

TRUSTEE REPORT TO THE UNIT HOLDERS

NIT - EQUITY MARKET OPPORTUNITY FUND

Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of NIT - Equity Market Opportunity Fund (the Fund) are of the opinion that National Investment Trust Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2011 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Muhammad Hanif Jakhura

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi: February 10, 2012

NIT - EQUITY MARKET OPPORTUNITY FUND

AUDITORS' REPORT TO THE UNIT HOLDERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **NIT – EQUITY MARKET OPPORTUNITY FUND** as at December 31, 2011 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim distribution statement, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial information'), for the half year ended December 31, 2011. The Management Company (National Investment Trust Limited) is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim income statement, condensed interim statement of comprehensive income, condensed interim distribution statement, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement for the quarters ended December 31, 2011 and December 31, 2010 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2011.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the half year ended December 31, 2011 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

A.F. Ferguson & Co.
Chartered Accountants
Engagement Partner: Rashid A. Jafer
Dated: February 6, 2012
Karachi

NIT - EQUITY MARKET OPPORTUNITY FUND

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT DECEMBER 31, 2011

Note	December 31, 2011 (Unaudited)	June 30, 2011 (Audited)
-----Rupees in '000-----		
Assets		
	259,454	129,649
4	4,520,097	5,557,743
	-	21,369
	7,462	25,665
	2,500	2,500
	4,789,513	5,736,926
Liabilities		
	981	955
	150	182
5	2,631	5,119
	6,121	6,826
	121	-
	11,535	11,760
	21,539	24,842
	4,767,974	5,712,084
	4,767,974	5,712,084
Contingencies and commitments		
6		
	-----Number of units-----	
	45,246,426	46,966,864
	------(Rupees)-----	
	105.38	121.62

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

For National Investment Trust Limited
(Management Company)

Sd/-
Managing Director

Sd/-
Director

Sd/-
Director

NIT - EQUITY MARKET OPPORTUNITY FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
 FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2011

Note	Half year ended December 31, 2011	Half year ended December 31, 2010	Quarter ended December 31, 2011	Quarter ended December 31, 2010
-----Rupees in '000-----				
INCOME				
Dividend income	165,729	133,357	95,807	88,801
Capital gain on sale of investments	102,516	97,893	58,451	71,233
Income from government securities	20,675	-	6,786	-
Profit on bank deposits	18,775	43,876	14,152	26,667
	307,695	275,126	175,196	186,701
Unrealised gain on letters of right	-	567	-	567
Total income	307,695	275,693	175,196	187,268
EXPENSES				
Impairment loss on equity securities classified as 'available for sale'	460,930	47,983	390,938	47,983
Remuneration of National Investment Trust Limited - Management Company	5,554	5,077	2,762	2,655
Sindh sales tax on remuneration of Management Company	889	-	442	-
Remuneration of Central Depository Company of Pakistan Limited - Trustee	982	914	488	384
Annual fee - Securities and Exchange Commission of Pakistan	2,631	2,414	1,307	1,263
Custodian charges of Central Depository Company of Pakistan Limited	11	26	3	13
Settlement and bank charges	112	124	77	70
Auditors' remuneration	201	251	175	227
Legal and Professional charges	51	-	-	-
Printing charges	50	50	25	25
Total expenses	471,411	56,839	396,217	52,620
Net (loss) / income from operating activities	(163,716)	218,854	(221,021)	134,648
Element of loss and capital losses included in prices of units issued less those in units redeemed	(3,222)	(2,322)	(48,263)	-
Provision for Workers' Welfare Fund	-	(1,612)	1,321	-
Net (loss) / income for the period before taxation	(166,938)	214,920	(267,963)	134,648
Taxation	-	-	-	-
Net (loss) / income for the period after taxation	(166,938)	214,920	(267,963)	134,648

NIT - EQUITY MARKET OPPORTUNITY FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
 FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2011

Note	Half year ended December 31, 2011	Half year ended December 31, 2010	Quarter ended December 31, 2011	Quarter ended December 31, 2010
----- In Rupees -----				
(Loss) / Earnings per unit				
10				
With impairment loss on equity securities classified as 'available for sale'	(3.38)	4.58	(5.51)	2.87
Without Impairment loss on equity securities classified as 'available for sale'	5.94	5.60	2.53	3.89

