



Pennies don't fall
from heaven.
They have to be earned
on Earth.

Margaret Thatcher

■ BELIEF IN SUCCESS

Operating as an Open-end Equity Fund since 1962, NI(U)T is the flagship carrier of a diversified portfolio of Collective Investment Schemes managed by NITL. With net assets of over PKR 30 billion and 55,000 unit holders, it is the first and largest mutual fund in Pakistan.



■ CORPORATE INFORMATION

FUND NAME

National Investment (Unit) Trust

NAME OF AUDITORS

A.F.Ferguson & Co. Chartered Accountants

NAME OF TRUSTEE

National Bank of Pakistan

LIST OF BANKERS

Bank Al Falah Limited
National Bank of Pakistan
Standard Chartered Bank (Pakistan) Limited
United Bank Limited
Summit Bank Limited (Formerly Arif Habib Bank Limited)
Bank Al Habib Limited
MCB Bank Limited
Allied Bank Limited
Faysal Bank Limited
NIB Bank Limited
Habib Bank Limited
Askari Bank Limited
Soneri Bank Limited
The Bank of Punjab
Meezan Bank Limited
Silk Bank
RBS Limited
Habib Metropolitan Bank Limited

NATIONAL INVESTMENT (UNIT) TRUST FUND MANAGER REPORT 2009-10

NI(U)T Objective

The core objective of NI(U)T 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 is the largest asset management company of Pakistan with approximately Rs. 69 billion assets under management. In order to cater to varied needs of investors, NITL for the very first time in the 48 years history of the company, ventured in to fixed income category by launching two Funds in the FY10. NIT Government Bond Fund, a very low risk product was launched in Nov. 2009 followed by NIT Income Fund which was introduced in Feb. 2010. With the launching of these two funds the family of Funds of NIT has increased to six funds including 4 equity Funds and 2 fixed income nature Funds. NIT's distribution network comprises of 19 NIT branches, various Authorized bank branches all over Pakistan and Arab Emirates Investment Bank (AEIB) in Dubai(UAE). The Board of Directors of NITL consists of representatives of leading financial institutions, prominent industrialists and nominee of Govt. of Pakistan. During the year rating of NITL has also been improved by one notch to "AM2" by Pakistan Credit Rating Agency (PACRA), which denotes very strong capacity to manage risks inherent in asset management and the asset manager meets very high investment management industry standards and benchmarks. All Investment decisions are taken by the Investment Committee of NITL.

Fund Information (NI(U)T):

• Launch date	12th November 1962	• Minimum Investment:	Rs. 5,000
• Type	Open End Equity Fund	• Management Fee:	1.00%
• Fund Manager	Manzoor Ahmed	• Front End Load:	3.00%
• Fund Size as on June 30, 2010	Rs. 30.156 Billion	• Back End Load:	0.00%
• Par Value	Rs. 10	• Auditors:	A.F.Ferguson & Co. Chartered Accountants
• NAV/unit	Rs. 28.17	• Trustee:	National Bank of Pakistan
• Pricing Mechanism	Forward Pricing	• Risk Profile	Moderate / High
• Benchmark	KSE 100 Index	• Fund Rating: (Normal & Long term) (Ratings based on 30th June 2009.)	2- Star Ranking (Normal) 3- Star Ranking (Long Term) by PACRA

With effect from March 20, 2010, NI(U)T abolished its 1% back-end whereas Front end load was revised from 2.50% to 3.00% thus providing a net relief of 0.5% to its investors.

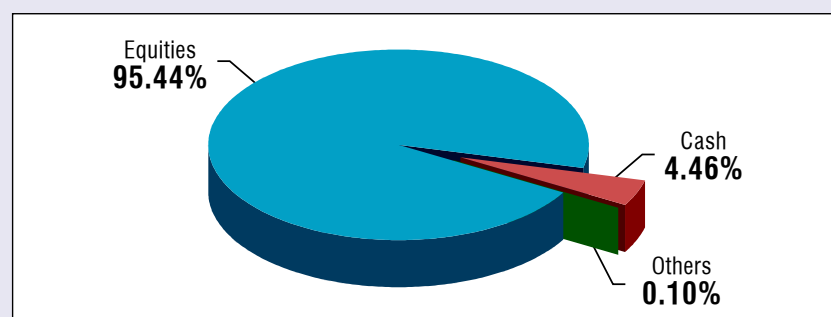
■ NATIONAL INVESTMENT (UNIT) TRUST FUND MANAGER REPORT 2009-10

Fund Performance Analysis:

	2009-10	2008-09
Opening Net Assets (Rs. in billion)	27.73	45.59
Opening NAV /unit (Rs.) (Ex Div)	23.89	46.38
Ending Net Assets (Rs. in billion)	30.16	27.73
Ending NAV/unit (Rs.)	28.17	27.14
Cash Distribution / unit (Rs.)	2.25	3.25
Dividend Yield (%)	9.42%	7.01
Capital Growth (%)	8.50%	(48.49)
Total Return (%)	17.92%	(41.48)
Maximum Funds under management during the year (Rs. in billion)	34.23	37.61

Asset Allocation

With regard to the asset allocation strategy of the Fund it may be noted that the exposure of the Fund to Equities increased to 95.44% as compared to 90.01% for the last year. The asset allocation position of the Fund as on 30-06-2010 is depicted in the pie chart below:

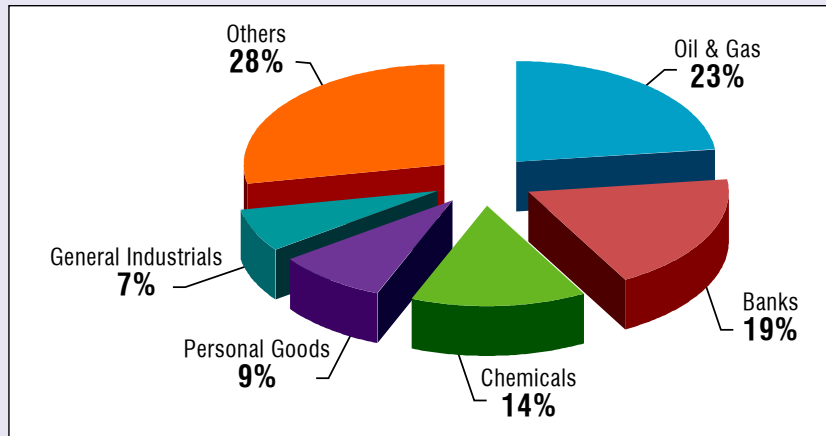


Sector Wise Breakdown of Equity Portfolio

This year KSE introduced new sectoral classifications based on Industry Classification Benchmark (ICB). The new classification regime being implemented by KSE allocates each company to the sub sector that most closely describes the nature of its business, according to which the companies listed at KSE have been allocated to 41 sectors as compared to 34 sectors followed in a previously single-tier classification system.

NATIONAL INVESTMENT (UNIT) TRUST FUND MANAGER REPORT 2009-10

According to new sector classification sector-wise breakdown of Fund's equity portfolio as % of Net Assets is given below:



During the year NI(U)T continued to remain heavily invested in oil & gas sector. Though your Fund took the advantage of rising prices in this sector and offloaded its holding in few stocks for booking capital gains during the year, however the Fund was able to maintain its exposure of 23% in this sector on the back of rising market values of stocks in this sector.

While FY10 was seen as a year of economic recovery, consequently the profitability of the banking sector also improved. Your Fund holds a strategic position in few good commercial banks so in order to maintain its position and also to capture attractive levels the exposure of the Fund in Commercial Banks has been increased from 16% to 19%.

This year NI(U)T further increased its exposure in Chemicals sector from 12% to 14%. The Fund also participated in couple of IPO's of Fertilizer Companies on the expectation of better dividend yields and steady prospects of growth in the long term perspective.

Holdings in Telecom, Construction & Material and Personal goods were also built during the year to benefit from opportunities available in these sectors.

It may be important to mention that Fund's holding in PSO & SNGPL which constitutes about 13.18% of the portfolio continued to remain frozen under the directive of Government of Pakistan.

Top Ten Holdings

Top ten holdings of the Fund's portfolio as on June 30th 2010 are as follows:

Pakistan State Oil	National Refinery Ltd.
Fauji Fertilizer Co. Ltd.	Bata Pakistan Ltd.
Bank Al-Habib	Soneri Bank Ltd.
Habib Metropolitan Bank	International Industries Ltd.
Siemens Engineering	Pakistan OilFields Ltd.

NATIONAL INVESTMENT (UNIT) TRUST FUND MANAGER REPORT 2009-10

Categorization of Unit Holders By Size--- (JUNE 2010)	(Units in million)	
CATEGEORY	NI(U)T UNIT HOLDERS	% OF HOLDING
Institutional Investors	1,228	66%
Individual	53,843	34%
TOTAL:-	55,071	100.00%

Stock Market & Fund Performance Review

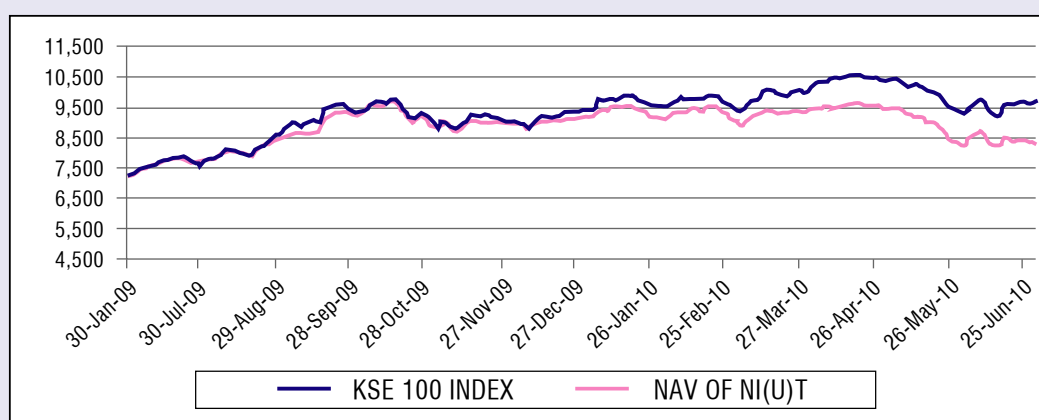
After two difficult years, Pakistan's equity market finally bounced back this year by displaying a decent return of 36% to close at 9,722 points against last year's closing of 7,162 points. Aggregate market capitalization surged by 27% to US\$ 32bn as on 30th June 2010 from US\$ 25bn as on 30th June 2009. Daily volumes for the year averaged 161mn shares, although average volumes were up 53% from FY09 but it was more of a case of low base effect due to market floor on individual stock prices which stayed for more than 3 months last year.

The fiscal year kicked off on a positive note with a cut in the profit rates of various National Savings schemes ranging from 50 to 190 bps. Approval of additional USD3.23bn funding for Pakistan by the IMF, reduction in SBP discount rate by 1% and upgrading of Pakistan's rating to 'B-' by S&P were the major triggers for the equity market. Consequently foreign investor's confidence was also boosted which led to heavy inflows in the market.

The law & order conditions coupled with mounting political uncertainty subdued the upward trend in the market for a little while; however, second cut of 50bps in the policy rate by SBP and historical consensus reached among the provinces on the National Finance Commission (NFC) Award put the rally back on track.

The market commenced the second half of the fiscal year with a fresh momentum mainly driven by foreign portfolio investment and improvement in domestic political environment as a result of introduction of 18th Amendment. Uncertainties regarding implementation and modalities of Capital Gain tax (CGT) which was first time introduced through Budget FY-10-11 along with severe crises in the European Financial markets caused some dent to the market but the unabated foreign investment though concentrated to few mega stocks helped market to consolidate and close at 9,722 points as on June 30th 2010.

Relative Performance of NAV vs. KSE 100



NATIONAL INVESTMENT (UNIT) TRUST

FUND MANAGER REPORT 2009-10

During the period under review the KSE-100 index increased by 35.74% whereas the NAV of your Fund increased by 17.92%, showing an under performance of 17.82%. This underperformance is partly attributable to the fact that the surge in the KSE-100 has been mainly driven by a handful of stocks which are heavyweight in the benchmark whereas your Fund is invested in 440 companies, diversified across almost all sectors and not concentrated to few stocks as the benchmark does and partly this underperformance is owing to settlement of LOC-holders Fund as a result of which the portfolio was transferred to the LOC holders in proportion to their respective unit holdings. Since LOC Fund was spun off out of NII(U)T in 2007 therefore after the LOC settlement portfolio transferred to LOC holders comprised of all those stocks which are also held in NI(U)T's portfolio. Since the former LOC holders started to offload their holdings from their respective portfolios, therefore persistent selling pressure from LOC holders kept the prices of stocks held in NI(U)T's portfolio depressed. But we understand that this is a temporary phenomenon otherwise most of the stocks held by your Fund are fundamentally strong; hence we expect that the Fund will perform better in the long term perspective.

10 Year Performance of Fund

	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	10yr. Annualized Return
NI(U)T (%)	56.33%	-3.09%	31.99%	105.05%	60.74%	35.70%	28.20%	44.80%	-5.76%	-41.48%	17.92%	21.32%
KSE 100 (%)	44.19%	-10.14%	29.54%	92.22%	55.21%	41.08%	34.10%	37.90%	-10.80%	-41.72%	35.74%	20.39%
Dividend Per Unit (Rs.)	0.55	1.20	1.20	1.75	2.55	3.3	5.80	6.20	6.50	3.25	2.25	

*Up till FY 07, returns are based on consolidated information of NI(U)T & LOC Funds

The above table indicates that NI(U)T Fund provided a 10-year annualized return of 21.32% as compared to 10-year annualized return of 20.39% by its benchmark of KSE-100 index. Thus on annualized basis the Fund outperformed its benchmark by 0.93% during the last 10 year period. For the sake of fair comparison viz a viz benchmark it is pertinent to mention here that KSE-100 is not adjusted for dividends while the total return of NIT over the years is after adjustment of dividend payouts.

Dividend declaration for the FY10

During FY10, NI(U)T has earned a net income (including unrealized gains) of Rs. 2,608 million against a loss of Rs. 13,028 million incurred by the Fund in the corresponding period of last year. This net income translates into a per unit earning of Rs. 2.44 in FY10 against a per unit loss of Rs. 12.75 incurred by NI(U)T in FY09. However, excluding unrealized gains, NI(U)T has earned a net profit of Rs. 2,316 million in FY10 which translates into per unit earning of Rs. 2.16. NI(U)T in line with its remarkable history of regularly paying cash dividend over the entire 48 years life of the Trust, declared a cash dividend of Rs. 2.25 per unit for the year ended June 30, 2010. The payment of dividend @ Rs. 2.25 per unit would involve a total payout of Rs. 2,409 million among its unit holders.

Economic Review

Despite several hard challenges, Pakistan's economy has shown resilience and kindled a moderate recovery in the outgoing year. The Economic survey 2009-10 revealed that country's economy grew by a provisional 4.1% as compared to modest growth of 1.2% in the previous year and target of 3.3%.

