

# NATIONAL INVESTMENT (UNIT) TRUST



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**TARIQ IQBAL KHAN**  
Chairman & Managing Director

**Abdul Hamid Adamjee**  
Adamjee Foundation

**Jamal Nasim**  
Industrial Development  
Bank Limited

**Mian Tajammal Hussain**  
Industrialist

**Muhammad Iqbal Hussain**  
Government of Pakistan

**Syed Ali Raza**  
National Bank of Pakistan

**Tariq Iqbal Khan**  
Industrial Development  
Bank Limited (formerly ICP)

**Mian Raza Mansha**  
MCB Bank Ltd.

**Mrs. Rukhsana Saleem**  
Pakistan Reinsurance Co. Ltd.

Dear Unit Holders,

With a steady start, the Stock Market stabilized and gradually gained momentum to deliver a good performance in the later part of the first quarter and got further momentum in second quarter reaching its all time high level of 14,815 on 26 December 2007. Finally the KSE-100 Index closed at 14,076 on 31 December 2007. Sectors such as banks and fertilizer sector witnessed significant growth during the period.

Your Fund once again outperformed the KSE-100 by 5.34% where its Net Assets value appreciated by 7.55% against 2.21% increase in KSE-100 Index during the half year ended on 31 December 2007.

The high value of the units attracted redemptions to the tune of Rs. 14,150 million, which were met to the utmost satisfaction of unit holders. This year a historic move was made where redemptions worth Rs. 4,803 million being 10% of unit holding of LOC holders under Letter of Comfort (LOC) issued by Government of Pakistan out of the LOC holders' fund were facilitated without compromising the interest of general unit holders. Sale of units aggregated Rs. 13,863 million (incl. CIPs) during the period which is historically the highest in first six months of a year.

The net income of the Fund (excluding unrealized gains) stood at Rs. 2,339 million against Rs. 1,649 million during the corresponding period of last year reflecting an impressive growth of 42%. A major portion of this increased profitability is attributable to our ongoing strategy to restructure our portfolio resulting in a growth of 12.54% in dividend income and 50.79% in realized capital gains.

#### Financial Performance of NI(U)T

	HY DEC 07 (Rs. Million)	HY DEC 06 (Rs. Million)	Change
Net Income*	2,339	1,649	42%
Capital Gains	475	315	51%
Dividend Income	1,921	1,707	13%
Unit holders' Fund	98,152	71,102	38%
NAV (Rs. per Unit)	60.42	45.33	33%
Earning Per Unit (Rs.)	1.44	1.05	37%
Transactions in shares			
Purchases	6,658	4,357	53%
Sales	4,425	5,288	(16)%
Sale of Units (Ex. CIP)	10,479	2,091	401%

\* inclusive of capital gains and dividend income but excluding unrealized gains.

### **Future Prospects**

Overall economic conditions appear to remain favourable. Corporate earnings and payouts are expected to display strong growth. The Stock Market itself is expected to maintain a positive posture.

### **Conclusion**

I would like to thank our unit holders for demonstrating their faith in us and the NIT employees for their hard work. I would also like to thank our trustees - National Bank of Pakistan, Securities & Exchange Commission of Pakistan, State Bank of Pakistan and the Ministry of Finance for their continued cooperation and support.

Yours truly



**Tariq Iqbal Khan**

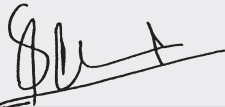
Chairman & Managing Director  
National Investment Trust Limited

Date: 11 February 2008

11 January 2008

National Investment Trust Limited (NITL), the Management Company of National Investment (Unit) Trust, has in all material respects managed NI(U)T during the period 01 July 2007 to 31 December 2007 in accordance with the provisions of the Trust Deed dated 12 November 1962 as amended by the Supplemental Trust Deeds dated 26 June 1968, 07 June 1981, 27 November 1998, 12 November 2002, 31 December 2003, and 18 January 2007, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulations, 2007.