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

For National Investment Trust Limited
 (Management Company)

Sd/-
 Managing Director

Sd/-
 Director

Sd/-
 Director

NIT - EQUITY MARKET OPPORTUNITY FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE
INCOME (UNAUDITED)

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2011

Note	Half year ended December 31, 2011	Half year ended December 31, 2010	Quarter ended December 31, 2011	Quarter ended December 31, 2010
-----Rupees in '000-----				
Net (loss) / income for the period after taxation	(166,938)	214,920	(267,963)	134,648
Other comprehensive (loss) / income				
Net unrealised (diminution) / appreciation in the fair value of investments classified as 'available for sale'	4.4 (229,394)	874,004	(155,079)	751,108
Total comprehensive (loss) / income for the period	<u>(396,332)</u>	<u>1,088,924</u>	<u>(423,042)</u>	<u>885,756</u>

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

For National Investment Trust Limited
(Management Company)

Sd/-
Managing Director

Sd/-
Director

Sd/-
Director

NIT - EQUITY MARKET OPPORTUNITY FUND
CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED)

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2011

	Half year ended December 31, 2011	Half year ended December 31, 2010	Quarter ended December 31, 2011	Quarter ended December 31, 2010
-----Rupees in '000-----				
Undistributed income at the beginning of the period	418,035	149,130	143,325	92,673
Net (loss) / income for the period after taxation	(166,938)	214,920	(267,963)	134,648
Final distribution by issue of bonus units: Rs 8.00 per unit [2010: Rs 3.00 per unit] (Date of distribution: July 5, 2011)				
'- Bonus units	(375,735)	(136,729)	-	-
Undistributed (loss) / income carried forward	<u>(124,638)</u>	<u>227,321</u>	<u>(124,638)</u>	<u>227,321</u>
Undistributed (loss) / income comprising:				
Realised (loss) / income	(124,638)	226,754	(124,638)	226,754
Unrealised income	-	567	-	567
	<u>(124,638)</u>	<u>227,321</u>	<u>(124,638)</u>	<u>227,321</u>

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

For National Investment Trust Limited
(Management Company)

Sd/-
Managing Director

Sd/-
Director

Sd/-
Director

NIT - EQUITY MARKET OPPORTUNITY FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN
UNIT HOLDERS' FUND (UNAUDITED)
 FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2011

	Half year ended December 31, 2011	Half year ended December 31, 2010	Quarter ended December 31, 2011	Quarter ended December 31, 2010
-----Rupees in '000-----				
Net assets at the beginning of the period	5,712,084	4,618,331	5,693,753	4,823,821
Issue of Nil units [2010: Nil units]	-	-	-	-
Redemption of 5,027,381 units for the half year ended December 31, 2011 and the quarter ended December 31, 2011 (Nil units for the half year ended December 31, 2010 and the quarter ended December 31, 2010)	(551,000)	-	(551,000)	-
	(551,000)	-	(551,000)	-
Issue of 3,306,943 bonus units for the half year ended December 31, 2011 (2010: 1,390,512 bonus units)	375,735	136,729	-	-
	5,536,819	4,755,060	5,142,753	4,823,821
Element of loss and capital losses included in prices of units issued less those in units redeemed	3,222	2,322	48,263	-
Net unrealised (diminution) / appreciation in the fair value of investments classified as 'available for sale' - note 4.4	(229,394)	874,004	(155,079)	751,108
Capital gain on sale of investments	102,516	97,893	58,451	71,233
Other net (loss) / income for the period	(269,454)	117,027	(326,414)	63,415
Final distribution by issue of bonus units: Rs 8.00 per unit [2010: Rs 3.00 per unit]	(375,735)	(136,729)	-	-
	(542,673)	78,191	(267,963)	134,648
Net assets at the end of the period	4,767,974	5,709,577	4,767,974	5,709,577

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

For National Investment Trust Limited
(Management Company)

Sd/-
Managing Director

Sd/-
Director

Sd/-
Director

NIT - EQUITY MARKET OPPORTUNITY FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
 FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2011