The economic recovery was mainly driven by the sharp bouncing back of Large Scale Manufacturing (LSM) which posted a growth of 4.4% and pushed the industrial growth to 5.2% also triggered a robust growth in services sector.

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The Agriculture sector continued to play a pivotal role in Pakistan's economy. It is the second largest sector, accounting for over 21 percent of GDP, employing 45 percent of the country's total work force. The Agriculture sector grew an estimated 2%, against a target of 3.8%, and previous year's growth rate of 4%. While the Crops sub sector declined 0.4% over the previous year, Livestock posted a healthy rise of 4.1%.

The Services sector which contributes over 53% of GDP registered a growth of 4.6%, as compared to 1.6% in 2008-09 supported by the growth in transport, storage & communication segment.

Amid still difficult global economic conditions, large costs to exports imposed by the war on terror, and a severe energy crisis faced by Pakistan's economy, the external sector witnessed an overall improvement during 2009-10. The country achieved its highest ever exports mark of USD 19.6 billion in the fiscal year 2009-10 up 4% from the target of USD 18.8 billion and slightly up by 2% from the exports recorded in FY09.. the current account deficit for FY10 improved to a provisional USD 3.5 billion, down 62% from the deficit of USD 8.9 billion in the last fiscal year.

After a period of containment, inflationary pressure has intensified since October last year on account of a number of adverse developments, including the washing out of the base effect from the previous year and a sharp spike in global commodity prices that has persisted since 2008 and which is exerting strong upward pressure on domestic prices. As a result, after easing to a recent low of 8.9% in October 2009, overall CPI inflation accelerated to its high in April 10 at 13.3% YoY and ended up at 11.7% in June 10, with food inflation at 12.5% and non-food inflation is recorded at 12.2%.

Foreign direct investment (private) stood at \$2.2 billion during the current fiscal year as against \$3.7 billion in the same period last year thereby showing a substantial decline of 41%. Private portfolio investment on the other hand showed a net inflow of \$588 million as against a net outflow of \$510 million during the comparable period of last year showing an outstanding growth of 215.2% hence embossing a lot of confidence in the Pakistan's equity market.

The medium term prospects for the economy are promising, provided the current path of reform is not abandoned. Pakistan has achieved fairly impressive early success in its efforts to stabilize the economy from a parlous state of affairs in the aftermath of the macroeconomic crisis of 2008. However, challenges of low domestic resource mobilization, low productivity, high inflation, low savings and investments and continued reliance on external borrowings indicate fragility of recovery. Therefore protecting the recovery is of paramount importance, and the government needs to keep a restrictive stance on public spending. Greater realism about the prospects and accurate forecasts about resources and available funds for the development plans at each level of government is needed.

(Economic data source: Economic Survey of Pakistan & SBP Website)

Other Disclosures under NBFC Regulations 2008

The Fund Manager hereby makes the following disclosures as required under the NBFC Regulations 2008;

- a. The Management Company or any of its delegates did not receive any soft commission (goods & services) from any of its brokers / dealers by virtue of transactions conducted by the Fund.
- b. There was no unit split undertaken during the year.

■ REPORT OF THE TRUSTEE

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, 2009 to 30 June 2010 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 Regulation, 2008.

Sd/-

(Muzaffar S. Khan)
Vice President/Wing Head

Sd/-

(Aamir Sattar)
E.V.P./Divisional Head

For National Bank of Pakistan
Dated 23rd July, 2010

AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

We have audited the accompanying financial statements of **National Investment (Unit) Trust**, which comprise the statement of assets and liabilities as at June 30, 2010, and the related income statement, statement of comprehensive income, distribution statement, statement of movement in unit holders' fund and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management Company's responsibility for the financial statements

The Management Company of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with approved accounting standards as applicable in Pakistan. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the auditing standards as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the Fund's affairs as at June 30, 2010 and of its financial performance, cash flows and transactions for the year then ended in accordance with approved accounting standards as applicable in Pakistan.

Other matters

In our opinion, the financial statements have been prepared in all material respects in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Sd/-

Chartered Accountants
Engagement Partner: Rashid A. Jafer
Dated: 13-08-2010
Karachi

NATIONAL INVESTMENT (UNIT) TRUST
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2010

	Note	2010	2009
------(Rupees in '000)-----			
ASSETS			
Bank balances	4	1,381,120	2,181,130
Receivable from selling banks		-	715
Receivable from National Investment Trust Limited - Management Company	5	80	368,705
Investments	6	29,464,973	27,109,864
Loans and receivables	7	-	-
Dividend and other receivables	8	24,483	432,647
Deposit with National Clearing Company of Pakistan Limited		2,500	2,500
Total assets		30,873,156	30,095,561
LIABILITIES			
Short-term finances	9	250,000	1,000,000
Payable to National Investment Trust Limited - Management Company	10	58,920	1,113,986
Fee payable to Securities and Exchange Commission of Pakistan	11	29,752	28,091
Creditors, accrued and other liabilities	12	71,620	13,836
Unclaimed distribution	13	306,506	208,853
Total liabilities		716,798	2,364,766
NET ASSETS		30,156,358	27,730,795
Unit holders' fund (as per statement attached)		30,156,358	27,730,795
Contingencies and commitments	14		
Number of units in issue	15	(Number of units in '000) <u>1,070,649</u>	<u>1,021,933</u>
Net asset value per unit		(Rupees) <u>28.17</u>	<u>27.14</u>

The annexed notes from 1 to 29 and Annexures 1 to 3 form an integral part of these financial statements.

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

Sd/-

Managing Director

Sd/-

Director

Sd/-

Director

Sd/-

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

■ NATIONAL INVESTMENT (UNIT) TRUST
INCOME STATEMENT
 FOR THE YEAR ENDED JUNE 30, 2010

	Note	2010	2009
------(Rupees in '000)-----			
INCOME			
Dividend income		1,548,502	1,746,328
Capital gains		737,129	641,779
Profit on bank deposits		92,165	66,620
Profit on investment in Term Finance Certificates		-	2,359
Income on issue and repurchase of units		47,591	42,392
Other income		4,000	13,683
		<u>2,429,387</u>	<u>2,513,161</u>
Unrealised appreciation / (diminution) on re-measurement of investments classified as financial assets at fair value through profit or loss - net	6.5	<u>218,104</u>	<u>(2,145,020)</u>
		2,647,491	368,141
EXPENSES			
Impairment loss on equity securities classified as 'available for sale'	6.8	509,375	16,621,853
Management participation fee	10.1	300,877	277,308
Annual fee - Securities and Exchange Commission of Pakistan	11	29,752	28,091
Custodian charges of Central Depository Company of Pakistan Limited		3,990	4,450
Securities transaction costs		226	2,399
Settlement and bank charges		233	145
Financial charges		67,081	297,984
Legal and professional charges		1,717	757
Impairment loss on loans and receivables	7	-	395
Impairment loss on markup receivable		-	6,133
Impairment loss on doubtful receivables	8.3	80,953	69,047
Printing and related costs		7,406	4,986
Others		4,664	440
		<u>1,006,274</u>	<u>17,313,988</u>
Net income / (loss) from operating activities		<u>1,641,217</u>	<u>(16,945,847)</u>
Element of income and capital gains included in prices of units issued less those in units redeemed		721,348	3,917,516
Provision for Workers' Welfare Fund		(46,002)	
Net income / (loss) for the year before taxation		<u>2,316,563</u>	<u>(13,028,331)</u>

**■ NATIONAL INVESTMENT (UNIT) TRUST
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2010**

(cont'd)

	Note	2010	2009
		------(Rupees in '000)-----	
Taxation	16	-	-
Net income / (loss) for the year after taxation		<u>2,316,563</u>	<u>(13,028,331)</u>
Earnings per unit	17	(Rupees)	
With unrealised appreciation / (diminution) on re-measurement of investments classified as financial assets at fair value through profit or loss		<u>2.16</u>	<u>(12.75)</u>
Without unrealised appreciation / (diminution) on re-measurement of investments classified as financial assets at fair value through profit or loss and impairment loss on securities classified as 'available for sale'		<u>2.44</u>	<u>5.62</u>

The annexed notes from 1 to 29 and Annexures 1 to 3 form an integral part of these financial statements.

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

Sd/-

Managing Director

Sd/-

Director

Sd/-

Director

Sd/-

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

■ NATIONAL INVESTMENT (UNIT) TRUST
STATEMENT OF COMPREHENSIVE INCOME
 FOR THE YEAR ENDED JUNE 30, 2010

	Note	2010	2009
		------(Rupees in '000)-----	
Net income / (loss) for the year after taxation		2,316,563	(13,028,331)
Other comprehensive income			
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'available for sale'	6.6	2,943,117	(822,594)
Total comprehensive income for the year		<u>5,259,680</u>	<u>(13,850,925)</u>

The annexed notes from 1 to 29 and Annexures 1 to 3 form an integral part of these financial statements.

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

Sd/-

Managing Director

Sd/-

Director

Sd/-

Director

Sd/-

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

■ NATIONAL INVESTMENT (UNIT) TRUST
DISTRIBUTION STATEMENT
 FOR THE YEAR ENDED JUNE 30, 2010

	<u>2010</u>	<u>2009</u>
	------(Rupees in '000)-----	
Undistributed income brought forward	8,719,766	27,351,047
Final distribution for the year ended June 30, 2009: Rs 3.25 per unit (2008: Rs. 6.5 per unit)	(3,321,282)	(5,602,950)
Net income / (loss) for the year after taxation	2,316,563	(13,028,331)
Undistributed income carried forward	<u>7,715,047</u>	<u>8,719,766</u>

The annexed notes from 1 to 29 and Annexures 1 to 3 form an integral part of these financial statements.

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

Sd/-

Managing Director

Sd/-

Director

Sd/-

Director

Sd/-

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

NATIONAL INVESTMENT (UNIT) TRUST
STATEMENT OF MOMENT IN UNIT HOLDERS' FUND
 FOR THE YEAR ENDED JUNE 30, 2010

	<u>2010</u>	<u>2009</u>
	------(Rupees in '000)-----	
Net assets at the beginning of the year	27,730,795	45,585,263
Issue of 123,707,936 units (2009 : 157,727,683 units)	3,667,487	4,871,229
Redemption of 112,012,706 units (2009 : 45,129,250 units)	(3,391,168)	(1,368,720)
	276,319	3,502,509
Issue of 37,021,191 units under Cumulative Investment Plan (2009 : 47,342,274 units)	932,194	2,014,414
	<u>28,939,308</u>	<u>51,102,186</u>
Element of (income) and capital (gains) included in prices of units issued less those in units redeemed - transferred to income statement	(721,348)	(3,917,516)
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'available for sale' - note 6.6	2,943,117	(822,594)
Capital gains	737,129	641,779
Unrealised appreciation / (diminution) on re-measurement of investments classified as financial assets at fair value through profit or loss - net	218,104	(2,145,020)
Other net income / (loss) for the year	1,361,330	(11,525,090)
Final distribution for the year ended June 30, 2009: Rs 3.25 per unit (2008: Rs. 6.5 per unit)	(3,321,282)	(5,602,950)
	(1,004,719)	(18,631,281)
Net assets at the end of the year	<u>30,156,358</u>	<u>27,730,795</u>

The annexed notes from 1 to 29 and Annexures 1 to 3 form an integral part of these financial statements.

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

Sd/-

Managing Director

Sd/-

Director

Sd/-

Director

Sd/-

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

■ NATIONAL INVESTMENT (UNIT) TRUST
CASH FLOW STATEMENT
 FOR THE YEAR ENDED JUNE 30, 2010

	2010	2009
	------(Rupees in '000)-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income / (loss) before taxation	2,316,563	(13,028,331)
Adjustments:		
Unrealised (appreciation) / diminution on re-measurement of investments classified as financial assets at fair value through profit or loss - net	(218,104)	2,145,020
Element of (income) and capital (gains) included in prices of units issued less those in units redeemed	(721,348)	(3,917,516)
Impairment loss on equity securities classified as 'available for sale'	509,375	16,621,853
Impairment loss on loans and receivables	-	395
Impairment loss on markup receivable	-	6,133
Impairment loss on doubtful receivables	80,953	69,047
Management participation fee	300,877	277,308
	<u>2,268,316</u>	<u>2,173,909</u>
(Increase) / decrease in assets		
Receivable from National Investment Trust Limited - Management Company	359,511	(161,730)
Loans and receivables	-	35,477
Investments	296,737	(978,407)
Dividend and other receivables	327,211	(164,682)
	983,459	(1,269,342)
Increase / (decrease) in liabilities		
Payable to National Investment Trust Limited - Management Company	(137,822)	(79,228)
Fee payable to Securities and Exchange Commission of Pakistan	1,661	(17,494)
Creditors, accrued and other liabilities	57,784	(8,690)
	(78,377)	(105,412)
Management participation fee paid	(134,156)	-
Net cash inflow from operating activities	<u>3,039,242</u>	<u>799,155</u>

NATIONAL INVESTMENT (UNIT) TRUST
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2010

(cont'd)

	Note	2010	2009
		------(Rupees in '000)-----	
CASH FLOWS FROM FINANCING ACTIVITIES			
Net receipts / (payments) made against sales / redemption of units		(797,817)	3,288,920
Dividend paid		(2,291,435)	(3,530,125)
Net cash outflow on financing activities		(3,089,252)	(241,205)
Net (decrease) / increase in cash and cash equivalents during the year		(50,010)	557,950
Cash and cash equivalents at the beginning of the year		1,181,130	623,180
Cash and cash equivalents as at the end of the year		<u>1,131,120</u>	<u>1,181,130</u>
Cash and cash equivalents as at the end of the year			
Bank balances	4	1,381,120	2,181,130
Short-term finances	9	(250,000)	(1,000,000)
		<u>1,131,120</u>	<u>1,181,130</u>

The annexed notes from 1 to 29 and Annexures 1 to 3 form an integral part of these financial statements.

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

Sd/-

Managing Director

Sd/-

Director

Sd/-

Director

Sd/-

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

NATIONAL INVESTMENT (UNIT) TRUST NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2010

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** The National Investment (Unit) Trust ("NI(U)T"), 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 November 12, 1962, and was amended vide Supplemental Trust Deed dated June 26, 1968, June 7, 1981, November 27, 1998, November 12, 2002, December 31, 2003 and January 18, 2007. The functions of the Fund are governed by the Trust Deed and the National Investment (Unit) Trust Ordinance, 1965.
- 1.2** For facilitating the sale and transfer of the management rights of the Management Company to manage NI(U)T, the Board of Directors of NITL decided to split National Investment (Unit) Trust into two Funds with effect from April 1, 2007. The certificate in respect of the Scheme of Unbundling and Splitting of National Investment (Unit) Trust into two Funds was signed by both the Management Company and the Trustee on July 10, 2008 to give effect to the splitting. Accordingly, the segment pertaining to LOC Holders has formed the National Investment (Unit) Trust – LOC Holders' Fund whereas the segment pertaining to Non-LOC Holders has been retained under National Investment (Unit) Trust. LOC Holders represent certain institutional investors who were issued letters of comfort by the Ministry of Finance (MoF) which stated that on willingness of these unit holders to hold their investment in NIT units, NITL would be facilitated to redeem such units at the rate of Rs. 13.70 per unit.