For National Bank of Pakistan (Trustee)



**Shakeel Ahmed**  
Assistant Vice President



**Mrs. Khurshid Maqsood Ali**  
E.V.P. / Divisional Head

**NATIONAL INVESTMENT (UNIT) TRUST**  
**REVIEW REPORT TO THE UNIT HOLDERS**  
**ON REVIEW OF INTERIM FINANCIAL INFORMATION**



**Introduction**

We have reviewed the accompanying condensed statement of assets and liabilities of **National Investment (Unit) Trust** (the Trust) as at 31 December 2007, and the related condensed income and distribution statement, condensed statement of movement in unit holders' funds and condensed cash flow statement and together with selected explanatory notes forming part thereof for the half year then ended (here-in-after referred to as the "interim financial information"). Management of National Investment Trust Limited (the Management Company of the Trust) is responsible for the preparation and fair presentation of this interim financial information in accordance with approved International Financial Reporting Standards as applicable in Pakistan, Trust Deed and Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed income and distribution statement for the quarters ended 31 December 2007 and 2006 have not been reviewed as we are required to review only cumulative figures for half year ended 31 December 2007.

**Scope of Review**

We conducted our review in accordance with the 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 interim financial information as of and for half year ended 31 December 2007 is not prepared, in all material respects, in accordance with approved International Financial Reporting Standards, as applicable in Pakistan, Trust Deed and Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003.

  
**Anjum Asim Shahid Rahman**  
Chartered Accountants  
Karachi

Dated : 11 February 2008

**NATIONAL INVESTMENT (UNIT) TRUST**  
**CONDENSED STATEMENT OF ASSETS AND LIABILITIES (UNAUDITED)**



**AS AT 31 DECEMBER 2007**


	Note	LOC Holder's Fund		Non-LOC Holder's Fund		Consolidated Fund	
		31 December 2007 Unaudited	30 June 2007 Audited	31 December 2007 Unaudited	30 June 2007 Audited	31 December 2007 Unaudited	30 June 2007 Audited
(Rupees in '000)							
<b>Assets</b>							
Bank balances		325,953	610,119	446,822	2,240,075	772,775	2,850,194
Receivable from selling banks		-	-	1,054	2,200	1,054	2,200
Receivable from National Investment Trust Limited		1,011,481	11,568	202,985	783,879	1,214,466	795,447
Investments	3	45,746,775	45,042,656	50,289,182	46,605,845	96,035,957	91,648,501
Loans and receivables		540,845	5,092,167	2,514,652	4,440,935	3,055,497	9,533,102
Other receivables		282,753	157,467	318,119	153,416	600,872	310,883
<b>Total Assets</b>		<b>47,907,807</b>	<b>50,913,977</b>	<b>53,772,814</b>	<b>54,226,350</b>	<b>101,680,621</b>	<b>105,140,327</b>
<b>Liabilities and deferred income</b>							
Short-term finances		1,700,000	195,000	-	2,075,000	1,700,000	2,270,000
Payable to selling banks		-	-	643	48,263	643	48,263
Payable to National Investment Trust Limited		345,390	554,986	960,070	995,948	1,305,460	1,550,934
Creditors, accrued and other liabilities		76,999	52,723	147,166	61,726	224,165	114,449
Unclaimed distribution		93,030	98,159	204,460	95,292	297,490	193,451
Amount set aside for distribution		-	4,964,113	-	5,069,977	-	10,034,090
<b>Total liabilities and deferred income</b>		<b>2,215,419</b>	<b>5,864,981</b>	<b>1,312,339</b>	<b>8,346,206</b>	<b>3,527,758</b>	<b>14,211,187</b>
<b>Contingencies and commitments</b>	4						
<b>Net Assets</b>		<b>45,692,388</b>	<b>45,048,996</b>	<b>52,460,475</b>	<b>45,880,144</b>	<b>98,152,863</b>	<b>90,929,140</b>
<b>Unit holders' funds (as per statement attached)</b>		<b>45,692,388</b>	<b>45,048,996</b>	<b>52,460,475</b>	<b>45,880,144</b>	<b>98,152,863</b>	<b>90,929,140</b>
<b>Number of units in issue</b>		<b>756,992</b>	<b>800,663</b>	<b>867,552</b>	<b>817,738</b>	<b>1,624,544</b>	<b>1,618,402</b>
<b>Net asset value per unit</b>		<b>60.36</b>	<b>56.26</b>	<b>60.47</b>	<b>56.11</b>	<b>60.42</b>	<b>56.18</b>


The annexed selected notes from 1 to 10 form an integral part of these condensed financial statements.