	Half year ended December 31, 2011	Half year ended December 31, 2010	Quarter ended December 31, 2011	Quarter ended December 31, 2010
-----Rupees in '000-----				
CASH FLOWS FROM OPERATING ACTIVITIES				
Net (loss) / income for the period before taxation	(166,938)	214,920	(267,963)	134,648
Adjustments				
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed	3,222	2,322	48,263	-
Unrealised gain on letters of right	-	(567)	-	(567)
Dividend income	(165,729)	(133,357)	(95,807)	(88,801)
Profit on bank deposits	(18,775)	(43,876)	(14,152)	(26,667)
Impairment loss on equity securities classified as 'available for sale'	460,930	47,983	390,938	47,983
Remuneration of National Investment Trust Limited - Management Company	5,554	5,077	2,762	2,655
Sindh Sales Tax on Management Fee	889	-	442	-
	119,153	92,502	64,483	69,251
(Increase) / decrease in assets				
Investments	347,322	68,033	313,290	283,481
Receivable against sale of investments	21,369	-	-	-
	368,691	68,033	313,290	283,481
Increase / (decrease) in liabilities				
Payable to Central Depository Company of Pakistan Limited - Trustee	(32)	28	(9)	(67)
Payable to Securities and Exchange Commission of Pakistan	(2,488)	(1,829)	1,307	1,263
Payable against purchase of investments	121	16,295	30	15,786
Provision for taxation	(705)	-	-	-
Accrued expenses and other liabilities	(225)	1,639	(1,174)	830
	(3,329)	16,133	154	17,812
Dividend received	186,821	144,001	140,937	117,557
Profit received on bank deposits	15,886	36,287	2,239	18,701
Remuneration paid to National Investment Trust Limited - Management Company	(6,417)	(4,881)	(3,272)	(2,507)
Net cash inflow from operating activities	680,805	352,075	517,831	504,295
CASH FLOW FROM FINANCING ACTIVITIES				
Net payments made against redemption of units	(551,000)	-	(551,000)	-
Net cash outflow on financing activities	(551,000)	-	(551,000)	-
Net increase / (decrease) in cash and cash equivalents during the period	129,805	352,075	(33,169)	504,295

**NIT - EQUITY MARKET OPPORTUNITY FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)**

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2011

	Half year ended December 31, 2011	Half year ended December 31, 2010	Quarter ended December 31, 2011	Quarter ended December 31, 2010
-----Rupees in '000-----				
Cash and cash equivalents at the beginning of the period	129,649	614,400	292,623	462,180
Cash and cash equivalents at the end of the period	259,454	966,475	259,454	966,475

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

**For National Investment Trust Limited
(Management Company)**

Sd/-
Managing Director

Sd/-
Director

Sd/-
Director

**NIT - EQUITY MARKET OPPORTUNITY FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM
FINANCIAL INFORMATION (UNAUDITED)**

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2011

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 The NIT - Equity Market Opportunity Fund (the Fund) was established under a Trust Deed executed between National Investment Trust Limited (NITL) as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) on March 18, 2009 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) and the Trust Deed was executed on April 01, 2009. The units of the Fund have been initially issued at Rs 100 per unit.

1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 6th floor, National Bank of Pakistan Building, I.I. Chundrigar Road, Karachi.

1.3 The Fund is an open-ended mutual fund. Units are offered for subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. Units of the Fund comprise of the following two types:

Class A: These units are not subject to any restrictions (i.e units can be redeemed at the option of the unit holders).

Class B: These units are issued to unit holders with a firm commitment. The redemption option for these units rests with the Management Company and the unit holders may redeem their units subject to consent of the Management Company.

At present the Fund has only Class 'B' units that were issued to the initial participants. The Management Company intends to issue Class 'A' units in future.

1.4 The objective of the Fund is to invest in the equity market when there is an opportunity to invest the funds in a gainful manner and such investment is for the benefit of the Fund based on long term perspective.

1.5 Pakistan Credit Agency Limited (PACRA) has assigned a "4 star" rating to the Fund based on the performance during the twelve months ended December 31, 2010.