Further, both Funds for the purpose of the Trust Deed are to be considered as NI(U)T and the terms of the Trust Deed would apply mutatis mutandis to these Funds till the time these separate Funds have been reorganised and restructured as separate open end mutual funds and management rights have been transferred pursuant to management right transfer agreement to be executed upon privatisation / sale.

- 1.3** The Privatisation Commission, Government of Pakistan has invited expressions of interest for the sale of the rights to manage the Fund which exists solely with the Management Company, NITL. The Trustee, National Bank of Pakistan and the Management Company hold the rights and privileges of the Unit Holders to be paramount. Till date, the Privatisation Commission is engaged in the process of privatisation.
- 1.4** The Management Company of the Fund has been classified as a Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the Securities and Exchange Commission of Pakistan (SECP) to undertake Asset Management Services. The Fund has been granted exemptions from application of certain provisions of the NBFC Rules and Notified Entities Regulations till privatisation.
- 1.5** Pakistan Credit Rating Agency Limited (PACRA) has assigned "2-star" rating based on the performance during the twelve months ended June 30, 2009 and "3-star" long term rating based on the performance during the thirty six months ended June 30, 2009.

The Management Company has been assigned management rating of "AM2" by PACRA.

- 1.6** During the year, certain assets and liabilities pertaining to NI(U)T-LOC Holders' Fund were transferred into National Investment (Unit) Trust in order to facilitate the liquidation of the NI(U)T-LOC Holders' Fund consequent to expiry of Letters of Comfort (LoC) issued by Government of Pakistan (GoP). These assets and liabilities mainly include fully impaired investments, bank balances held in distribution accounts, unclaimed distributions, unclaimed income, excess dividend received and others payables. These balances had been allocated to NI(U)T-LOC Holders Fund at the time of unbundling of National Investment (Unit) Trust into two segments and could not be realised / settled by NI(U)T-LOC Holders' Fund owing to their nature. As the assets transferred were in excess of the liabilities therefore the Fund made a net payment of Rs 23.298 million to NI(U)T-LOC Holders' Fund in this respect.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by SECP differ with the requirements of IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by SECP prevail.

NATIONAL INVESTMENT (UNIT) TRUST NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

2.2 Changes in accounting policies and disclosures arising from standards, interpretations and amendments to published approved accounting standards that are effective in the current year

IAS 1 (revised), 'Presentation of Financial Statements'. The revised standard prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity. It requires non-owner changes in equity to be presented separately from owner changes in equity. All non-owner changes in equity are required to be shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). Where entities restate or reclassify comparative information, they are required to present a restated statement (referred to as the statement of assets and liabilities in these financial statements) as at the beginning of the comparative period, in addition to the current requirement to present statements of financial position at the end of the current period and comparative period.

The Fund has applied IAS 1 (revised) from July 1, 2009, and has elected to present two performance statements. As a result non-owner changes in equity which were previously credited directly in the statement of movement in unit holders' fund and the distribution statement are now shown as other comprehensive income in the performance statement (referred to as statement of comprehensive income in these financial statements). The change in presentation has not affected the values of the net assets of the Fund for either the current or any of the prior periods and hence restated statement of assets and liabilities has not been presented. The adoption of this standard has resulted in increase in certain disclosures.

2.3 Other standards, interpretations and amendments to published approved accounting standards that are effective in the current year

The following new standards and amendments to existing standards are mandatory for the first time for the financial year beginning July 1, 2009:

IAS 39 (amendment), 'Financial Instruments: Recognition and Measurement'. The amendment was part of the IASB's annual improvements project published in May 2008. The definition of financial asset or financial liability at fair value through profit or loss as it relates to items that are held for trading was amended. This clarifies that a financial asset or liability that is part of a portfolio of financial instruments managed together with evidence of an actual recent pattern of short-term profit taking is included in such a portfolio on initial recognition. The adoption of the amendment did not have a significant impact on the Fund's financial statements.

IFRS 7 (amendment) 'Financial Instruments: Disclosures'. The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. The adoption of the amendment results in additional disclosures, but does not have an impact on the Fund's financial position or performance.

IAS 32 (amendment), 'Financial Instruments: Presentation', and IAS 1 (amendment), 'Presentation of financial statements – Puttable financial instruments and obligations arising on liquidation'. The amended standards require entities to classify puttable financial instruments, or components of instruments that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation as equity, provided the financial instruments have particular features and meet specific conditions, including that all financial instruments in the class of instruments that is subordinate to all other instruments have identical features. Keeping in view the requirements set out in the Non-Banking Finance Companies and Notified Entities Regulations, 2008 the adoption of this amendment did not impact the classification of units in the financial statements of the Fund.

IAS 38 (Amendment), 'Intangible Assets' (effective from January 1, 2009). The amended standard states that a prepayment may only be recognised in the event that payment has been made in advance of obtaining right of access of goods or receipt of services. This amendment is not expected to have a significant effect on the Fund's financial statements.

There are other standards, interpretations and amendments that were mandatory for accounting periods beginning on or after July 1, 2009 but were considered not to be relevant or did not have any significant effect on the Fund's operations and are, therefore, not disclosed in these financial statements.

NATIONAL INVESTMENT (UNIT) TRUST NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

2.4 Standards, interpretations and amendments to published approved accounting standards that are not yet effective:

The following standards, amendments and interpretations to existing standards have been published but are not yet effective:

- a) IAS 7 (Amendment), 'Statement of Cash Flows' (effective from January 1, 2010). Amendment requires that only expenditures that result in a recognised asset in the statement of financial position can be classified as investing activities. The amendment is not expected to have any impact on the Fund's financial statements.
- b) IAS 24 'Related Party Disclosures' (revised) (effective from January 1, 2011). The revised standard simplifies the disclosure requirements for government-related entities and clarifies the definition of a related party.

There are certain other new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after January 1, 2010 but are considered not to be relevant or to have any significant effect on the Fund's operations and are therefore not detailed in these financial statements.

2.5 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Fund's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Fund's financial statements or where judgment was exercised in application of accounting policies principally relate to classification and valuation of investments (note 3.1 and note 6).

2.6 Accounting convention

These financial statements have been prepared under the historical cost convention except that certain investments have been carried at fair value.

2.7 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the Fund's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied unless otherwise stated.

3.1 Financial assets

3.1.1 Classification

The Fund classifies its financial assets in the following categories: loans and receivables, at fair value through profit or loss, available for sale and held to maturity. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

a) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

b) Financial assets at fair value through profit or loss

Financial assets that are acquired principally for the purpose of generating profit from short-term fluctuations in prices are classified as held for trading in the 'Financial assets at fair value through profit or loss' category.

c) Held to maturity

These are securities with fixed or determinable payments and fixed maturity that the Fund has the positive intent and ability to hold to maturity.

NATIONAL INVESTMENT (UNIT) TRUST NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

d) Available for sale

Available for sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as (a) loans and receivables, (b) held to maturity investments or (c) financial assets at fair value through profit or loss.

3.1.2 Regular way contracts

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Fund commits to purchase or sell the asset.

3.1.3 Initial recognition and measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement.

3.1.4 Subsequent measurement

Subsequent to initial recognition, financial assets designated by the management as at fair value through profit or loss and available for sale that comprise of equity securities are valued on the basis of quoted market prices available at the stock exchange.

Mutual fund units are valued by reference to the net asset values (redemption prices) declared by the respective funds.

Investments in unquoted equity securities are carried at lower of investment price or their breakup value as per latest audited accounts.

Net gains and losses arising on changes in the fair value of financial assets carried at fair value through profit or loss are taken to the 'income statement'.

Net gains and losses arising on changes in fair value of available for sale financial assets are taken to the 'Statement of Comprehensive Income' until these are derecognised or impaired. At this time, the cumulative gain or loss previously recognised directly in the 'Statement of Comprehensive Income' is transferred to the 'Income Statement'.

Subsequent to initial recognition financial assets classified as 'Loans and Receivables' and 'Held to Maturity' are carried at amortised cost using the effective interest method.

Gain or loss is also recognised in the 'Income Statement' when financial assets carried at amortised cost are derecognised or impaired, and through the amortisation process.

3.1.5 Impairment

The Fund assesses at each balance sheet date whether there is objective evidence that the financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered, among other indicators, as an indicator that the securities are impaired. If any such evidence exists for available for sale financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in income statement is reclassified from unit holders' fund to 'income statement'. Impairment losses recognised on equity instruments are not reversed through the income statement.

For financial assets classified as 'Loans and Receivables' and 'Held to Maturity', a provision for impairment is established when there is objective evidence that the Fund will not be able to collect all amounts due according to the original terms. The amount of the provision is determined based on the provisioning criteria specified by SECP.

3.1.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

NATIONAL INVESTMENT (UNIT) TRUST NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

3.1.7 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Assets and Liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liabilities simultaneously.

3.2 Cash and cash equivalents

Cash and cash equivalents include stamps in hand, demand deposits with banks and other short term highly liquid investments with original maturities of three months or less and which are subject to insignificant changes in value, net of short-term finances.

3.3 Derivatives

Derivative instruments are initially recognised at fair value and subsequent to initial measurement each derivative instrument is remeasured to its fair value and the resultant gain or loss is recognised in the income statement.

3.4 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. They are initially recognised at fair value and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

3.5 Provisions

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.6 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 among the unit holders.

The Fund is also exempt from the the Provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

The Fund provides for deferred taxation using the balance sheet liability method on all major temporary differences between the amounts used for financial reporting purposes and amounts used for taxation purposes. In addition, the Fund also records deferred tax asset on unutilised tax losses to the extent that it is no longer probable that the related tax benefit will be realised. However, the Fund has not recognised any amount in respect of deferred tax in these financial statements as the Fund intends to continue availing the tax exemption in future years by distributing at least ninety percent of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders every year.

3.7 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that date. The offer price represents the net asset value per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable. The sales load is payable to the investment facilitators, distributors and the Management Company. Transaction costs are recorded as the income of the Fund.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption requests during business hours of that day. The redemption price represents the net asset value per unit as of the close of the business day less any back-end load, any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

NATIONAL INVESTMENT (UNIT) TRUST NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

3.8 Proposed distributions

Distributions declared subsequent to the balance sheet date are considered as non-adjusting events and are recognised in the financial statements in the period in which such distributions are declared.

3.9 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

An equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' is created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption.

The "element of income/ (loss) and capital gains/ (losses) in prices of units issued less those in units redeemed " account is credited with the amount representing net income/ (loss) and capital gains/ (losses) accounted for in the net asset value and included in the sale proceeds of units. Upon redemption of units, the "element of income/ (loss) and capital gains/ (losses) in prices of units issued less those in units redeemed" account is debited with the amount representing net income/ (loss) and capital gains/ (losses) accounted for in the net asset value and included in the redemption price.

The net "element of income/ (loss) and capital gains/ (losses) in prices of units issued less those in units redeemed" during an accounting period is transferred to the 'income statement'.

3.10 Borrowing costs

Borrowings costs directly attributable to the acquisition of qualifying assets (one that takes substantial period of time to get ready for use or sale) are capitalised as part of the cost of the asset. Other borrowing costs are taken to the income statement in the period in which they are incurred. Currently the Fund does not have any qualifying assets.

3.11 Revenue recognition

- Realised capital gains / (losses) arising on sale of investments are included in the Income Statement on the date at which the transaction takes place.
- Unrealised capital gains / (losses) arising on marking to market of investments classified as 'Financial Assets at fair value through profit or loss' are included in the Income Statement in the period in which they arise.
- Income from investment in morabaha arrangements, term finance certificates and other redeemable capital is recognised on an accrual basis, except where recovery is doubtful in which case it is credited to suspense account.
- Dividend income is recognised when the right to receive dividend is established.
- Profit on bank deposits and placements is recognised on an accrual basis.
- Income on issue and repurchase of units is recognised when the units are issued and redeemed at the transaction date.

3.12 Net asset value per unit

The net asset value (NAV) per unit, as disclosed on the 'Statement of Assets and Liabilities', is calculated by dividing the net assets of the fund by the number of units in issue at the year end.

■ NATIONAL INVESTMENT (UNIT) TRUST NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

	Note	2010	2009
------(Rupees in '000)-----			
4 BANK BALANCES			
In current accounts	4.1	506,570	276,797
In deposit accounts	4.2	874,518	1,904,317
Stamps in hand		32	16
		<u>1,381,120</u>	<u>2,181,130</u>

4.1 The above include an amount of Rs 422.533 million (2009: Rs 224.256 million) relating to unclaimed distribution.

4.2 Deposit accounts carry profit at the rates ranging from 6% to 11.5% (2009: 5% to 14.5%) per annum.

	Note	2010	2009
------(Rupees in '000)-----			
5 RECEIVABLE FROM NATIONAL INVESTMENT TRUST LIMITED - MANAGEMENT COMPANY			
On account of sale of units		80	328,994
Others		-	39,711
		<u>80</u>	<u>368,705</u>

	Note	2010	2009
------(Rupees in '000)-----			
6 INVESTMENTS			
At fair value through profit or loss - held for trading			
Investment in shares / units of mutual funds	6.1	2,515,164	3,663,955
Available for sale			
Investment in shares / units of mutual funds	6.1	<u>26,949,809</u>	<u>23,445,909</u>
		29,464,973	27,109,864
Held to maturity	6.1		
- Morabaha arrangements		54,125	26,661
- Participation term certificates		10,500	5,172
- Term finance certificates		12,905	6,357
		77,530	38,190
Less: Provision for impairment loss on held to maturity investments	6.7	(77,530)	(38,190)
		<u>-</u>	<u>-</u>
		<u>29,464,973</u>	<u>27,109,864</u>

6.1 The investment portfolio of the Fund specifying the movement in portfolio during the year since the preceding accounting period, the carrying value and market value of the investments held and the value of each holding as a percentage of the net asset value, total investments of the Fund and the investee paidup capital has been set out in Annexures 1 to 3 to these financial statements.

■ NATIONAL INVESTMENT (UNIT) TRUST NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

- 6.2** As at June 30, 2010 the market value of securities given as collateral against short term finances amounted to Rs 2,277.190 million (2009: Rs 2,526.79 million).
- 6.3** Investments include shares with a market value of Rs 686.480 million (2009: Rs 652.485 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular no.11 dated October 22, 2007 issued by the Securities and Exchange Commission of Pakistan.
- 6.4** The investment portfolio of the Fund includes shares of Pakistan State Oil Company Limited and Sui Northern Gas Pipelines Limited, that have been frozen by the Government of Pakistan (GoP) for sale in the equity market due to their proposed privatisation.