For National Investment Trust Limited  
(Management Company)

  
Managing Director

  
Director

  
Director

  
E.V.P. Divisional Head  
For National Bank of Pakistan (Trustee)

**NATIONAL INVESTMENT (UNIT) TRUST**  
**CONDENSED INCOME AND DISTRIBUTION STATEMENT (UNAUDITED)**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2007**

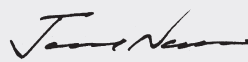


	LOC Holder's Fund	Non-LOC Holder's Fund	Consolidated Fund		LOC Holder's Fund	Non-LOC Holder's Fund	Consolidated Fund	
	Quarter ended 31 December 2007	Quarter ended 31 December 2007	Quarter ended 31 December 2007	Quarter ended 31 December 2006	Half Year ended 31 December 2007	Half Year ended 31 December 2007	Half Year ended 31 December 2007	Half Year ended 31 December 2006
	(Rupees in 000)							
<b>Income</b>								
Dividend income	492,163	568,825	1,060,988	756,656	926,794	994,299	1,921,093	1,707,262
Capital gains	75,898	172,587	248,485	160,311	208,615	266,707	475,322	315,434
Profit on placements	89,296	70,327	159,623	11,681	166,410	245,219	411,629	64,201
Profit on investment in Term Finance Certificates	2,450	2,390	4,840	7,999	5,716	5,549	11,265	16,359
Income on issue and repurchase of units	77,981	66,270	144,251	22,190	77,981	145,528	223,509	34,268
Unrealised gain in the market value of investments held for trading	318,410	322,768	641,178	(1,094,509)	217,880	361,864	579,744	2,944,998
Other income	298	292	590	684	308	350	658	4,990
Element of income and capital gains included in prices of units sold less those in units repurchased	(93,973)	(43,915)	(137,888)	4,579	(92,365)	(29,429)	(121,794)	3,821
	962,523	1,159,544	2,122,067	(130,409)	1,511,339	1,990,087	3,501,426	5,091,333
<b>Expenditure</b>								
Management participation fee	124,842	134,955	259,797	184,959	237,529	253,282	490,811	359,088
SECP fee	12,484	13,495	25,979	18,496	23,750	25,328	49,078	35,909
Financial charges	2,995	1,695	4,690	50,305	4,295	23,859	28,154	95,223
Others	2,991	4,922	7,913	4,429	4,762	9,388	14,150	6,998
	143,312	155,067	298,379	258,189	270,336	311,857	582,193	497,218
<b>Profit for the period</b>	819,211	1,004,477	1,823,688	(388,598)	1,241,003	1,678,230	2,919,233	4,594,115
Unappropriated profit brought forward	21,220,755	21,067,252	42,288,007	34,546,701	20,798,963	20,393,499	41,192,462	29,563,988
<b>Unappropriated profit carried forward</b>	<b>22,039,966</b>	<b>22,071,729</b>	<b>44,111,695</b>	<b>34,158,103</b>	<b>22,039,966</b>	<b>22,071,729</b>	<b>44,111,695</b>	<b>34,158,103</b>


The annexed selected notes from 1 to 10 form an integral part of these condensed financial statements.

For National Investment Trust Limited  
(Management Company)

  
Managing Director

  
Director

  
Director

  
E.V.P. Divisional Head  
For National Bank of Pakistan (Trustee)



**NATIONAL INVESTMENT (UNIT) TRUST**  
**CONDENSED STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UNAUDITED)**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2007**