JCR - VIS Credit Rating Company Limited has assigned an asset management rating of 'AM2-' to the Management Company.

2 BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of IAS 34: 'Interim Financial Reporting', the Trust Deed, Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules), Non Banking Finance Companies and Notified Entities Regulations 2008 (NBFC Regulations) and the directives issued by the SECP. In cases where requirements differ, the requirements of the Trust Deed, NBFC Rules, NBFC Regulations or the said directives take precedence.

2.2 This condensed interim financial information is unaudited. However, a limited review has been performed by the statutory auditors in accordance with the requirements of the Code of Corporate Governance. This condensed interim financial information is being circulated to the unit holders as required under the NBFC Regulations.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied for the preparation of this condensed interim financial information are the same as those applied in the preparation of the published annual financial statements of the Fund for the year ended June 30, 2011.

NIT - EQUITY MARKET OPPORTUNITY FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM
FINANCIAL INFORMATION (UNAUDITED)

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2011

3.1 Standards, interpretations and amendments to published approved accounting standards that are effective from July 1, 2011

The following new standards and amendments to existing standards are mandatory for the first time for the financial year beginning July 1, 2011:

IAS 24 (revised), 'Related party disclosures', issued in November 2009. It supersedes IAS 24, 'Related party disclosures', issued in 2003. The revised standard clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. The adoption of the revised standard did not have any impact on the Fund's condensed interim financial information.

IFRS 7 (amendment) 'Financial instruments: Disclosures'. This amendment was part of the IASB's annual improvement project published in May 2010. The amendment emphasises the interaction between quantitative and qualitative disclosures about the nature and extent of risks associated with financial instruments. Adoption of this amendment did not have any impact on the Fund's condensed interim financial information.

There are certain new standards, amendments and International Financial Reporting Interpretations Committee (IFRIC) interpretations that became effective during the period and are mandatory for accounting periods beginning on or after July 1, 2011 but are considered not to be relevant or did not have any significant effect on the Fund's operations and are, therefore, not disclosed in this condensed interim financial information.

3.2 Standards, interpretations and amendments to published approved accounting standards as adopted in Pakistan that are not yet effective

There are certain new standards, amendments and International Financial Reporting Interpretations Committee (IFRIC) interpretations that are mandatory for accounting periods beginning on or after July 1, 2012 but are considered not to be relevant or do not have any significant effect on the Fund's operations and are therefore not detailed in this condensed interim financial information.

4 INVESTMENTS

At fair value through profit or loss

Derivative financial instrument (letters of right)

Available for sale

Listed equity securities

Government securities

Note	December 31, 2011 (Unaudited)	June 30, 2011 (Audited)
----- (Rupees in '000) -----		
	-	205
4.1	4,421,860	5,089,219
4.2	98,237	468,319
	<u>4,520,097</u>	<u>5,557,743</u>

NIT - EQUITY MARKET OPPORTUNITY FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM
FINANCIAL INFORMATION (UNAUDITED)

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2011

4.1 Listed equity securities - Available for sale

Shares of listed companies - Fully paid up ordinary shares of Rs 10 each unless otherwise stated