	<u>Note</u>	<u>2010</u>	<u>2009</u>
		------(Rupees in '000)-----	
6.5 Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'at fair value through profit or loss' - held for trading			
Market value of investments		2,515,164	3,663,955
Less: Carrying value of investments		2,297,060	5,808,975
		<u>218,104</u>	<u>(2,145,020)</u>
6.6 Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'available for sale'			
Market value of investments		26,949,809	23,445,909
Less: Carrying value of investments - net of impairment		15,214,992	14,654,209
		11,734,817	8,791,700
Less: Net unrealised appreciation in fair value of investments at the beginning of year		8,791,700	9,614,294
		<u>2,943,117</u>	<u>(822,594)</u>
6.7 Movement in provision for impairment loss on held to maturity investments			
Opening balance		38,190	39,886
Charge for the year		-	-
Provision in respect of investments transferred from NI(U)T-LOC Holders' Fund	6.7.1	39,340	-
Reversals during the year		-	(1,696)
Closing balance		<u>77,530</u>	<u>38,190</u>

6.7.1 This represents provision held against 'held to maturity' investments transferred from NI(U)T-LOC Holders' Fund as more fully explained in note 1.6 of these financial statements.

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

During the year, based on a scrip wise analysis of the deficit arising on revaluation of quoted shares, closed end mutual funds and open end mutual funds classified as 'available for sale', it has been determined that an amount of Rs 509.375 million (2009: Rs 16,621.853 million) should be charged to the income statement as impairment loss. This impairment loss has been fully recognised and the charge has been reflected in the income statement of the Fund.

NATIONAL INVESTMENT (UNIT) TRUST NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

	Note	2010	2009
7 LOANS AND RECEIVABLES		------(Rupees in '000)-----	
Term finance certificates	7.1 & 7.2	802	395
Less: Provision for impairment loss on term finance certificates		(802)	(395)
		<u>-</u>	<u>-</u>
7.1	This represents term finance certificates of Crescent Standard Investment Bank Limited (Pacific Leasing). These carry interest at the rate of Nil % (2009: Nil %) per annum.		
7.2	This includes an amount of Rs 0.407 million transferred from LOC Holders' Fund as more fully explained in note 1.6 of these financial statements.		

	Note	2010	2009
8 DIVIDEND AND OTHER RECEIVABLES		------(Rupees in '000)-----	
Dividend receivable		22,980	148,717
Profit on term finance certificates	8.1	24,599	14,943
Less: Provision against doubtful receivables		(24,599)	(14,943)
		<u>-</u>	<u>-</u>
Profit on morabaha arrangements	8.1	51,267	25,254
Less: Provision against profit on morabaha arrangements		(51,267)	(25,254)
		<u>-</u>	<u>-</u>
Mark-up receivable on bank deposits and placements		1,480	448
Receivable against sale of investments		11	202,523
Advance against pre IPO-investment	8.2	150,000	150,000
Less: Provision against doubtful receivables	8.3	(150,000)	(69,047)
		<u>-</u>	80,953
Other receivables		3,003	2,997
Less: Provision against doubtful receivables		(2,991)	(2,991)
		<u>12</u>	<u>6</u>
		<u>24,483</u>	<u>432,647</u>

8.1 This includes profit receivable on 'held to maturity' investments transferred along with the related provision from NI(U)T- LOC Holders' Fund as more fully explained in note 1.6 of these financial statements.

8.2 The Fund has subscribed towards the term finance certificates of an issuer as Pre-IPO on March 13, 2008. Under the agreement, the issuer was required to complete the public offering by November 23, 2008. However, no public offering has been carried out by the issuer as at June 30, 2010. In addition, profit on the advance against subscription, due after six months from the date of subscription, has also not been received by the Fund. As a matter of prudence, the Fund has made a provision of 100% against this advance.

	2010	2009
8.3 Movement in provision for impairment loss on advance against Pre-IPO investment	------(Rupees in '000)-----	
Opening balance	69,047	-
Charge for the year	80,953	69,047
Closing balance	<u>150,000</u>	<u>69,047</u>

■ NATIONAL INVESTMENT (UNIT) TRUST NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

	Note	2010	2009
		------(Rupees in '000)-----	
9 SHORT-TERM FINANCES			
From commercial bank - secured	9.1	250,000	1,000,000

9.1 The rate of mark-up on these short term finances ranges from 12.85% to 12.89% per annum (2009: 14.23% to 14.5%). These finances are repayable by July 2010 and are secured by pledge of marketable securities as mentioned in note 6.2 of these financial statements.

	Note	2010	2009
		------(Rupees in '000)-----	
10 PAYABLE TO NATIONAL INVESTMENT TRUST LIMITED - MANAGEMENT COMPANY			
On account of :			
- repurchase of units		3,287	6,862
- management participation fee	10.1	14,704	733,161
- others	10.2	40,929	373,963
		58,920	1,113,986

10.1 Management Company is entitled to receive management participation fee on account of services rendered to the Trust. Management participation fee is charged at 1% of the average funds under management during the year subject to a maximum of 1% of the value of the Fund as on June 30 each year.

10.2 Others include preliminary charges on sale of units amounting to Rs 32.274 million (2009: Rs 298.466 million).

11 FEE PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)

Under the provisions of the Non Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations), a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.095 percent of the average annual net assets of the scheme.

	2010	2009
	------(Rupees in '000)-----	
12 CREDITORS, ACCRUED AND OTHER LIABILITIES		
Provision for Workers' Welfare Fund	46,002	-
Excess dividend received	5,670	3,857
Mark-up payable	1,147	3,150
Distributions not claimed by unit holders	3,035	1,300
Federal Excise Duty	640	-
Others	15,126	5,529
	71,620	13,836

13 UNCLAIMED DISTRIBUTION

As at each accounting date, the amount of cash required to effect distribution of profits among holders of registered and bearer units, is transferred to a special account titled distribution account. The aggregate balance in such accounts for the years 1997-98 and earlier in case of distribution to registered unit holders and 1999-2000 and earlier in case of distribution to bearer unit holders exceeds the liability for unclaimed distribution by approximately Rs. 31.469 million (2009:14.224 million). This amount represents payments of dividend out of accounts other than the relevant distribution account and is included as part of the deposited property of the Fund.

NATIONAL INVESTMENT (UNIT) TRUST NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

14 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2010 (2009: Nil).

15 NUMBER OF UNITS IN ISSUE

	Registered	Bearer	Total 2010	Total 2009
	----- (Number of units) -----			
Total outstanding at the beginning of the year	993,127,807	28,805,140	1,021,932,947	861,992,240
Add: Sales during the year	123,707,936	-	123,707,936	157,727,683
Units issued under Cumulative Investment Plan (CIP) during the year	37,021,191	-	37,021,191	47,342,274
Conversion of bearer units into registered	241,280	(241,280)	-	-
	<u>1,154,098,214</u>	<u>28,563,860</u>	<u>1,182,662,074</u>	<u>1,067,062,197</u>
Less: Repurchases during the year	(111,608,376)	(404,330)	(112,012,706)	(45,129,250)
Total units in issue at the end of the year	<u>1,042,489,838</u>	<u>28,159,530</u>	<u>1,070,649,368</u>	<u>1,021,932,947</u>

15.1 Pattern of Unit Holding

Pattern of unit holding as at June 30, 2010:

Category	Number of unit holders	Investment Amount	Percentage
Individuals	53,843	10,339,825	34.29%
Associated companies / directors	3	1,321,774	4.38%
Insurance companies	27	2,034,675	6.75%
Bank / DFIs	44	1,356,654	4.50%
NBFCs	35	61,523	0.20%
Retirement funds	516	10,150,418	33.66%
Public Limited companies	12	32,287	0.11%
Others	591	4,859,202	16.11%
	<u>55,071</u>	<u>30,156,358</u>	<u>100%</u>

Pattern of unit holding as at June 30, 2009:

Category	Number of unit holders	Investment Amount	Percentage
Individuals	54,553	9,472,828	34.16%
Associated companies / directors	3	12,423	0.04%
Insurance companies	26	1,959,508	7.07%
Bank / DFIs	47	1,444,127	5.21%
NBFCs	40	327,283	1.18%
Retirement funds	548	10,027,326	36.16%
Public Limited companies	9	904,779	3.26%
Others	594	3,582,521	12.92%
	<u>55,820</u>	<u>27,730,795</u>	<u>100%</u>

NATIONAL INVESTMENT (UNIT) TRUST NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

16 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 90 percent of its accounting income for the year, as reduced by capital gains (whether realised or unrealised), is distributed among the unit holders. The Fund has not recorded provision for taxation as the Management Company intends to distribute atleast 90 percent of the Fund's accounting income for the year as reduced by capital gains (whether realised or unrealised) to its unit holders.

17 EARNINGS PER UNIT

	<u>2010</u>	<u>2009</u>
	------(Rupees in '000)-----	
Net income / (loss) with unrealised appreciation / (diminution) on re-measurement of investments classified as financial assets at fair value through profit or loss	<u>2,316,563</u>	<u>(13,028,331)</u>
Net income / (loss) without unrealised appreciation / (diminution) on re-measurement of investments classified as financial assets at fair value through profit or loss and impairment loss on securities classified as 'available for sale'	<u>2,607,834</u>	<u>5,738,542</u>
	-----Number of units in '000-----	
Units outstanding as at June 30	<u>1,070,649</u>	<u>1,021,933</u>
	-----Rupees per unit-----	
Net income / (loss) with unrealised appreciation / (diminution) on re-measurement of investments classified as financial assets at fair value through profit or loss	<u>2.16</u>	<u>(12.75)</u>
Net income / (loss) without unrealised appreciation / (diminution) on re-measurement of investments classified as financial assets at fair value through profit or loss and impairment loss on securities classified as 'available for sale'	<u>2.44</u>	<u>5.62</u>

18 FINANCIAL INSTRUMENTS BY CATEGORY

	----- As at June 30, 2010 -----				
	Loans and receivables	At fair value through profit or loss	Available for sale	Held to maturity	Total
	----- Rupees in '000 -----				
Assets					
Bank balances	1,381,120	-	-	-	1,381,120
Receivable from National Investment Trust Limited - Management Company	80	-	-	-	80
Investments	-	2,515,164	26,949,809	-	29,464,973
Loans and receivables	-	-	-	-	-
Dividend and other receivables	24,483	-	-	-	24,483
Deposit with National Clearing Company of Pakistan Limited	2,500	-	-	-	2,500
	<u>1,408,183</u>	<u>2,515,164</u>	<u>26,949,809</u>	<u>-</u>	<u>30,873,156</u>

NATIONAL INVESTMENT (UNIT) TRUST NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

----- As at June 30, 2010 -----			
	Liabilities at fair value through profit or loss	Others	Total
----- Rupees in '000 -----			
Liabilities			
Short-term finances	-	250,000	250,000
Payable to National Investment Trust Limited - Management Company	-	58,920	58,920
Creditors, accrued and other liabilities	-	24,974	24,974
Unclaimed distribution	-	306,506	306,506
	<u>-</u>	<u>640,400</u>	<u>640,400</u>

----- As at June 30, 2009 -----					
	Loans and receivables	At fair value through profit or loss	Available for sale	Held to maturity	Total
----- Rupees in '000 -----					
Assets					
Bank balances	2,181,130	-	-	-	2,181,130
Receivable from selling banks	715	-	-	-	715
Receivable from National Investment Trust Limited - Management Company	368,705	-	-	-	368,705
Investments	-	3,663,955	23,445,909	-	27,109,864
Loans and receivables	-	-	-	-	-
Dividend and other receivables	432,647	-	-	-	432,647
Deposit with National Clearing Company of Pakistan Limited	2,500	-	-	-	2,500
	<u>2,985,697</u>	<u>3,663,955</u>	<u>23,445,909</u>	<u>-</u>	<u>30,095,561</u>

----- As at June 30, 2009 -----			
	Liabilities at fair value through profit or loss	Others	Total
----- Rupees in '000 -----			
Liabilities			
Short-term finances	-	1,000,000	1,000,000
Payable to National Investment Trust Limited - Management Company	-	1,113,986	1,113,986
Creditors, accrued and other liabilities	-	13,836	13,836
Unclaimed distribution	-	208,853	208,853
	<u>-</u>	<u>2,336,675</u>	<u>2,336,675</u>

NATIONAL INVESTMENT (UNIT) TRUST NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

19 TRANSACTIONS WITH CONNECTED PERSONS

- 19.1** Connected persons include National Investment Trust Limited being the Management Company, National Bank of Pakistan 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 net assets of the Fund and directors and key management personnel of the Management Company.
- 19.2** Transactions with connected persons essentially comprise sale and repurchase of units, fee on account of managing the affairs of the Fund, sales load and other charges and dividend payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.
- 19.3** Remuneration to the Management Company is determined in accordance with the provisions of the NBFC regulations and the Trust Deed.
- 19.4** The details of significant transactions carried out by the Fund with connected persons and balances with them at year end are as follows:

	2010	2009
	----- (Rupees in '000) -----	
Transactions during the period		
National Investment Trust Limited - Management Company		
46,296,825 units issued (2009: Nil units)	1,421,276	-
973 units issued under CIP (2009: 1,110)	25	47
Management participation fee	300,877	277,308
Preliminary charges and handling fee	61,775	97,450
Income on units issued under CIP	-	11,373
National Bank of Pakistan - Trustee		
Mark-up income for the year	-	9,029
140,000 shares purchased (2009: 1,468,600 shares)	9,989	157,959
1,400,000 shares sold (2009: Nil shares)	120,458	-
1,564,668 bonus shares (2009: 1,151,445 shares)	-	-
Directors and Key Management Personnel		
143,632 units issued (2009: 2,297 units)	4,200	3,550
49,918 units issued under CIP (2009: 40,882 units)	1,257	1,740
Dividends distributed	35	1,933

■ NATIONAL INVESTMENT (UNIT) TRUST NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

	2010	2009
Amount outstanding as at period end	------(Rupees in '000)-----	
National Investment Trust Limited - Management Company		
46,306,173 units held (2009: 8,375)	1,304,445	227
Receivable from management company	80	368,706
Payable to management company	58,920	1,113,986
National Bank of Pakistan - Trustee		
Bank balances	503,021	272,013
Accrued markup	-	37
7,513,341 shares held (2009: 7,208,673)	481,605	483,198
Directors and Key Management Personnel		
663,285 units held (2009: 469,735)	18,685	12,747

20 FINANCIAL RISK MANAGEMENT

The Fund's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

20.1 Market risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market prices.

The Management Company manages market risk through diversification of the investment portfolio by exposures and by following the internal guidelines established by the investment committee.

Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

20.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund, at present is not exposed to currency risk as all transactions are carried out in Pak Rupees.

20.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As the Fund has no significant interest-bearing assets, the Fund's income and operating cash flows are substantially independent of changes in market interest rates.

Yield / interest rate sensitivity position for on balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off balance sheet instruments is based on settlement date.