	LOC Holder's Fund	Non-LOC Holder's Fund	Consolidated Fund		LOC Holder's Fund	Non-LOC Holder's Fund	Consolidated Fund	
	Quarter ended 31 December 2007	Quarter ended 31 December 2007	Quarter ended 31 December 2007	Quarter ended 31 December 2006	Half Year ended 31 December 2007	Half Year ended 31 December 2007	Half Year ended 31 December 2007	Half Year ended 31 December 2006
	(Rupees in 000)							
<b>Unit holders' Fund at the beginning of the period</b>	46,200,333	50,659,471	96,859,804	73,092,954	45,048,995	45,880,145	90,929,140	64,295,926
<b>Amount received on issue of 187.114 million units</b>								
LOC holders' fund: 23 million units	1,401,510	-	1,401,510	-	1,401,510	-	1,401,510	-
NON LOC holder's fund: 164.114 million units (2006: 45.853 million units)	-	2,033,003	2,033,003	-	-	9,077,747	9,077,747	-
	-	-	-	1,497,609	-	-	-	2,090,621
	1,401,510	2,033,003	3,434,513	1,497,609	1,401,510	9,077,747	10,479,257	2,090,621
<b>Units issued under Cumulative Investment Plan 57.881 million units</b>								
LOC holder's fund: 26.426 million units	-	-	-	-	1,549,341	-	1,549,341	-
NON LOC holder's fund: 31.455 million units (2006: 75.136 million units)	-	16,179	16,179	-	-	1,835,394	1,835,394	-
	-	-	-	-	-	-	-	3,148,954
	-	16,179	16,179	-	1,549,341	1,835,394	3,384,735	3,148,954
<b>Amount paid on redemption of 238.851 million units</b>								
LOC holder's fund: 93.097 million units	(5,842,054)	-	(5,842,054)	-	(5,842,054)	-	(5,842,054)	-
NON LOC holder's fund: 145.754 million units (2006: 45.207 million units)	-	(4,369,910)	(4,369,910)	-	-	(8,307,634)	(8,307,634)	-
	-	-	-	(1,372,285)	-	-	-	(2,081,204)
	(5,842,054)	(4,369,910)	(10,211,964)	(1,372,285)	(5,842,054)	(8,307,634)	(14,149,688)	(2,081,204)
	(4,440,544)	(2,320,728)	(6,761,272)	125,324	(2,891,203)	2,605,507	(285,696)	3,158,371
Element of income and capital gains in prices of units sold less those in units repurchased	93,973	43,915	137,888	(4,579)	92,365	29,429	121,794	(3,821)
Net unrealised gain during the period in market value of investments classified as available for sale	3,019,416	3,073,342	6,092,758	(1,723,158)	2,201,229	2,267,166	4,468,395	(942,648)
<b>Net profit for the period less distribution</b>	<b>819,210</b>	<b>1,004,475</b>	<b>1,823,685</b>	<b>(388,598)</b>	<b>1,241,002</b>	<b>1,678,228</b>	<b>2,919,230</b>	<b>4,594,115</b>
<b>Unit holders' Fund at the end of the period</b>	<b>45,692,388</b>	<b>52,460,475</b>	<b>98,152,863</b>	<b>71,101,943</b>	<b>45,692,388</b>	<b>52,460,475</b>	<b>98,152,863</b>	<b>71,101,943</b>

The annexed selected notes from 1 to 10 form an integral part of these condensed financial statements.

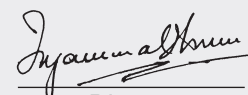
For National Investment Trust Limited  
(Management Company)




Managing Director



Director



Director

  
 E.V.P. Divisional Head  
 For National Bank of Pakistan (Trustee)


**NATIONAL INVESTMENT (UNIT) TRUST**  
**CONDENSED CASH FLOW STATEMENT (UNAUDITED)**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2007**