Name of Company	As at July 01, 2011	Purchase during the period	Bonus / Right Issue / Merger and Demerger adjusting effect	Sales during the period	As at December 31, 2011	Balance as at December 31, 2011					
						Carrying Value	Market Value	Appreciation / (Diminution)	Market Value as a percentage of Net Assets	Market Value as a percentage of total investments	Paid-up value of shares held as a percentage of total paid-up capital of the investee company
					-----Number of shares-----			-----RS. in '000-----			
Oil & Gas											
Attock Petroleum Limited	74,000	-	-	54,050	19,950	6,912	8,229	1,317	0.17	0.18	0.03
Attock Refinery Limited	1,396,662	-	-	-	1,396,662	150,351	150,351	-	3.15	3.33	1.64
National Refinery Limited	433,555	-	-	1,500	432,055	104,855	104,855	-	2.20	2.32	0.54
Oil & Gas Development Company Limited	1,970,799	-	-	37,898	1,932,901	216,659	293,067	76,408	6.15	6.48	0.04
Pakistan Oilfields Limited	1,244,822	41,129	-	145,500	1,140,451	262,995	395,110	132,115	8.29	8.74	0.48
Pakistan Petroleum Limited	2,102,392	102,241	213,463	140,604	2,277,492	341,645	383,347	41,702	8.04	8.48	0.17
Pakistan Refinery Limited	48,659	-	-	-	48,659	3,295	3,295	-	0.07	0.07	0.14
Pakistan State Oil Company Limited	1,172,885	161,829	-	-	1,334,714	303,260	303,260	-	6.36	6.71	0.78
	8,443,774	305,199	213,463	379,552	8,582,884	1,389,972	1,641,514	251,542	34.43	36.31	
Chemicals											
AgriTech Limited	3,333,333	-	1,353,397.53	-	4,686,731	51,200	51,214	14	1.07	1.13	1.19
Engro Corporation Limited	1,682,234	484,500	-	-	2,166,734	200,856	200,856	-	4.21	4.44	0.55
Fauji Fertilizer Bin Qasim Limited	1,680,689	-	-	350,000	1,330,689	33,992	56,461	22,469	1.18	1.25	0.14
Fauji Fertilizer Company Limited	2,678,365	-	-	606,500	2,071,865	167,606	309,827	142,221	6.50	6.85	0.24
ICI Pakistan Limited	781,787	-	-	50,000	731,787	88,012	88,012	-	1.85	1.95	0.53
Lotte Pakistan PTA Limited	2,404,830	1,318,827	-	-	3,723,657	34,518	34,518	-	0.72	0.76	0.25
	12,561,238	1,803,327	1,353,397.53	1,006,500	14,711,463	576,184	740,888	164,704	15.53	16.38	
Industrial Metals and Mining											
Crescent Steel And Allied Products Limited	-	62,649	-	-	62,649	1,137	1,137	-	0.02	0.03	0.11
International Steels Limited	2,200,000	-	-	-	2,200,000	30,954	25,542	(5,412)	0.54	0.57	3.56
	2,200,000	62,649	-	-	2,262,649	32,091	26,679	(5,412)	0.56	0.60	
Construction and Materials											
Attock Cement Pakistan Limited	421,069	-	-	-	421,069	20,434	21,475	1,040	0.45	0.48	0.49
D. G. Khan Cement Company Limited	9,780,532	-	-	-	9,780,532	186,124	186,124	-	3.90	4.12	2.68
Fauji Cement Company Limited	1,219,000	-	-	-	1,219,000	4,023	4,023	-	0.08	0.09	0.18
Lafarge Pakistan Cement Limited	748,000	-	-	-	748,000	1,406	1,406	-	0.03	0.03	0.06
Lucky Cement Limited	7,386,466	50,000	-	733,248	6,703,218	508,225	503,009	(5,215)	10.55	11.13	2.07
Thatta Cement Limited	2,359,500	-	-	-	2,359,500	41,679	56,038	14,359	1.18	1.24	2.96
	21,914,567	50,000	-	733,248	21,231,319	761,891	772,075	10,184	16.19	17.09	
General Industrials											
Packages Limited	21,482	-	-	-	21,482	1,777	1,777	-	0.04	0.04	0.03
	21,482	-	-	-	21,482	1,777	1,777	-	0.04	0.04	
Industrial Transportation											
Pakistan International Bulk Terminal Limited	-	-	2,407.00	-	2,407	-	24	24	0.00	0.00	0.01
Pakistan International Container Terminal	4,814	-	-	-	4,814	318	318	-	0.01	0.01	0.01
	4,814	-	2,407	-	7,221	318	342	24	0.01	0.01	

NIT - EQUITY MARKET OPPORTUNITY FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM
FINANCIAL INFORMATION (UNAUDITED)