■ NATIONAL INVESTMENT (UNIT) TRUST NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

----- As at June 30, 2010 -----

	Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
		Upto three months	More than three months and up-to one year	More than one year		
	Percentage	----- Rupees in '000 -----				
On-balance sheet financial instruments						
Financial Assets						
Bank balances	6-11.5	874,518	-	-	506,602	1,381,120
Receivable from National Investment Trust Limited -Management Company		-	-	-	80	80
Investments		-	-	-	29,464,973	29,464,973
Loans and receivables		-	-	-	-	-
Dividend and other receivables		-	-	-	24,483	24,483
Deposit with National Clearing Company of Pakistan Limited		-	-	-	2,500	2,500
		874,518	-	-	29,998,638	30,873,156
Financial Liabilities						
Short-term finances	12.85-12.89	250,000	-	-	-	250,000
Payable to National Investment Trust Limited -Management Company		-	-	-	58,920	58,920
Creditors, accrued and other liabilities		-	-	-	24,974	24,974
Unclaimed distribution		-	-	-	306,506	306,506
		250,000	-	-	390,400	640,400
On-balance sheet gap		624,518	-	-	29,608,238	30,232,756
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap		-	-	-	-	-
Total interest rate sensitivity gap		624,518	-	-	29,608,238	30,232,756
Cumulative interest rate sensitivity gap		624,518	624,518	624,518		

----- As at June 30, 2010 -----

	Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
		Upto three months	More than three months and up-to one year	More than one year		
	Percentage	----- Rupees in '000 -----				
On-balance sheet financial instruments						
Financial Assets						
Bank balances	5-14.5	1,904,317	-	-	276,813	2,181,130
Receivable from selling banks		-	-	-	715	715
Receivable from National Investment Trust Limited -Management Company		-	-	-	368,705	368,705
Investments		-	-	-	27,109,864	27,109,864
Loans and receivables		-	-	-	-	-
Dividend and other receivables		-	-	-	432,647	432,647
Deposit with National Clearing Company of Pakistan Limited		-	-	-	2,500	2,500
		1,904,317	-	-	28,191,244	30,095,561
Financial Liabilities						
Short-term finances	14.23-14.5	1,000,000	-	-	-	1,000,000
Payable to National Investment Trust Limited -Management Company		-	-	-	1,113,986	1,113,986
Creditors, accrued and other liabilities		-	-	-	13,836	13,836
Unclaimed distribution		-	-	-	208,853	208,853
		1,000,000	-	-	1,336,675	2,336,675
On-balance sheet gap		904,317	-	-	26,854,569	27,758,886
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap		-	-	-	-	-
Total interest rate sensitivity gap		904,317	-	-	26,854,569	27,758,886
Cumulative interest rate sensitivity gap		904,317	904,317	904,317		

NATIONAL INVESTMENT (UNIT) TRUST NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

20.1.3 Price Risk

The Fund is exposed to equity price risk because of investments held by the Fund and classified on the 'Statement of Assets and Liabilities' as available for sale and at fair value through profit or loss. To manage its price risk arising from investments in equity securities, the Fund diversifies its portfolio. The NBFC Regulations also limit individual equity securities to no more than 10% of net assets, or issued capital of the investee company and sector exposure limit to 25% of net assets. However, relaxation in this regard has been obtained from the SECP.

In case of 5% increase / decrease in KSE 100 index on June 30, 2010, with all other variables held constant, net income of the Fund for the year would increase / decrease by Rs 86.061 million (June 30, 2009: Rs 97.161 million) and the net assets would increase / decrease by the same amount, as a result of gains / losses on equity securities at fair value through profit or loss. Other components of equity and net assets of the Fund would increase / decrease by Rs 977.265 million (June 30, 2009: Rs. 603.567 million) as a result of gains / (losses) on equity securities included in KSE 100 index classified as available for sale.

The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KSE 100 index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the KSE index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2010 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of KSE 100 index.

20.2 Credit risk

Credit risk represents the risk of a loss if the counter parties fail to perform as contracted. Credit risk arises from deposits with banks and financial institutions, receivable from selling banks, receivable from management company, investment in debt securities, credit exposure arising as a result of dividends receivable on equity securities and receivable against sale of investments. For banks and financial institutions, only reputed parties are accepted. Credit risk on dividends receivable is minimal due to statutory protection. All transactions in listed securities are settled / paid for upon delivery using the central clearing company. The risk of default is considered minimal due to inherent systematic measures taken therein.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. The Fund does not expect to incur material credit losses on its financial assets.

The analysis below summarises the credit quality of the Fund's financial assets as at June 30, 2010.

Bank balances by rating category	2010	2009
A1+, A -1+	<u>100.00%</u>	<u>100.00%</u>

The maximum exposure to credit risk before any credit enhancement as at June 30, 2010 is the carrying amount of the financial assets. Investments in equity securities, however, are not exposed to credit risk.

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit-worthy counterparties thereby mitigating any significant concentrations of credit risk.

20.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Fund is exposed to the daily settlement of equity securities and to daily cash redemptions, if any. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation. Its policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed of. The Fund's listed securities are considered readily realisable, as they are listed on the Karachi Stock Exchange.

NATIONAL INVESTMENT (UNIT) TRUST NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

The Fund has the ability to borrow in the short term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any significant redemptions during the year.

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

----- As at June 30, 2010 -----				
	Total	Upto three months	Over three months and upto one year	Over one year
----- Rupees '000 -----				
Liabilities				
Short-term finances	250,000	250,000	-	-
Payable to National Investment Trust Limited				
- Management Company	58,920	58,920	-	-
Creditors, accrued and other liabilities	24,974	24,974	-	-
Unclaimed distribution	306,506	306,506	-	-
	<u>640,400</u>	<u>640,400</u>	<u>-</u>	<u>-</u>
----- As at June 30, 2009 -----				
	Total	Upto three months	Over three months and upto one year	Over one year
----- Rupees '000 -----				
Liabilities				
Short-term finances	1,000,000	1,000,000	-	-
Payable to National Investment Trust Limited				
- Management Company	1,113,986	1,113,986	-	-
Creditors, accrued and other liabilities	13,836	13,836	-	-
Unclaimed distribution	208,853	208,853	-	-
	<u>2,336,675</u>	<u>2,336,675</u>	<u>-</u>	<u>-</u>

21 UNIT HOLDERS' FUND RISK MANAGEMENT

The Unit holders' fund is represented by redeemable units. They are entitled to dividends and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the 'Statement of Movement in Unit Holders' Fund'.

The Fund has no restrictions or specific capital requirements on the subscription and redemption of units.

The Fund's objectives when managing unit holders' funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns for unit holders and to maintain a strong base of assets to meet unexpected losses or opportunities.

In accordance with the risk management policies as stated in note 20, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption requests, such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

■ NATIONAL INVESTMENT (UNIT) TRUST NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

22 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the balance sheet date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from book values as the items are either short term in nature or periodically repriced.

According to the amendments to International Financial Reporting Standard 7, Financial Instruments : Disclosure - Improving disclosures about financial instruments, an entity shall classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, whether directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2) ; and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety shall be determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

Investment of the Fund carried at fair value are categorised in the level 1 category.

23 TRANSACTIONS WITH TOP TEN BROKERS / DEALERS

List of top ten brokers by percentage of commission paid for the year ended June 30, 2010

- (i) JS Global Capital Limited
- (ii) AKD Securities Limited
- (iii) Arif Habib Limited
- (iv) BMA Capital Management Limited
- (v) Cassim Investment (Pvt) Limited
- (vi) KASB Securites Limited
- (vii) Invest and Finance Securities Limited
- (viii) Al-Habib Capital Markets (Pvt) Limited
- (ix) Concordia Securities (Pvt) Limited
- (x) Amin Tai Securities (Pvt) Limited

List of top ten brokers by percentage of commission paid for the year ended June 30, 2009

- (i) JS Global Capital Limited
- (ii) Arif Habib Limited
- (iii) AKD Securities Limited
- (iv) Cassim Investment (Pvt) Limited
- (v) BMA Capital Management Limited
- (vi) KASB Securites Limited
- (vii) Global Securities Pakistan Limited
- (viii) Amin Tai Securities (Pvt) Limited
- (ix) Alfalah Securities (Pvt) Limited
- (x) Invest Capital Investment Bank Limited

NATIONAL INVESTMENT (UNIT) TRUST NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

24 PARTICULARS OF INVESTMENT COMMITTEE AND FUND MANAGER

Details of members of the investment committee of the Fund are as follow:

-----2010-----				
S. No.	Name	Designation	Qualification	Experience in years
1	Mr. Wazir Ali Khoja *	Chairman and Managing Director	B. Com	39
2	Mr. Shahid Anwar	Head of MD's Secretariat / Head of Personnel	MBA & DAIBP	33
3	Mr. Manzoor Ahmed	Senior Executive Vice President/ Chief Operating Officer	MBA, DAIBP & candidate for CFA Level III	21
4	Mr. S. Zubair Ahmed	Controller of Branches	M Phill, MBA, PGD-General Management & PGD-Development Policies	37
5	Mr. Aamir Amin	Head of Finance	CA	13

* Mr. Wazir Ali Khoja was elected as Chairman of the Investment Committee on June 4, 2010 in place of Mr. Tariq Iqbal Khan.

24.1 Mr. Manzoor Ahmed is the Manager of the Fund. Other funds beings managed by the Fund Manager are as follows:

- National Investment (Unit) Trust - LOC Holders' Fund
- NIT-State Enterprise Fund

25 ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 274th, 275th, 276th, 277th, 278th, 279th, 280th, 281st and 282nd Board meetings were held on July 06, 2009, July 20, 2009, August 10, 2009, October 12, 2009, October 27, 2009, December 21, 2009, January 20, 2010, February 13, 2010 and April 12, 2010 respectively. Information in respect of attendance by the Directors in the meetings is given below:

Name of Director	Number of meetings			Meetings not attended
	Held	Attended	Leave granted	
1 Mr. Wazir Ali Khoja*	9	0	N/A	-
2 Mr. Tariq Iqbal Khan*	9	9	0	-
3 Mr. Abdul Hamid Adamjee**	3	0	3	274th-276th meetings
4 Mian Tajammal Hussain	9	9	0	-
5 Mr. S. Ali Raza	9	9	0	-
6 Ms. Rukhsana Saleem	9	5	4	274th, 275th, 278th and 281st meeting
7 Mr. Jamal Nasim	9	9	0	-
8 Mr. Aftab Ahmad Khan	9	4	5	274th, 277th, 279th, 281st and 282nd meeting
9 Mr. Bahauddin Khan	9	8	1	274th meeting
10 Ms. Nazrat Bashir	9	9	0	-
11 Mr. Abdul Razzak Adamjee***	3	2	1	282nd meeting

* Mr. Wazir Ali Khoja has replaced Mr. Tariq Iqbal Khan with effect from on June 4, 2010

** Mr. Abdul Hamid Adamjee expired on September 29, 2009

*** Mr. Abdul Razzak Adamjee representing Adamjee Foundation was co-opted on the Board of NITL in 279th BOD meeting held on December 31, 2009

■ NATIONAL INVESTMENT (UNIT) TRUST NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

26 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, where necessary, for the purpose of comparison and better presentation. No significant rearrangements or reclassifications were made in these financial statements except as required because of the change in accounting policy as more fully explained in note 2.2.

27 NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors of the Management Company in this meeting held on July 5, 2010 approved a distribution of Rs 2.25 per unit (2009: Rs 3.25 per unit) for the year ended June 30, 2010.

28 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on 13-08-2010 by the Board of Directors of the Management Company.

29 GENERAL

29.1 Figures have been rounded off to the nearest thousand rupees unless otherwise specified.

29.2 The bifurcation of undistributed income into realised and unrealised income at the beginning and end of the year as required by the NBFC Regulations has not been disclosed as such bifurcation is not practicable.

For National Investment Trust Limited
(Management Company)

Sd/-

Managing Director

Sd/-

Director

Sd/-

Director

Sd/-

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

NATIONAL INVESTMENT (UNIT) TRUST

AS AT JUNE 30, 2010

INVESTMENTS - AT FAIR VALUE THROUGH PROFIT OR LOSS - HELD FOR TRADING

SHARES OF COMPANIES- Fully Paidup ordinary shares of Rs.10 each unless stated otherwise