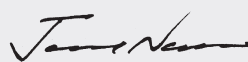


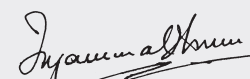
	LOC Holder's Fund	Non-LOC Holder's Fund	Consolidated Fund		LOC Holder's Fund	Non-LOC Holder's Fund	Consolidated Fund	
	Quarter ended 31 December 2007	Quarter ended 31 December 2007	Quarter ended 31 December 2007	Quarter ended 31 December 2006	Half Year ended 31 December 2007	Half Year ended 31 December 2007	Half Year ended 31 December 2007	Half Year ended 31 December 2006
(Rupees in 000)								
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>								
Gross income from operations	962,523	1,159,544	2,122,067	(130,409)	1,511,339	1,990,087	3,501,426	5,091,333
Less: Unrealised gain/(loss) in the market value of investments held for trading	318,410	322,768	641,178	(1,094,509)	217,880	361,864	579,744	2,944,998
	644,113	836,776	1,480,889	964,100	1,293,459	1,628,223	2,921,682	2,146,335
<b>(Increase) / decrease in assets</b>								
Investments	140,416	1,665,113	1,805,529	(808,679)	2,014,988	(1,679,306)	335,682	657,318
Loans and receivables	3,370,176	330,171	3,700,347	3,664	4,551,322	1,926,283	6,477,605	7,434
Receivable from National Investment Trust Limited	(8,720)	(27,130)	(35,850)	(26)	(9,513)	(27,186)	(36,699)	840,953
Other receivables	59,673	72,058	131,731	86,082	(125,286)	(164,703)	(289,989)	(329,715)
	4,205,658	2,876,988	7,082,646	245,141	7,724,970	1,683,311	9,408,281	3,322,325
<b>Increase / (decrease) in liabilities</b>								
Creditors accrued and other liabilities	126	46,988	47,114	603,867	(550)	70,779	70,228	602,693
Payable to National Investment Trust Limited	28,217	41,138	69,355	10,310	28,295	182,336	210,631	(1,087)
Cash generated from operations	4,234,001	2,965,114	7,199,115	859,318	7,752,715	1,936,426	9,689,140	3,923,931
Management participation fee paid	-	-	-	(144,336)	(538,935)	(523,379)	(1,062,314)	(335,825)
Financial charges paid	(1,651)	(1,695)	(3,346)	(51,609)	(3,219)	(34,526)	(37,744)	(91,057)
Other charges paid	(2,991)	(4,922)	(7,913)	(4,429)	(4,762)	(9,388)	(14,150)	(6,998)
Distribution amount paid	(2,560)	(1,110,949)	(1,113,509)	(20,370)	(3,419,901)	(3,125,415)	(6,545,316)	(5,410,220)
<b>Net cash generated from / (used in) operating activities</b>	<b>4,226,799</b>	<b>1,847,548</b>	<b>6,074,347</b>	<b>638,574</b>	<b>3,785,898</b>	<b>(1,756,282)</b>	<b>2,029,616</b>	<b>(1,920,169)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>								
Net receipts/(payments) made against issue and repurchase of units	(5,273,456)	(1,624,990)	(6,898,446)	49,481	(5,275,064)	1,413,029	(3,862,035)	(150,896)
Finances borrowed / (repaid) during the period - net	1,700,000	-	1,700,000	50,000	1,505,000	(2,075,000)	(570,000)	750,000
Net cash (used in) from financing activities	(3,573,456)	(1,624,990)	(5,198,446)	99,481	(3,770,064)	(661,971)	(4,432,035)	599,104
Net increase/(decrease) in cash and cash equivalents	653,343	222,558	875,901	738,055	15,834	(2,418,253)	(2,402,419)	(1,321,065)
Cash and cash equivalents at beginning of the period	172,610	2,699,264	2,871,874	457,240	810,119	5,340,075	6,150,194	2,516,360
Cash and cash equivalents at end of the period	825,953	2,921,822	3,747,775	1,195,295	825,953	2,921,822	3,747,775	1,195,295


The annexed selected notes from 1 to 10 form an integral part of these condensed financial statements.

For National Investment Trust Limited  
(Management Company)

  
Managing Director

  
Director

  
Director

  
E.V.P. / Divisional Head  
For National Bank of Pakistan (Trustee)

**NATIONAL INVESTMENT (UNIT) TRUST**  
**SELECTED NOTES TO THE CONDENSED FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2007**



**1. STATUS OF THE TRUST**

The National Investment (Unit) Trust (The Trust) was established under a Trust Deed executed between National Investment Trust Limited (NITL) as Management Company and National Bank of Pakistan (NBP) as Trustee. The Trust Deed was executed on 12 November 1962, and was amended vide Supplemental Trust Deed dated 26 June 1968, 07 June 1981, 27 November 1998, 12 November 2002, 31 December 2003 and 18 January 2007. The functions of the Trust are governed by the Trust Deed and the National Investment (Unit) Trust Ordinance, 1965.

The Management Company of the Trust has been classified as a Non-Banking Finance Company (NBFC) and has obtained the requisite license from the Securities and Exchange Commission of Pakistan (SECP) to undertake Asset Management Services under NBFC Rules, 2003. The aforementioned license, issued on 12 May 2005, has granted exemption to the Trust from the application of certain provisions of the NBFC Rules till privatisation.