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2011

Name of Company	As at July 01, 2011	Purchase during the period	Bonus / Right Issue / Merger and Demerger adjusting effect	Sales during the period	As at December 31, 2011	Balance as at December 31, 2011					Market Value as a percentage of total investments	Paid-up value of shares held as a percentage of total paid-up capital of the investee company
						Carrying Value	Market Value	Appreciation / (Diminution)	Market Value as a percentage of Net Assets	Market Value as a percentage of total investments		
	-----Number of shares-----					-----RS. in '000-----						
Automobile and Parts												
Pak Suzuki Motor Company Limited	-	52,817	-	-	52,817	3,380	3,118	(262)	0.07	0.07	0.06	
	-	52,817	-	-	52,817	3,380	3,118	(262)	0.07	0.07		
Personal Goods												
Amtek Limited	2,614,621	-	-	-	2,614,621	3,138	3,138	-	0.07	0.07	1.01	
Azgard Nine Limited	814,067	-	-	-	814,067	2,320	2,320	-	0.05	0.05	0.18	
Nishat Mills Limited	3,854,104	321,821	-	-	4,175,925	168,916	168,916	-	3.54	3.74	1.19	
	7,282,792	321,821	-	-	7,604,613	174,374	174,374	-	3.66	3.86		
Fixed Line Telecommunication												
Pakistan Telecommunication Company Limited	5,985,639	-	-	-	5,985,639	62,191	62,191	-	1.30	1.38	0.16	
Wateen Telecom Limited	4,000,000	-	-	-	4,000,000	6,240	7,160	920	0.15	0.16	0.65	
Worldcall Telecom Limited	1,237,408	-	-	-	1,237,408	1,237	1,237	-	0.03	0.03	0.14	
	11,223,047	-	-	-	11,223,047	69,668	70,588	920	1.48	1.57		
Electricity												
Hub Power Company Limited	1,187,900	-	-	-	1,187,900	36,979	40,626	3,647	0.85	0.90	0.10	
Kot Addu Power Company Limited	13,170	-	-	-	13,170	536	544	8	0.01	0.01	-	
	1,201,070	-	-	-	1,201,070	37,515	41,170	3,655	0.86	0.91		
Gas Water And Multi Utilities												
Sui Northern Gas Pipelines Limited	446,018	-	22,300	-	468,318	7,357	7,357	-	0.15	0.16	0.08	
Sui Southern Gas Company Limited	347,083	-	17,354	-	364,437	3,715	7,030	3,315	0.15	0.16	0.04	
	793,101	-	39,654	-	832,755	11,072	14,387	3,315	0.30	0.32		
Banks												
Askari Bank Limited	1,132,689	340,000	-	-	1,472,689	13,681	14,771	1,090	0.31	0.33	0.21	
Bank Alfalah Limited	9,446,314	1,074,499	-	-	10,520,813	101,560	118,359	16,799	2.48	2.62	0.78	
Bank Al Habib Limited	38,332	-	-	-	38,332	799	1,094	294	0.02	0.02	-	
Faysal Bank Limited	178,776	-	22,347	-	201,123	1,855	1,635	(220)	0.03	0.04	0.03	
Habib Bank Limited	1,481,625	15,000	-	-	1,496,625	153,971	158,762	4,791	3.33	3.51	0.14	
MCB Bank Limited	800,377	116,861	-	6,439	910,799	122,594	122,594	-	2.57	2.71	0.11	
National Bank of Pakistan	8,689,570	250,000	-	-	8,939,570	449,306	366,969	(82,337)	7.70	8.12	0.53	
NIB Bank Limited	2,410,412	-	(1,464,373)	-	946,039	1,429	1,637	208	0.03	0.04	0.02	
United Bank Limited	2,247,337	-	-	-	2,247,337	119,302	117,738	(1,564)	2.47	2.60	-	
	26,425,432	1,796,360	(1,442,026)	6,439	26,773,327	964,497	903,559	(60,939)	18.94	19.99		
Non Life Insurance												
Adamjee Insurance Company Limited	597,949	-	-	-	597,949	27,811	27,810	(1)	0.58	0.62	0.58	
EFU General Insurance	87,569	-	-	-	87,569	2,986	3,341	355	0.07	0.07	0.09	
Pakistan Reinsurance Company Limited	15,379	-	-	-	15,379	238	238	-	-	0.01	0.03	
	700,897	-	-	-	700,897	31,035	31,389	354	0.65	0.70		
	92,772,214	4,392,173	166,896	2,125,739	95,205,544	4,053,774	4,421,860	368,086	92.72	97.85		

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4.2 Government securities - Available for sale