Name of the Investee Company	----- Number of shares / certificates -----					Balance as at June 30, 2010		Percentage in Relation to			
	As at July 1, 2009	Purchases during the year	Bonus / Right / New Issue	Merger / Demerger effects/ Adjustments	Sales during the year	As at June 30, 2010	Carrying Value	Market value	Market value as a percentage of net assets	Market value as a percentage of total investments	Paid up capital of the investee Company
---Rupees In '000---											
OIL AND GAS											
Attock Refinery Limited	1,663,134	-	-	-	-	1,663,134	207,542	133,982	0.44	0.45	1.95
Mari Gas Company Limited	84,299	-	84,299	-	-	168,598	12,546	21,813	0.07	0.07	0.23
National Refinery Limited	405,864	-	-	-	-	405,864	89,298	74,212	0.25	0.25	0.51
Oil & Gas Development Company Limited	4,401,831	-	-	-	(4,400,000)	1,831	144	259	-	-	0.00
Pakistan Oilfields Limited	694,191	-	-	-	(650,000)	44,191	6,447	9,541	0.03	0.03	0.02
Pakistan Petroleum Limited	2,818,888	-	333,777	-	(2,250,000)	902,665	142,576	166,199	0.55	0.56	0.09
Pakistan Refinery Limited	21,616	-	-	-	-	21,616	1,941	1,698	0.01	0.01	0.06
Pakistan State Oil Company Limited	728,674	-	-	-	(600,000)	128,674	27,491	33,481	0.11	0.11	0.08
Shell Pakistan Limited	2,305	-	-	-	-	2,305	516	529	-	-	0.00
	10,820,802	-	418,076	-	(7,900,000)	3,338,878	488,501	441,714	1.46	1.48	-
CHEMICALS											
BOC Pakistan Limited	66,660	-	-	-	-	66,660	7,666	5,204	0.02	0.02	0.27
Dawood Hercules Chemicals Limited	267,718	-	26,771	-	-	294,489	34,404	51,668	0.17	0.18	0.24
Engro Corporation Limited	587,528	350,000	28,752	-	(900,000)	66,280	8,675	11,505	0.04	0.04	0.02
Fauji Fertilizer Bin Qasim Limited	1,423,090	-	-	-	(450,000)	973,090	17,214	25,339	0.08	0.09	0.10
Fauji Fertilizer Company Limited	3,698,596	-	-	-	(2,100,000)	1,598,596	138,998	164,767	0.55	0.57	0.08
ICI Pakistan Limited	328,181	-	-	-	-	328,181	46,027	38,909	0.13	0.13	0.24
Lotte Pakistan PTA Limited	3,515,471	-	-	-	(3,500,000)	15,471	44	125	-	-	0.00
Sitara Chemical Industries Limited	19,585	-	-	-	-	19,585	3,055	2,643	0.01	0.01	0.10
	9,906,829	350,000	55,523	-	(6,950,000)	3,362,352	256,083	300,160	1.00	1.04	-
FORESTRY AND PAPER											
Century Paper & Board Mills Limited	52,518	-	-	-	-	52,518	693	840	-	-	0.07
Security Papers Limited	34,812	-	-	-	-	34,812	1,741	1,497	-	0.01	0.08
	87,330	-	-	-	-	87,330	2,434	2,337	-	0.01	-
INDUSTRIAL METALS AND MINING											
Crescent Steel & Allied Products Limited	16,596	-	-	-	-	16,596	298	417	-	-	0.03
International Industries Limited	50,832	-	-	-	-	50,832	2,292	2,846	0.01	0.01	0.05
	67,428	-	-	-	-	67,428	2,590	3,263	0.01	0.01	-
CONSTRUCTION AND MATERIALS											
Al-Abbas Cement Industries Limited	788,148	-	-	-	-	788,148	5,517	2,829	0.01	0.01	0.43
Attock Cement Pakistan Limited	26,838	-	5,367	-	(32,205)	-	-	-	-	-	-
Cherat Cement Company Limited	56,488	-	-	-	-	56,488	764	521	-	-	0.06
D. G. Khan Cement Company Limited	2,582,992	-	486,597	-	(150,000)	2,919,589	81,870	68,961	0.23	0.23	0.80
Lucky Cement Limited	1,352,226	400,000	-	-	(600,000)	1,152,226	71,613	71,601	0.24	0.24	0.36
Maple Leaf Cement Factory Limited	922,806	-	-	-	-	922,806	3,931	2,870	0.01	0.01	0.25
	5,729,498	400,000	491,964	-	(782,205)	5,839,257	163,695	146,782	0.49	0.49	-
GENERAL INDUSTRIALS											
Ghani Glass Limited	1,058,498	-	105,849	-	-	1,164,347	60,334	66,368	0.22	0.23	1.20
Packages Limited	9,145	-	-	-	-	9,145	1,436	1,084	-	-	0.01
Siemens Pakistan Engineering Company Limited	34,713	-	-	-	-	34,713	35,338	36,086	0.12	0.12	4.21
Thal Limited (Rs 5 / share)	6,861	-	1,372	-	-	8,233	531	782	-	-	0.03
Tri-Pack Films Limited	484,358	-	-	-	-	484,358	48,383	47,239	0.16	0.16	1.61
	1,593,575	-	107,221	-	-	1,700,796	146,022	151,559	0.50	0.51	-
INDUSTRIAL ENGINEERING											
Al-Ghazi Tractors Limited	496	-	-	-	(496)	-	-	-	-	-	-
Dewan Farooque Motors Limited	5,418	-	-	-	(5,418)	-	-	-	-	-	-
Hinopak Motors Limited	9,152	-	-	-	-	9,152	1,405	1,192	-	-	0.07
Milat Tractors Limited	12,306	-	3,076	-	-	15,382	3,436	7,388	0.02	0.03	0.05
	27,372	-	3,076	-	(5,914)	24,534	4,841	8,580	0.02	0.03	-
AUTOMOBILE AND PARTS											
Pak Suzuki Motor Company Limited	1,090	-	-	-	-	1,090	74	86	-	-	0.00
Honda Atlas Cars (Pakistan) Limited	389,158	-	-	-	-	389,158	5,001	5,071	0.02	0.02	0.27
	390,248	-	-	-	-	390,248	5,075	5,157	0.02	0.02	-
FOOD PRODUCERS											
Habib-ADM Limited (Rs 5 / share)	119,017	-	-	-	-	119,017	1,910	1,667	0.01	0.01	0.30
Nestle Pakistan Limited	2,796	-	-	-	-	2,796	3,053	4,711	0.02	0.02	0.01
Unilever Pakistan Limited (Rs 50 / share)	589	-	-	-	-	589	1,149	2,288	0.01	0.01	0.00
Unilever Pakistan Limited - Preference Shares	123	-	-	-	-	123	237	478	-	-	0.00
Wazir All Industries Limited	102	-	-	-	(102)	-	-	-	-	-	-
	122,627	-	-	-	(102)	122,525	6,349	9,144	0.04	0.04	-
HOUSEHOLD GOODS											
Pak Elektron Limited	673,898	-	141,475	-	-	815,373	16,512	9,660	0.03	0.03	0.69
Pak Elektron - Convertible Preference Shares (loaded)	307,869	-	-	-	-	307,869	3,079	3,079	0.01	0.01	-
Pak Elektron - Non-Convertible Preference Shares (unloaded)	923,607	-	-	-	-	923,607	9,236	9,236	0.03	0.03	-
	1,905,174	-	141,475	-	-	2,046,649	28,827	21,975	0.07	0.07	-

NATIONAL INVESTMENT (UNIT) TRUST

AS AT JUNE 30, 2010

INVESTMENTS - AT FAIR VALUE THROUGH PROFIT OR LOSS - HELD FOR TRADING

SHARES OF COMPANIES- Fully Paidup ordinary shares of Rs.10 each unless stated otherwise

Name of the Investee Company	----- Number of shares / certificates -----					Balance as at June 30, 2010		Percentage in Relation to			
	As at July 1, 2009	Purchases during the year	Bonus / Right / New Issue	Merger / Demerger effects/ Adjustments	Sales during the year	As at June 30, 2010	Carrying Value	Market value	Market value as a percentage of net assets	Market value as a percentage of total investments	Paid up capital of the investee Company
---Rupees in '000---											
PERSONAL GOODS											
Azgard Nine Limited	144,303	-	-	(1)	-	144,302	3,195	1,610	0.01	0.01	0.03
Bannu Woolen Mills Limited	374,490	-	-	-	-	374,490	5,082	3,033	0.01	0.01	4.92
Blessed Textile Mills Limited	32,018	-	-	-	(32,018)	-	-	-	-	-	-
Crescent Textile Mills Limited	190,058	-	-	-	-	190,058	4,656	4,100	0.01	0.01	0.39
D.S.Industries Limited	883,102	-	-	-	-	883,102	2,729	1,925	0.01	0.01	1.47
Dewan Salman Fibre Limited	1,766,986	-	-	-	-	1,766,986	2,633	2,686	0.01	0.01	0.48
Din Textile Mills Limited	18,943	-	-	-	-	18,943	245	510	-	-	0.10
Fateh Textile Mills Limited	58,125	-	-	-	-	58,125	27,223	7,440	0.02	0.03	4.65
Gadoon Textile Mills Limited	513,399	-	-	-	-	513,399	8,225	17,938	0.06	0.06	2.19
Gartron (Industries) Limited	738	-	-	-	(738)	-	-	-	-	-	-
Gul Ahmed Textile Mills Limited	853,784	-	-	-	-	853,784	33,161	15,821	0.05	0.05	1.55
Ibrahim Fibres Limited	18,530	-	-	-	-	18,530	552	633	-	-	0.01
Kohinoor Mills Limited	1,662,229	-	-	-	-	1,662,229	8,078	5,253	0.02	0.02	3.26
Kohinoor Textile Mills Limited	71,577	-	-	-	-	71,577	316	402	-	-	0.05
Maqbool Textile Mills Limited	245,873	-	-	-	-	245,873	3,366	2,636	0.01	0.01	1.46
Mehmood Textile Mills Limited	75,128	-	37,733	-	-	112,861	5,409	5,529	0.02	0.02	0.75
Nishat (Chunian) Limited	475,236	-	237,618	-	-	712,854	6,468	11,249	0.04	0.04	0.48
Nishat (Chunian) Limited 15% Convertible Preference Shares	237,618	-	-	-	-	237,618	2,376	4,101	0.01	0.01	0.57
Nishat Mills Limited	1,830,997	-	508,948	-	(700,000)	1,639,945	63,132	70,714	0.23	0.24	0.47
Pakistan Synthetics Limited	2,656,283	-	-	-	-	2,656,283	16,150	16,177	0.05	0.05	4.74
Premium Textile Mills Limited	2,216	-	-	-	-	2,216	65	51	-	-	0.04
Rupali Polyester Limited	202,223	-	-	-	-	202,223	5,955	6,673	0.02	0.02	0.59
Saif Textile Mills Limited	46,244	-	-	-	-	46,244	185	114	-	-	0.18
Sapphire Fibers Limited	322,552	-	40,319	-	-	362,871	27,417	37,162	0.12	0.13	1.84
Sapphire Textile Mills Limited	571,112	-	-	-	-	571,112	39,407	62,194	0.21	0.21	2.84
Service Industries Limited	1,681,975	-	-	-	-	1,681,975	178,340	380,917	1.26	1.29	13.98
	14,935,739	-	824,618	(1)	(732,756)	15,027,600	444,365	658,869	2.17	2.23	-
TOBACCO											
Pakistan Tobacco Company Limited	29,714	-	-	-	-	29,714	2,165	3,091	0.01	0.01	0.01
	29,714	-	-	-	-	29,714	2,165	3,091	0.01	0.01	-
PHARMA AND BIOTECH											
Abbot Laboratories (Pakistan) Limited	77,509	-	-	-	-	77,509	6,216	7,181	0.02	0.02	0.08
Glaxosmithkline Pakistan Limited	84,253	-	-	-	-	84,253	10,094	6,836	0.02	0.02	0.05
Hignoon Laboratories Limited	98,717	-	-	-	-	98,717	3,010	2,355	0.01	0.01	0.60
	260,479	-	-	-	-	260,479	19,320	16,372	0.05	0.05	-
MEDIA											
Southern Networks Limited (Under winding up through court)	301,260	-	-	-	-	301,260	404	404	-	-	0.60
	301,260	-	-	-	-	301,260	404	404	-	-	-
TRAVEL AND LEISURE											
Pakistan International Airlines Corporation - (A)	2,410,150	-	-	-	-	2,410,150	8,002	6,628	0.02	0.02	0.11
Pakistan Services Limited	210,756	-	-	-	-	210,756	23,826	26,024	0.09	0.09	0.65
	2,620,906	-	-	-	-	2,620,906	31,828	32,652	0.11	0.11	-
FIXED LINE TELECOMMUNICATION											
Callmate Telips Telecom Limited (Under winding up through court)	83	-	-	-	-	83	0	0	-	-	0.00
Pakistan Telecommunication Company Limited	1,271,184	-	-	-	(500,000)	771,184	13,295	13,727	0.05	0.05	0.02
Telecard Limited	449,735	-	-	-	-	449,735	778	1,196	-	-	0.15
Worldcall Telecom Limited	310,591	-	-	-	-	310,591	776	904	-	-	0.04
	2,031,593	-	-	-	(500,000)	1,531,593	14,849	15,827	0.05	0.05	-
ELECTRICITY											
Karachi Electric Supply Company Limited (Rs 3.5 / share)	9,170,161	-	-	-	-	9,170,161	24,301	20,449	0.07	0.07	0.13
Karachi Electric Supply Company- Right	2,842,750	-	(2,842,750)	-	-	-	-	-	-	-	-
Kohinoor Energy Limited	660,867	-	-	-	-	660,867	19,165	17,506	0.06	0.06	0.39
Kot Addu Power Company Limited	908,329	-	-	-	(200,000)	708,329	29,934	29,566	0.10	0.10	0.08
The Hub Power Company Limited	1,303,059	-	-	-	(638,508)	664,551	18,003	21,239	0.07	0.07	0.06
	14,885,166	-	(2,842,750)	-	(838,508)	11,203,908	91,403	88,760	0.30	0.30	-
GAS WATER AND MULTIUTILITIES											
Sui Northern Gas Pipelines Limited	41,067	-	-	-	-	41,067	1,312	1,141	0.01	0.01	0.01
Sui Southern Gas Company Limited	5,546,967	-	-	-	(15,250)	5,531,717	77,444	88,010	0.29	0.30	0.82
	5,588,034	-	-	-	(15,250)	5,572,784	78,756	89,151	0.30	0.31	-
BANKS											
Allied Bank Limited	104,074	-	407	-	(100,000)	4,481	153	255	-	-	0.00
Askari Bank Limited	695,363	-	139,072	86,500	-	920,935	13,841	14,017	0.05	0.05	0.14
Bank Alfalah Limited	1,740,025	-	-	-	-	1,740,025	18,355	16,461	0.05	0.06	0.13
Bank AL-Habib Limited	3,001,811	-	600,362	-	-	3,602,173	76,516	113,468	0.38	0.39	0.49
Faysal Bank Limited	1,795,153	-	-	-	-	1,795,153	17,377	25,599	0.08	0.09	0.29

NATIONAL INVESTMENT (UNIT) TRUST

AS AT JUNE 30, 2010

INVESTMENTS - AT FAIR VALUE THROUGH PROFIT OR LOSS - HELD FOR TRADING

SHARES OF COMPANIES- Fully Paidup ordinary shares of Rs.10 each unless stated otherwise