Pakistan Credit Rating Agency Limited (PACRA) has assigned "5-star" rating to National Investment (Unit) Trust which signifies superior performance.

**1.1. Sale of rights to manage the Trust Fund**

The Privatisation Commission, Government of Pakistan has invited expressions of interest for the sale of the rights to manage the Trust Fund which exists solely with the Management Company, National Investment Trust Limited. The Trustee, National Bank of Pakistan and the Management Company hold the rights and privileges of the Unit Holders to be paramount. Till date, Privatisation Commission is engaged in the process of privatisation.

**2. STATEMENT OF COMPLIANCE**

These condensed financial statements i.e. 'interim financial information' have been prepared in accordance with approved accounting standards as applicable in Pakistan, the requirements of the Trust Deed, the NBFC Rules, 2003 and directives issued by the SECP. Approved accounting standards comprise such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements of the Trust Deed, the NBFC Rules, or directives issued by the SECP differ, the requirements of the Trust Deed, the NBFC Rules and directives issued by SECP shall prevail.

The disclosure made in these condensed financial statements have, however, been limited based on the requirements of the International Accounting Standards 34, Interim Financial Reporting. These financial statements are un-audited but have been reviewed by the external auditors.

These financial statements have been prepared using the same accounting policies which were applied in the preparation of the annual financial statements of the Trust for the year ended 30 June 2007.

**2.1. Un-bundling of the Trust Fund**

As of 1 April 2007 the Fund had been split into two funds representing LOC holder's and Non-LOC holder's fund and now National Investment Trust Limited, being the Management Company is managing these two funds.

The LOC holder's fund contains investment made by four Commercial Banks of Pakistan and Non-LOC holder's Fund comprise general investors. Whilst un-bundling the Fund it has been ensured that qualitative and quantitative equivalence is maintained and that the rights and entitlements of all unit holder's, in particular the small unit holders are not infringed upon.

**NATIONAL INVESTMENT (UNIT) TRUST**  
**SELECTED NOTES TO THE CONDENSED FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2007**



LOC Holder's Fund	Non-LOC Holder's Fund	Consolidated Fund	Consolidated Fund
31 December 2007 Unaudited			30 June 2007 Audited
(Rupees in '000)			

**3. INVESTMENTS**

**Investments by category**

**At fair value through income statement**

- equity securities - Held for trading	3,025,166	5,972,204	8,997,370	8,364,162
- term finance certificates	4,111	3,991	8,102	61,909
	<b>3,029,277</b>	<b>5,976,195</b>	<b>9,005,472</b>	8,426,071

**Available for sale investments**

- equity securities	42,677,875	44,274,523	86,952,398	79,828,562
<b>Investments at fair value</b>	<b>45,707,152</b>	<b>50,250,718</b>	<b>95,957,870</b>	88,254,633

**Held to maturity investments**

Fund placements	-	-	-	3,300,000
Other investments				
- Morabaha arrangements	27,464	26,661	54,125	59,688
- Participation Term Certificates	5,328	5,172	10,500	10,500
- Term Finance Certificates	47,918	46,518	94,436	110,493
	<b>80,710</b>	<b>78,351</b>	<b>159,061</b>	180,681
Less: Provision for impairment loss	(41,087)	(39,887)	(80,974)	(86,813)
	<b>39,623</b>	<b>38,464</b>	<b>78,087</b>	93,868
	<b>45,746,775</b>	<b>50,289,182</b>	<b>96,035,957</b>	91,648,501

**4. CONTINGENCIES AND COMMITMENTS**

During the year ended 30 June 2006, the fund received Rs. 61.930 million in respect of compensation on account of delay in issuance of tax refund from Tax Authorities. The Tax department has gone into appeal against the appellate order passed by Commissioner (Appeals) in favour of the Fund. However, the management is confident that the liability will not be materialized.

