. | Attock Refinery Ltd. | Sharpe Ratio | (0.71) (0.41) |
| Habib Metropolitan Bank Ltd. | Packages Ltd. | | |
| Siemens Pakistan Eng. Co. Ltd. | Soneri Bank Ltd. | | |

Asset Allocation



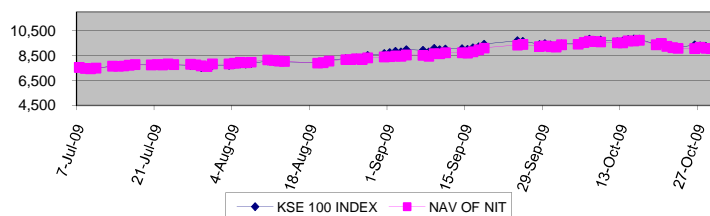
Sector Wise Break Down of Equity Portfolio



Fund Performance

Relative Performance of NAV vs KSE 100

| | 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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