Name of the Investee Company	----- Number of shares / certificates -----					Balance as at June 30, 2010		Percentage in Relation to			
	As at July 1, 2009	Purchases during the year	Bonus / Right / New Issue	Merger / Demerger effects/ Adjustments	Sales during the year	As at June 30, 2010	Carrying Value	Market value	Market value as a percentage of net assets	Market value as a percentage of total investments	Paid up capital of the investee Company
---Rupees in '000---											
Habib Bank Limited	95,880	-	4,588	-	(50,000)	50,468	3,948	4,908	0.02	0.02	0.01
Habib Metropolitan Bank Limited	444,588	-	71,134	-	-	515,722	11,030	12,326	0.04	0.04	0.06
JS Bank Limited	72,000	-	-	-	-	72,000	434	202	-	-	0.01
KASB Bank Limited	492	-	127	-	-	619	5	3	-	-	0.00
MCB Bank Limited	66,220	-	-	-	(66,220)	-	-	-	-	-	-
Meezan Bank Limited	121	-	-	-	(121)	-	-	-	-	-	-
National Bank of Pakistan	2,816,956	-	466,739	-	(1,400,000)	1,883,695	101,011	120,745	0.40	0.41	0.14
NIB Bank Limited	19,092,042	-	-	-	-	19,092,042	90,687	57,085	0.19	0.19	0.47
Samba Bank Limited	1,777,740	-	-	-	-	1,777,740	5,298	4,035	0.01	0.01	0.20
Silkbank Limited	2,698,371	-	8,391,934	-	-	11,090,305	35,578	30,055	0.10	0.10	1.23
Soneri Bank Limited	2,857,931	-	571,586	(1)	-	3,429,516	37,039	28,911	0.10	0.10	0.57
The Bank of Punjab	221,430	-	-	-	(221,430)	-	-	-	-	-	-
United Bank Limited	353,210	-	10,321	-	(350,000)	13,531	471	734	-	-	0.00
	37,833,407	-	10,256,270	86,499	(2,187,771)	45,988,405	411,743	428,802	1.42	1.46	-
FINANCIAL SERVICES											
Al Zamin Leasing Corporation Limited	129,420	-	-	(129,420)	-	-	-	-	-	-	-
Askari Leasing Limited	131,915	-	-	(131,915)	-	-	-	-	-	-	-
Capital Asset Leasing Corporation Limited	36	-	-	-	(36)	-	-	-	-	-	-
English Leasing Limited	707,261	-	-	-	-	707,261	1,047	566	-	-	8.84
First Dawood Investment Bank Limited	109,416	-	-	(1)	-	109,415	336	195	-	-	0.17
Invest Capital Investment Bank	-	-	-	-	6,322,138	6,322,138	9,491	5,374	0.02	0.02	2.22
JS Investments Limited	34,480	-	-	-	-	34,480	584	257	-	-	0.03
National Asset Leasing Corporation	265,013	-	-	-	-	265,013	27	27	-	-	2.78
Natover Lease & Refinance Limited	729,349	-	-	-	-	729,349	5,105	5,105	0.02	0.02	8.31
Saudi Pak Leasing Company Limited	133,185	-	-	-	-	133,185	265	96	-	-	0.29
Standard Chartered Leasing Limited	773,924	-	-	-	-	773,924	1,556	1,648	0.01	0.01	0.79
Trust Investment Bank Limited	55	-	-	-	(55)	-	-	-	-	-	-
	3,014,054	-	-	6,060,802	(91)	9,074,765	18,411	13,268	0.05	0.05	-
EQUITY INVESTMENT INSTRUMENTS											
Al Zamin Leasing Modaraba	2,312,127	-	-	(2,312,127)	-	-	-	-	-	-	-
B.F. Modaraba	416,709	-	-	18	-	416,727	708	1,542	0.01	0.01	6.10
B.R.R. Guardian Modaraba	3,006,274	-	-	-	-	3,006,274	8,117	3,878	0.01	0.01	3.85
Crescent Standard Modaraba	185,214	-	-	-	-	185,214	102	96	-	-	0.93
First AL-Noor Modaraba	1,034,440	-	-	-	-	1,034,440	3,569	3,052	0.01	0.01	4.93
First Elite Capital Modaraba	925,620	-	-	-	-	925,620	1,962	1,990	0.01	0.01	8.16
First Equity Modaraba	1,780,110	-	-	-	-	1,780,110	1,762	2,225	0.01	0.01	3.39
First Fidelity Leasing Modaraba	1,028,078	-	-	-	-	1,028,078	2,673	1,542	0.01	0.01	3.89
First I.B.L. Modaraba	1,426,774	-	-	-	-	1,426,774	7,776	3,995	0.01	0.01	7.07
First Prudential Modaraba	341,251	-	-	-	-	341,251	382	300	-	-	0.39
First Punjab Modaraba	1,168,034	-	-	-	-	1,168,034	1,986	1,297	0.01	0.01	3.43
First Tri-Star Modaraba	297,278	-	-	-	-	297,278	1,216	544	-	-	1.40
First U.D.L. Modaraba	1,714,625	-	-	-	-	1,714,625	6,018	10,116	0.03	0.03	6.50
KASB Modaraba	687,745	-	-	-	-	687,745	2,132	1,135	-	-	2.43
Modaraba Al-Mail	144,310	-	-	-	-	144,310	216	85	-	-	0.78
Pakistan Strategic Allocation Fund	1,238,865	-	-	-	-	1,238,865	4,249	8,486	0.03	0.03	0.41
PICIC Energy Fund	1,477,772	-	-	-	-	1,477,772	6,650	7,611	0.03	0.03	1.48
PICIC Growth Fund	37,442	-	-	-	-	37,442	315	347	-	-	0.01
Standard Chartered Modaraba	3,152,598	-	-	-	-	3,152,598	29,477	29,004	0.10	0.10	6.95
Unicap Modaraba	349,197	-	-	-	-	349,197	87	52	-	-	2.56
	22,724,463	-	-	(2,312,109)	-	20,412,354	79,398	77,297	0.27	0.27	-
Grand Total	134,875,698	750,000	9,455,473	3,835,191	(19,912,597)	129,003,765	2,297,060	2,515,164	8.34	8.54	-

NATIONAL INVESTMENT (UNIT) TRUST

AS AT JUNE 30, 2010

INVESTMENTS - AVAILABLE FOR SALE

SHARES OF COMPANIES- Fully Paidup ordinary shares of Rs.10 each unless stated otherwise

Name of the Investee Company	----- Number of shares / certificates / units -----						Balance as at June 30, 2010		Percentage in Relation to		
	As at July 1, 2009	Purchases during the year	Bonus / Right / New Issue	Merger / Demerger effects/ Adjustments	Sales during the year	As at June 30, 2010	Carrying Value	Market value	Market value as a percentage of net assets	Market value as a percentage of total investments	Paid up capital of the investee Company
---Rupees In '000---											
OPEN END FUNDS											
AKD Income Fund	108,691	-	-	-	-	108,691	4,926	5,293	0.02	0.02	-
Faysal Savings Growth Fund	50,624	-	-	-	-	50,624	5,000	5,220	0.02	0.02	-
First Habib Income Fund	124,994	-	-	-	-	124,994	12,315	12,812	0.04	0.04	-
HBL Income Fund	379,225	-	-	-	-	379,225	36,945	38,290	0.13	0.13	-
HBL Multi Asset Fund	750,000	-	-	-	-	750,000	75,000	72,443	0.24	0.25	-
HBL Stock Fund	264,573	-	-	-	-	264,573	26,457	24,145	0.08	0.08	-
IGI Income Fund	127,430	-	-	-	-	127,430	12,500	13,513	0.04	0.05	-
	1,805,537	-	-	-	-	1,805,537	173,143	171,716	0.57	0.59	
OIL AND GAS											
Attock Refinery Limited	4,027,598	-	-	-	-	4,027,598	241,213	324,463	1.08	1.10	4.72
Mari Gas Company Limited	1,566,707	-	1,566,707	-	-	3,133,414	155,027	405,401	1.34	1.38	4.26
National Refinery Limited	4,274,528	-	-	-	-	4,274,528	406,765	781,597	2.59	2.65	5.35
Oil & Gas Development Company Limited	3,868,472	-	-	-	(750,000)	3,118,472	159,406	441,856	1.47	1.50	0.07
Pakistan Oilfields Limited	3,167,856	544,604	-	-	(1,075,000)	2,637,460	340,271	569,428	1.89	1.93	1.11
Pakistan Petroleum Limited	1,029,118	216,393	205,823	2	-	1,451,336	148,147	267,220	0.89	0.91	0.15
Pakistan Refinery Limited	1,575,000	-	-	-	-	1,575,000	123,748	123,748	0.41	0.42	4.50
Pakistan State Oil Company Limited	12,814,137	175,000	-	-	-	12,989,137	1,156,414	3,379,773	11.21	11.47	7.57
Shell Gas LPG (Pakistan) Limited	1,534,033	-	-	-	-	1,534,033	33,779	56,974	0.19	0.19	6.81
	33,857,449	935,997	1,772,530	2	(1,825,000)	34,740,978	2,764,770	6,350,460	21.07	21.55	
CHEMICALS											
Adil Polypropylene Limited	136,201	-	-	(1)	-	136,200	-	-	-	-	2.46
Agriotech Limited	-	-	6,666,667	-	-	6,666,667	200,000	167,533	0.56	0.57	1.70
Bawany Air Products Limited	74,314	-	-	-	(74,314)	-	-	-	-	-	-
BOC Pakistan Limited	900,681	-	-	-	-	900,681	70,316	70,316	0.23	0.24	3.60
Clariant Pakistan Limited	1,552,377	-	-	-	-	1,552,377	18,444	231,863	0.77	0.79	5.69
Dawood Hercules Chemicals Limited	214,304	-	21,430	1	-	235,735	27,540	41,360	0.14	0.14	0.20
Descon Chemicals Limited (Rs 5 / share)	513,395	-	-	-	-	513,395	-	1,304	-	-	0.23
Dewan Salman Fibre Limited	4,192,737	-	-	-	-	4,192,737	5,911	6,373	0.02	0.02	1.14
Dynea Pakistan Limited (Rs 5 / share)	1,787,610	-	-	-	-	1,787,610	17,623	21,809	0.07	0.07	9.47
Engro Corporation Limited	1,262,137	767,162	201,213	1	(650,000)	1,580,513	164,704	274,345	0.91	0.93	0.48
Fatima Fertilizer Company Limited	-	-	5,299,257	-	-	5,299,257	71,540	66,400	0.22	0.23	2.65
Fauji Fertilizer Bin Qasim Limited	650,000	500,000	-	-	-	1,150,000	20,675	29,946	0.10	0.10	0.12
Fauji Fertilizer Company Limited	26,285,813	-	-	62	-	26,285,875	1,132,117	2,709,285	8.98	9.19	3.87
ICI Pakistan Limited	128,351	481,839	-	-	-	610,190	72,344	72,344	0.24	0.25	0.44
Leiner Pak Gelatine Limited	27,277	-	-	-	(1,011)	26,266	341	420	-	-	0.35
Lotte Pakistan PTA Limited	5,049,259	-	-	-	(250,000)	4,799,259	7,631	38,682	0.13	0.13	0.32
Pakistan Gum & Chemicals Limited	97,057	-	-	-	-	97,057	1,449	1,854	0.01	0.01	2.28
Polyron Limited (Under winding up through court)	147	-	-	-	-	147	-	-	-	-	0.00
Sardar Chemical Industries Limited	147,777	-	-	-	-	147,777	-	214	-	-	2.46
Sind Alkalis Limited	704,745	-	-	-	-	704,745	-	-	-	-	9.42
Sitara Chemical Industries Limited	662,495	-	-	-	-	662,495	91,909	89,390	0.30	0.30	3.25
Sitara Peroxide Limited	104,322	-	-	-	-	104,322	926	926	-	-	0.19
United Distributors Pakistan Limited	411,245	-	41,124	19	-	452,388	-	-	-	-	4.93
Wah Noble Chemicals Limited	636,624	-	-	-	-	636,624	10,157	27,553	0.09	0.09	7.07
	45,538,868	1,749,001	12,229,691	82	(975,325)	58,542,317	1,913,627	3,851,917	12.77	13.06	
FORESTRY AND PAPER											
Century Paper & Board Mills Limited	5,500,015	-	-	-	-	5,500,015	72,545	88,000	0.29	0.30	7.78
Pakistan Paper Products Limited	289,780	-	-	-	-	289,780	568	12,243	0.04	0.04	7.73
Security Papers Limited	1,800,000	-	-	-	-	1,800,000	77,382	77,382	0.26	0.26	4.37
	7,589,795	-	-	-	-	7,589,795	150,495	177,625	0.59	0.60	
INDUSTRIAL AND METAL MINING											
Crescent Steel & Allied Products Limited	3,891,245	-	-	-	-	3,891,245	66,269	97,709	0.32	0.33	6.89
Dost Steels Limited	29,656	-	-	-	(29,656)	-	-	-	-	-	-
Huffaz Seamless Pipe Industries Limited	838,398	-	523,998	-	-	1,362,396	6,759	19,823	0.07	0.07	2.46
International Industries Limited	10,464,279	-	-	-	-	10,464,279	471,834	585,895	1.94	1.99	10.47
Metropolitan Steel Corporation Limited	98,518	-	-	-	-	98,518	-	640	-	-	0.32
Quality Steel Works Limited	3,422	-	-	-	(500)	2,922	-	-	-	-	0.16
	15,325,518	-	523,998	-	(30,156)	15,819,360	544,862	704,067	2.33	2.39	
CONSTRUCTION AND MATERIALS											
Al-Abbas Cement Industries Limited	14,821	-	-	-	-	14,821	42	53	-	-	0.01
Balochistan Glass Limited	591,534	-	-	-	-	591,534	858	858	-	-	0.69
Berger Paints Pakistan Limited	278,378	-	340,048	-	-	618,426	9,760	10,909	0.04	0.04	3.40
Buxly Paints Limited	175,218	-	-	-	-	175,218	2,525	2,248	0.01	0.01	12.17
Central Forest Products Limited	147,777	-	-	-	(147,777)	-	-	-	-	-	-
Cherat Cement Company Limited	12,699,288	-	-	-	-	12,699,288	117,087	117,087	0.39	0.40	13.29
D. G. Khan Cement Company Limited	643,178	150,000	158,636	1	-	951,815	20,748	22,482	0.07	0.08	0.26
Dadex Etemit Limited	5,832	-	-	-	(5,832)	-	-	-	-	-	-
Dadabhoj Construction Technology Limited	69,085	-	-	-	-	69,085	-	-	-	-	2.97
Dewan Cement Limited	4,921,424	-	-	-	-	4,921,424	8,465	8,465	0.03	0.03	1.38
Emco Industries Limited	754,929	-	-	-	-	754,929	2,672	2,672	0.01	0.01	2.16
Fecto Cement Limited	1,570,478	-	157,047	130	-	1,727,655	10,193	10,193	0.03	0.03	3.44

NATIONAL INVESTMENT (UNIT) TRUST AS AT JUNE 30, 2010 INVESTMENTS - AVAILABLE FOR SALE

SHARES OF COMPANIES- Fully Paidup ordinary shares of Rs.10 each unless stated otherwise