**NATIONAL INVESTMENT (UNIT) TRUST**  
**SELECTED NOTES TO THE CONDENSED FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2007**



**5. NUMBER OF UNITS IN ISSUE**

	Half Year ended 31 December 2007			30 June
	Registered	Bearer Unaudited	Total	2007 (Audited)
------(Number of units)-----				
Total outstanding at the beginning of the period				
LOC holder's fund	568,577,239	232,086,125	800,663,364	-
Non LOC holder's fund	780,022,539	37,715,715	817,738,254	-
	<b>1,348,599,778</b>	<b>269,801,840</b>	<b>1,618,401,618</b>	1,492,871,092
Add: Sales during the period				
Nine months combined	-	-	-	94,464,877
LOC holder's fund	23,000,000	-	23,000,000	10,000,000
Non LOC holder's fund	164,113,509	-	164,113,509	108,833,734
	<b>187,113,509</b>	-	<b>187,113,509</b>	213,298,611
Units issued under Cumulative Investment Plan (CIP) during the period				
LOC holder's fund	26,425,730	-	26,425,730	-
Non LOC holder's fund	31,454,917	-	31,454,917	-
	<b>57,880,647</b>	-	<b>57,880,647</b>	75,136,097
	<b>1,593,593,934</b>	<b>269,801,840</b>	<b>1,863,395,774</b>	1,781,305,800
Less: Repurchases during the period				
Nine months combined	-	-	-	77,735,608
LOC holder's fund	56,017,285	37,080,000	93,097,285	13,446,471
Non LOC holder's fund	145,084,451	669,905	145,754,356	71,722,103
	<b>201,101,736</b>	<b>37,749,905</b>	<b>238,851,641</b>	162,904,182
Conversion of bearer units into registered	-	-	-	-
Total units in issue at the end of the period	<b>1,392,492,198</b>	<b>232,051,935</b>	<b>1,624,544,133</b>	1,618,401,618

**5.1** A Letter of Comfort (LOC) was issued by the Government of Pakistan in 2001 to four Commercial Banks. The LOC provided that the Government of Pakistan would facilitate NIT for redemption of these units at Rs. 13.70 provided those institutions continued to hold these units for 5 years which expired in June and August 2006. These LOCs have been revalidated upto 31 December 2008.

**5.2** The units in issue at 31 December 2007 include 498,752,699 (30 June 2007: 538,753,739) registered units and 195,006,125 (30 June 2007: 232,086,125) bearer units against which LOCs have been issued. Such unit holders also hold 63,232,985 registered units additionally which are not covered by the LOC.

**NATIONAL INVESTMENT (UNIT) TRUST**  
**SELECTED NOTES TO THE CONDENSED FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2007**



**6. TRANSACTIONS WITH RELATED PARTIES**

The significant transactions carried out by the Trust with related parties during the year are given below:

	<b>Consolidated Fund</b>	
	<b>31 December 2007</b>	<b>31 December 2006</b>
	<b>Unaudited (Rupees in '000)</b>	
Units sold	6,463,579	2,177,088
Units repurchased	10,253,503	1,735,880
Sales load and charges	221,496	39,045
Management participation fee	490,811	359,088
Dividend income on investments	249,890	171,770
	<b>31 December 2007</b>	<b>31 December 2006</b>
	<b>Unaudited</b>	
<b>7. KSE 100 INDEX</b>	<b>14,076</b>	10,041
<b>8. KSE ALL SHARES INDEX</b>	<b>9,957</b>	6,770
<b>9. DATE OF AUTHORISATION FOR ISSUE</b>		

These financial statements were authorised for issue on 11 February 2008 by the Board of Directors of the Management Company.


**10. GENERAL**


Figures have been rounded off to the nearest thousand rupees.

For National Investment Trust Limited  
(Management Company)

  
Managing Director

  
Director

  
Director

  
E.V.P./ Divisional Head  
For National Bank of Pakistan (Trustee)

**NATIONAL INVESTMENT (UNIT) TRUST**  
**NATIONAL INVESTMENT TRUST LIMITED**



**HEAD OFFICE**

NATIONAL BANK BUILDING, (6TH FLOOR)  
 I.I. CHUNDRIGAR ROAD,  
 (P.O. Box 5671), KARACHI-74000  
 TEL : 2412056-59 (4-LINES)  
 FAX : 2417827, 2422719,  
 UAN: 111-648-648  
 Email: info@nit.com.pk  
 Website: www.nit.com.pk