Issue Date	Tenor	Face Value				Balance as at December 31, 2011			Market Value as a percentage of Net Assets	Market value as a percentage of total investments
		As at July 01, 2011	Purchase during the period	Sales / matured during the period	As at December 31, 2011	Book value	Market value	Appreciation / (Diminution)		
Rs. in '000										
April 21, 2011	3 months	75,000	-	75,000	-	-	-	-	-	-
May 5, 2011	3 months	150,000	-	150,000	-	-	-	-	-	-
May 19, 2011	3 months	150,000	-	150,000	-	-	-	-	-	-
June 2, 2011	3 months	-	100,000	100,000	-	-	-	-	-	-
June 16, 2011	3 months	100,000	-	100,000	-	-	-	-	-	-
July 14, 2011	3 months	-	50,000	50,000	-	-	-	-	-	-
July 28, 2011	3 months	-	150,000	150,000	-	-	-	-	-	-
August 11, 2011	3 months	-	100,000	100,000	-	-	-	-	-	-
August 11, 2011	3 months	-	150,000	150,000	-	-	-	-	-	-
December 1, 2011	3 months	-	100,000	-	100,000	98,353	98,237	(116)	2.06	2.17
Total - December 31, 2011		100,000	98,353	98,237	(116)	2.06	2.17			

4.3 Investments include shares with market value of Rs 658.065 million (June 30, 2011: 729.880 million) which have been pledged with National Clearing Company of Pakistan for guaranteeing settlement of the Fund's trades in accordance with Circular no 11 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan.

4.4 Net unrealised diminution in fair value of investments classified as 'available for sale'

	December 31, 2011 (Unaudited)	June 30, 2011 (Audited)
	------(Rupees in '000)-----	
Market value of investments	4,520,097	5,557,538
Less: Carrying value of investments - net of impairment	4,152,127	4,960,174
	<u>367,970</u>	<u>597,364</u>
Less: Net unrealised appreciation / (diminution) in fair value of investments at the beginning of the period / year	597,364	(88,433)
	<u>(229,394)</u>	<u>685,797</u>

4.5 Impairment against equity securities classified as 'available for sale'

During the period the management has carried out a scrip wise analysis of the deficit on revaluation of its portfolio of listed equity securities classified as 'available for sale' and has determined that a deficit amounting to Rs 460.930 million (December 31, 2010: Rs. 47.983 million) represents a significant decline in the fair value of such equity securities with reference to their cost and accordingly an impairment loss to that extent has been recognised in the condensed interim income statement.

5 PROVISION FOR TAXATION

This represents provision for taxation acquired by the Fund upon transfer of assets held under trust by NITL on behalf of the participants of the proposed NIT - Equity Market Opportunity Fund. The total provision transferred amounted to Rs 6.826 million out of which Rs 0.705 million has been paid against tax liability for the tax year 2011.

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6 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2011 and June 30, 2011.

7 SINDH SALES TAX ON REMUNERATION OF MANAGEMENT COMPANY

During the current period the Provincial Government has levied General Sales Tax at the rate of 16% on the remuneration of the Management Company through Sindh Sales Tax on Services Act 2011 effective from July 1, 2011.

8 WORKERS' WELFARE FUND

The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs. 0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication.

Subsequent to the year ended June 30, 2010, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. However, on December 14, 2010, the Ministry filed its response against the constitutional petition requesting the Court to dismiss the petition. According to the legal counsel who is handling the case there is a contradiction between the aforementioned clarification issued by the Ministry and the response filed by the Ministry in Court.

Subsequent to the year ended June 30, 2011, the Honorable Lahore High Court (LHC) in a constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, has declared the said amendments as unlawful and unconstitutional and struck them down. The Management Company is hopeful that the decision of the LHC, will lend further support to the Constitutional Petition which is pending in the SHC. However, the Management Company, as a matter of abundant caution, has decided to retain the provision for WWF amounting to Rs. 11.317 million (including Nil amount for the current period) in this condensed interim financial information.

9 TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. The Fund has not recorded provision for taxation as the management company intends to distribute at least ninety percent of the Fund's accounting income, if any, for the year ending June 30, 2012 as reduced by capital gains, whether realised or unrealised, to its unit holders.