**BRANCH OFFICES**

PROVINCE	CITY	LOCATION	PHONE	FAX	UAN
SINDH	KARACHI	SADDAR 270 NACON HOUSE DIN MUHAMMAD WAFAI ROAD	021-9202789	9202784	
		GULSHAN-E-IQBAL CIVIC CENTRE, KDA BUILDING	021 5448973 021 9230524	9230139	
		CLIFTON YOUSUF, GRAND SQUARE SHOP # 6, NEAR THREE SWORDS, BLOCK # 8	021-5867962	5375096	
		TARIQ ROAD 158-M PMC BUILDING, FIRST FLOOR, OPP. SHALIMAR CENTRE,	021 4540165	4549236	
		HYDERABAD THANDI SARAK HDA, CIVIC CENTRE,	022-2728899	2728734	111-648-648
		SUKKUR QUEENS ROAD C 431/1A/1/2/1/3 QUEENS PARADISE BLDG,	071-9310486	9310487	111-648-648
PUNJAB	LAHORE	AL-FALAH BUILDING ROOM NO. 211-212 15 - SHARAH-E-QUAID-E-AZAM	042-6285210-11	6285212	111-648-648
		GULBERG RAJA CENTRE, FIRST FLOOR, 1/A MAIN BOULEVARD, GULBERG II	042-5754440 042-5875379	5710973	
		MULTAN AZMAT WASTI ROAD 3-GOLD CREST PLAZA CHOWK DERA ADDA,	061-4542914	4784043	111-648-648
		FAISALABAD ALLAMA IQBAL ROAD PLATINUM CENTRE, 2ND FLOOR	041-9201245	9201246	111-648-648
		GUJRANWALA G.T.ROAD 42 A/B, TRUST PLAZA, GROUND FLOOR	055-9200220	9200421	111-648-648
		SIALKOT KUTCHERY ROAD 9-KASHMIR CENTRE,	052-9250480	9250479	111-648-648
		SARGODHA FATIMA JINNAH ROAD 1st FLOOR, 16 A, IMPROVEMENT TRUST PLAZA,	048-9230100	9230101	111-648-648
		RAWALPINDI THE MALL 13/4, AL-AMIN PLAZA, OPP. CANTONMENT BOARD BLDG,	051-5701277	9270962	
		ISLAMABAD BLUE AREA GROUND FLOOR, KASHMIR PLAZA JINNAH AVENUE	051-2828711	2825181	111-648-648
	N.W.F.P.	PESHAWAR	SONERI MASJID ROAD FC TRUST BUILDING, GROUND FLOOR	091-5274848	5286987
ABBOTTABAD		MANSEHRA ROAD 301, SUPPLY BAZAR ADJ. UBL BUILDING	0992-9310162	9310163	111-648-648
BALUCHISTAN	QUETTA	2-13/7, M.A. JINNAH ROAD	081-9201743	9201723	111-648-648
AZAD KASHMIR	MIRPUR	ALLAMA IQBAL ROAD BANK SQUARE	058610-42237	45237	

## 10 YEAR PERFORMANCE

	Q2 Dec-07		June 07		June 06	June 05	June 04	June 03	June 02	June 01	June 00	June 99		
	LOC Holder's Fund	Non LOC Holder's Fund	LOC Holder's Fund	Non LOC Holder's Fund	Consolidated Fund									
Net Assets (Rs in million)	45,692	52,460	98,153	45,049	45,880	90,929	64,296	61,002	49,508	31,629	17,414	16,062	18,648	13,555
Net Assets Value (Rs / unit)	60.36	60.47	60.42	56.26	56.11	56.18	43.07	38.12	30.53	20.58	10.89	9.16	10.69	7.19
Highest Issue Price During the year (Rs / unit)	64.75	64.75	-	64.20	64.05	-	60.50	52.25	36.15	23.65	13.75	12.05	14.85	9.45
Lowest Redemption Price during the year (Rs / unit)	50.25	50.60	-	-	-	41.45	36.50	29.50	21.65	10.60	7.45	9.20	7.50	5.70



**NATIONAL INVESTMENT TRUST LIMITED**

**REGISTERED OFFICE**

National Bank Building, 6th Floor,  
I.I. Chundrigar Road, P.O. Box 5671, Karachi.  
Phones: 021-2412056-59, 2412050  
UAN: 111-648-648  
Fax: 2417827, 2422719

**TRUSTEE**

National Bank of Pakistan

**AUDITORS**

Anjum Asim Shahid Rahman  
Chartered Accountants