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	Half year ended December 31,		Quarter ended December 31,	
	2011	2010	2011	2010
10 EARNINGS PER UNIT	(Unaudited)			
	Rupees in '000			
Net (loss) / income for the period after taxation	(166,938)	214,920	(267,963)	134,648
Impairment loss on equity securities classified as 'available for sale'	460,930	47,983	390,938	47,983
	<u>293,992</u>	<u>262,903</u>	<u>122,975</u>	<u>182,631</u>
	Number of units			
Weighted average number of units outstanding	<u>49,454,125</u>	<u>46,966,854</u>	<u>48,634,444</u>	<u>46,966,864</u>
	Rupees			
(Loss) / Earnings per unit (basic and diluted)				
With Impairment loss on equity securities classified as 'available for sale'	<u>(3.38)</u>	<u>4.58</u>	<u>(5.51)</u>	<u>2.87</u>
Without Impairment loss on equity securities classified as 'available for sale'	<u>5.94</u>	<u>5.60</u>	<u>2.53</u>	<u>3.89</u>
11 TRANSACTIONS WITH CONNECTED PERSONS				
11.1	Connected persons includes National Investment Trust Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes managed by the Management Company, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the Fund and the directors and officers of the Management Company and the Trustee.			
11.2	The transactions with connected persons are in the normal course of business, at contracted terms determined in accordance with market rates.			
11.3	Remuneration to the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.			
11.4	Remuneration of the Trustee is determined in accordance with the provisions of the Trust Deed.			
	Half year ended December 31,		Quarter ended December 31,	
	2011	2010	2011	2010
	(Unaudited)			
	Rupees in '000			
11.5 Details of transactions with connected persons are as follows :				
National Investment Trust Limited Management Company				
Remuneration of the management company	5,554	5,077	2,762	2,655
Sindh sales tax on remuneration of management company	889	-	442	-

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	Half year ended December 31,		Quarter ended December 31,	
	2011	2010	2011	2010
	(Unaudited)			
	-----Rupees in '000-----			
Central Depository Company of Pakistan Limited - Trustee				
Remuneration of the Trustee	982	914	488	384
Custodian charges	11	26	3	13
National Bank of Pakistan				
Issue of 957,035 bonus units [2010: 402,417 bonus units]	108,738	40,776	-	-
Redemption of 1,454,933 units (2010: Nil units)	159,461	-	159,461	-
State Life Insurance Corporation of Pakistan				
Issue of 969,818 bonus units (2010: 407,792 bonus units)	110,191	41,322	-	-
Redemption of 1,474,366 units (2010: Nil units)	161,591	-	161,591	-
Employees Old Age Benefit Institution				
Issue of 1,125,573 bonus units (2010: 473,284 bonus units)	127,888	47,958	-	-
Redemption of 1,711,152 units (2010: Nil units)	187,542	-	187,542	-

11.6	Amounts outstanding as at period / year end	December 31,	June 30,
		2011 (Unaudited)	2011 (Audited)
		-----Rupees in '000-----	
National Investment Trust Limited - Management Company			
	Remuneration payable to the management company	981	955
Central Depository Company of Pakistan Limited - Trustee			
	Remuneration payable	150	182
	Custodian charges payable	1	3
National Bank of Pakistan			
	13,094,399 units held (June 30, 2011: 13,592,297 units)	1,379,888	16,353,088
	8,939,570 shares held (June 30, 2011: 8,689,570 shares)	366,969	438,128
State Life Insurance Corporation of Pakistan			
	13,269,295 units held (June 30, 2011: 13,773,843 units)	1,398,318	1,675,168
Employees Old Age Benefit Institution			
	15,400,366 units held (June 30, 2011: 15,985,946 units)	1,622,891	1,944,202

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12 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison. No significant changes or reclassifications were made in this condensed interim financial information.

13 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on February 6, 2012 by the Board of Directors of the Management Company.

14 GENERAL

Figures have been rounded off to the nearest thousand Rupees.

**For National Investment Trust Limited
(Management Company)**

Sd/-
Managing Director

Sd/-
Director

Sd/-
Director