Name of the Investee Company	----- Number of shares / certificates / units -----					Balance as at June 30, 2010		Percentage in Relation to			
	As at July 1, 2009	Purchases during the year	Bonus / Right / New Issue	Merger / Demerger effects/ Adjustments	Sales during the year	As at June 30, 2010	Carrying Value	Market value	Market value as a percentage of net assets	Market value as a percentage of total investments	Paid up capital of the investee Company
---Rupees In '000---											
Javedan Cement Limited	35	-	-	-	(35)	-	-	-	-	-	-
Karam Ceramics Limited	358,232	-	-	-	-	358,232	1,752	1,752	0.01	0.01	2.46
Kohat Cement Company Limited	245,503	-	-	-	-	245,503	1,620	1,620	0.01	0.01	0.19
Lafarge Pakistan Cement Limited	20,715,094	-	-	-	-	20,715,094	45,366	56,759	0.19	0.19	1.58
Lucky Cement Limited	3,537,763	1,689,055	-	-	-	5,226,818	233,560	324,788	1.08	1.10	1.62
Maple Leaf Cement Factory Limited	2,606,440	-	-	-	-	2,606,440	8,106	8,106	0.03	0.03	0.70
Mustehkam Cement Limited	678,819	-	-	-	-	678,819	5,235	9,843	0.03	0.03	4.52
Pioneer Cement Limited	1,286,444	-	-	-	-	1,286,444	8,195	8,195	0.03	0.03	0.64
Shabbir Tiles & Ceramics Limited (Rs 5 / share)	3,535,939	-	-	-	-	3,535,939	31,842	37,941	0.13	0.13	4.80
Thatta Cement Company Limited	275	-	-	-	(275)	-	-	-	-	-	-
Zeal-Pak Cement Factory Limited	486,248	-	-	-	-	486,248	-	214	-	-	0.11
	55,322,734	1,839,055	655,731	131	(153,919)	57,663,732	508,026	624,185	2.09	2.13	
GENERAL INDUSTRIALS											
Balochistan Particle Board Limited (Rs 5 / share)	781,130	-	-	-	-	781,130	-	-	-	-	26.04
Cherat Papersack Limited	241	-	-	-	(241)	-	-	-	-	-	-
Dadaboy Sack Limited	49,259	-	-	-	-	49,259	-	-	-	-	1.23
Ghani Glass Limited	654,205	-	65,421	-	-	719,626	32,756	41,019	0.14	0.14	0.74
Hashmi Can Company Limited	160,986	-	-	-	-	160,986	-	-	-	-	9.86
Merit Packaging Limited	684,145	-	-	-	-	684,145	3,169	12,315	0.04	0.04	14.42
Packages Limited	4,569,383	-	-	-	-	4,569,383	370,989	541,472	1.80	1.84	5.42
Siemens Pakistan Engineering Company Limited	983,658	-	-	-	-	983,658	1,001,364	1,022,572	3.39	3.47	11.93
Syed Match Company Limited	14,777	-	-	-	-	14,777	148	207	-	-	4.93
Thai Limited (Rs 5 / share)	1,750,638	-	350,127	168	-	2,100,933	125,958	199,463	0.66	0.68	8.21
Tri-Pack Films Limited	378,091	-	-	-	-	378,091	36,875	36,875	0.12	0.13	1.48
	10,026,513	-	415,548	168	(241)	10,441,988	1,571,259	1,853,923	6.15	6.30	
ELECTRONIC AND ELECTRICAL EQUIPMENT											
Johnson & Phillips (Pakistan) Limited	574,324	-	-	-	-	574,324	-	4,928	0.02	0.02	10.54
Pakistan Cables Limited	1,758,827	-	-	-	-	1,758,827	11,873	95,029	0.32	0.32	8.19
	2,333,151	-	-	-	-	2,333,151	11,873	99,957	0.34	0.34	
INDUSTRIAL ENGINEERING											
Bolan Castings Limited	337,439	-	67,487	180	-	405,106	4,850	14,414	0.05	0.05	4.27
Ghandhara Industries Limited	258,577	-	-	-	-	258,577	1,943	4,481	0.01	0.02	1.21
Hinopak Motors Limited	500,000	-	-	-	-	500,000	65,100	65,100	0.22	0.22	4.03
K.S.B. Pumps Company Limited	1,501,659	-	-	-	-	1,501,659	31,743	100,461	0.33	0.34	11.38
Milat Tractors Limited	312,512	-	78,128	-	-	390,640	41,848	187,628	0.62	0.64	1.33
Taxila Engineering Company Limited	206,888	-	-	-	-	206,888	-	-	-	-	4.87
	3,117,075	-	145,615	180	-	3,262,870	145,484	372,084	1.23	1.27	
INDUSTRIAL TRANSPORTATION											
Pakistan National Shipping Corporation	436,564	-	-	-	-	436,564	4,483	17,415	0.06	0.06	0.33
Pan Islamic Steamship Co Limited	1,136	-	-	-	-	1,136	-	-	-	-	0.02
	437,700	-	-	-	-	437,700	4,483	17,415	0.06	0.06	
SUPPORT SERVICES											
TRG Pakistan Limited - Class (A)	1,078,741	-	-	-	(250,000)	828,741	1,119	3,406	0.01	0.01	0.22
	1,078,741	-	-	-	(250,000)	828,741	1,119	3,406	0.01	0.01	
AUTOMOBILE AND PARTS											
Agriauto Industries Limited (Rs 5 / share)	1,304,660	-	-	-	-	1,304,660	9,755	90,022	0.30	0.31	4.53
Atlas Engineering Limited	25,164	-	-	-	(25,164)	-	-	-	-	-	-
Atlas Honda Limited	146,005	-	21,900	-	-	167,905	645	19,477	0.06	0.07	0.31
Baluchistan Wheels Limited	1,592,160	-	-	-	-	1,592,160	46,173	46,173	0.15	0.16	11.94
Bela Engineering Limited	266,145	-	-	-	-	266,145	-	-	-	-	7.83
Exide Pakistan Limited	388,992	-	-	-	-	388,992	15,429	65,502	0.22	0.22	7.20
Ghandara Nissan Limited	2,688,711	-	-	-	-	2,688,711	14,385	15,863	0.05	0.05	5.97
Ghani Automobile Industries Limited	147	-	-	-	(147)	-	-	-	-	-	-
Honda Atlas Cars (Pakistan) Limited	3,619,831	-	-	-	-	3,619,831	41,700	47,166	0.16	0.16	2.53
Indus Motor Company Limited	873,608	-	-	-	(163,500)	710,108	76,493	186,318	0.62	0.63	0.90
Pak Suzuki Motor Company Limited	2,084,415	-	-	-	-	2,084,415	141,532	165,232	0.55	0.56	2.53
Saif Nadeem Kawasaki Motors Limited	4,482	-	-	-	(4,000)	482	-	-	-	-	0.02
Taga Pakistan Limited	96,055	-	-	-	-	96,055	-	-	-	-	3.69
The General Tyre & Rubber Company of Pakistan Limited	3,765,976	-	-	-	-	3,765,976	38,225	85,864	0.28	0.29	6.30
	16,856,351	-	21,900	-	(192,811)	16,685,440	384,337	721,617	2.39	2.45	
BEVERAGES											
Shezan International Limited	1,141,177	-	-	-	-	1,141,177	70,520	126,602	0.42	0.43	19.02
	1,141,177	-	-	-	-	1,141,177	70,520	126,602	0.42	0.43	
FOOD PRODUCERS											
Adam Sugar Mills Limited	268	-	-	-	(268)	-	-	-	-	-	-
Al-Abbas Sugar Mills Limited	1,427,183	-	-	-	-	1,427,183	13,539	121,382	0.40	0.41	8.22
Al-Noor Sugar Mills Limited	2,296,656	-	-	-	-	2,296,656	-	83,897	0.28	0.28	12.37
Baba Farid Sugar Mills Limited	107	-	-	-	(107)	-	-	-	-	-	-
Bawany Sugar Mills Limited	27,523	-	-	-	(27,030)	493	-	-	-	-	0.01

NATIONAL INVESTMENT (UNIT) TRUST

AS AT JUNE 30, 2010

INVESTMENTS - AVAILABLE FOR SALE

SHARES OF COMPANIES- Fully Paidup ordinary shares of Rs.10 each unless stated otherwise

Name of the Investee Company	----- Number of shares / certificates / units -----					Balance as at June 30, 2010		Percentage in Relation to			
	As at July 1, 2009	Purchases during the year	Bonus / Right / New Issue	Merger / Demerger effects/ Adjustments	Sales during the year	As at June 30, 2010	Carrying Value	Market value	Market value as a percentage of net assets	Market value as a percentage of total investments	Paid up capital of the investee Company
---Rupees In '000---											
Chashma Sugar Mills Limited	942,227	-	-	-	-	942,227	3,062	8,480	0.03	0.03	3.28
Colony Sugar Mills Limited	335,682	-	-	-	-	335,682	-	1,423	-	-	0.34
Crescent Sugar Mills & Distillery Limited	1,048,579	-	-	-	-	1,048,579	5,505	6,187	0.02	0.02	4.91
Data Agro Limited	98,518	-	-	-	-	98,518	-	-	-	-	2.46
Dewan Sugar Mills Limited	2,415,432	-	-	-	-	2,415,432	4,058	4,058	0.01	0.01	6.62
Faran Sugar Mills Limited	2,668,982	-	-	-	-	2,668,982	36,797	39,367	0.13	0.13	12.33
Fazal Vegetable Ghee Mills Limited	42,005	-	-	-	-	42,005	-	-	-	-	2.10
Habib Sugar Mills Limited (Rs 5 / share)	8,283,681	-	2,070,920	-	-	10,354,601	40,933	241,366	0.80	0.82	17.26
Husein Sugar Mills Limited	1,282	-	-	-	(1,282)	-	-	-	-	-	-
Kohinoor Sugar Mills Limited	719,955	-	-	-	-	719,955	2,160	2,160	0.01	0.01	6.60
Mian Muhammed Sugar Mills Limited	172,406	-	-	-	-	172,406	-	-	-	-	1.17
Mirpurkhas Sugar Mills Limited	819,932	-	81,993	-	-	901,925	-	43,653	0.14	0.15	12.83
Mirza Sugar Mills Limited	49	-	-	-	(49)	-	-	-	-	-	-
Mitchell'S Fruit Farms Limited	562,203	-	-	-	-	562,203	31,373	30,471	0.10	0.10	11.15
Morafco Industries Limited	57,409	-	-	-	-	57,409	-	-	-	-	10.10
Mubarak Dairies Limited	55,416	-	-	-	(55,000)	416	-	-	-	-	0.01
Nestle Pakistan Limited	98,000	-	-	-	-	98,000	107,014	165,130	0.55	0.56	0.22
Noon Sugar Mills Limited	20,274	-	2,027	2,898	(22,301)	2,898	-	32	-	-	0.02
Pak Ghee Industries Limited	58,618	-	-	-	-	58,618	-	-	-	-	2.66
Pangrio Sugar Mills Limited	779,820	-	-	-	-	779,820	-	-	-	-	7.19
Punjab Oil Mills Limited	292,999	-	73,251	(2)	-	366,248	3,222	13,306	0.04	0.05	9.57
Saleem Sugar Mills Limited	8,761	-	-	-	-	8,761	-	-	-	-	0.40
Saleem Sugar Mills Limited 6 % Preference shares (Rs 100/ share)	198	-	-	-	-	198	-	-	-	-	0.78
Sanghar Sugar Mills Limited	1,063,616	-	-	-	-	1,063,616	-	-	-	-	8.90
Shahmurad Sugar Mills Limited	2,417,910	-	-	-	-	2,417,910	-	-	-	-	11.45
Shahaj Sugar Mills Limited	801,695	-	-	-	-	801,695	13,394	52,279	0.17	0.18	6.21
Shakarganj Mills Limited	7,194,553	-	-	-	-	7,194,553	27,339	27,339	0.09	0.09	10.35
Suraj Ghee Industries Limited	54,324	-	-	-	-	54,324	-	-	-	-	5.67
Tandlianwala Sugar Mills Limited	35,220	-	-	-	(35,220)	-	-	-	-	-	-
The Premier Sugar Mills & Distillery Company Limited	73,463	-	-	-	-	73,463	3,047	2,718	0.01	0.01	1.96
Unilever Pakistan Limited (Rs 50 / share)	111,000	-	-	-	-	111,000	200,657	431,235	1.43	1.46	0.17
Uqab Breeding Farms Limited	139,748	-	-	-	-	139,748	-	-	-	-	5.27
35,125,694	-	2,228,191	2,896	(141,257)	37,215,524	492,100	1,274,483	4.21	4.31		
HOUSEHOLD GOODS											
Al-Abid Silk Mills Limited	954,306	-	-	-	-	954,306	19,630	27,198	0.09	0.09	9.96
Casspak Industries Limited	54,184	-	-	-	-	54,184	-	-	-	-	2.46
Nakshbandi Industries Limited	115,407	-	-	-	-	115,407	863	1,414	0.01	-	0.15
Pak Elektron Limited	6,522,044	-	1,369,629	4,883	-	7,896,556	93,574	93,574	0.31	0.32	6.72
Regal Ceramics Limited	89,947	-	-	-	-	89,947	-	-	-	-	1.23
Singer Pakistan Limited	9	-	-	6	(9)	6	-	-	-	-	0.00
Turbo Tec Limited	170,879	-	-	-	-	170,879	-	-	-	-	1.71
7,906,776	-	1,369,629	4,889	(9)	9,281,285	114,067	122,186	0.41	0.41		
LEISURE GOODS											
Grays Of Cambridge (Pakistan) Limited	70,202	-	245,707	-	-	315,909	4,072	18,844	0.06	0.06	4.30
70,202	-	245,707	-	-	315,909	4,072	18,844	0.06	0.06		
PERSONAL GOODS											
(Colony) Sarhad Textile Mills Limited	328,879	-	-	-	-	328,879	-	197	-	-	8.22
Accord Textile Limited	458,109	-	-	-	-	458,109	-	-	-	-	4.93
Adil Textile Mills Limited	93,592	-	-	-	-	93,592	-	833	-	-	1.21
Ahmad Hassan Textile Mills Limited	913,009	-	-	-	-	913,009	10,966	22,643	0.08	0.08	6.34
Alif Textile Mills Limited	320,085	-	-	-	-	320,085	-	-	-	-	8.21
Allawasaya Textile & Finishing Mills Limited	49	-	-	-	(2)	47	4	5	-	-	0.01
Al-Qaim Textile Mills Limited	358,753	-	-	-	-	358,753	-	-	-	-	4.81
Amzai Textile Mills Limited	20,299	-	-	-	(20,000)	299	-	-	-	-	0.01
Amtext Limited	-	-	2,400,000	-	-	2,400,000	31,200	27,696	0.09	0.09	0.99
Apex Fabrics Limited	284,101	-	-	-	-	284,101	-	-	-	-	4.93
Arj Garment Accessories Limited	67,780	-	-	-	(26,011)	41,769	219	271	-	-	0.68
Asim Textile Mills Limited	1,142,712	-	-	-	-	1,142,712	-	-	-	-	7.53
Awan Textile Mills Limited	213,390	-	-	-	-	213,390	-	-	-	-	2.46
Ayaz Textile Mills Limited	210,188	-	-	-	-	210,188	-	-	-	-	2.46
Azam Textile Mills Limited	620,655	-	-	-	-	620,655	-	-	-	-	4.68
Azgard Nine Limited	1,064,053	-	-	2	-	1,064,055	11,875	11,875	0.04	0.04	0.24
Babri Cotton Mills Limited	70,006	-	-	-	-	70,006	392	916	-	-	2.42
Bahawalpur Textile Mills Limited	64,258	-	-	(8)	-	64,250	-	-	-	-	6.43
Bata Pakistan Limited	1,090,234	-	-	-	-	1,090,234	58,348	634,211	2.10	2.15	14.42
Blessed Textile Mills Limited	23,152	-	-	-	(10,000)	13,152	369	500	-	-	0.20
Brothers Textile Mills Limited	617,961	-	-	-	-	617,961	-	-	-	-	6.31
Chakwal Spinning Mills Limited	754,008	-	-	-	-	754,008	-	-	-	-	1.89
Colony Mills Limited	1,521,599	-	-	-	-	1,521,599	2,736	6,086	0.02	0.02	0.62
Crescent Fibres Limited	852,681	-	-	-	-	852,681	-	7,035	0.02	0.02	6.87
Crescent Jute Products Limited	1,488,808	-	-	-	-	1,488,808	-	-	-	-	6.27
Crescent Spinning Mills Limited	727,080	-	-	-	-	727,080	-	-	-	-	4.80

NATIONAL INVESTMENT (UNIT) TRUST

AS AT JUNE 30, 2010

INVESTMENTS - AVAILABLE FOR SALE

SHARES OF COMPANIES- Fully Paidup ordinary shares of Rs.10 each unless stated otherwise

Name of the Investee Company	----- Number of shares / certificates / units -----						Balance as at June 30, 2010		Percentage in Relation to		
	As at July 1, 2009	Purchases during the year	Bonus / Right / New Issue	Merger / Demerger effects/ Adjustments	Sales during the year	As at June 30, 2010	Carrying Value	Market value	Market value as a percentage of net assets	Market value as a percentage of total investments	Paid up capital of the investee Company
---Rupees In '000---											
Crescent Textile Mills Limited	1,870,010	-	-	-	-	1,870,010	40,336	40,336	0.13	0.14	3.80
D. M. Textile Mills Limited	336,614	-	-	-	-	336,614	606	606	-	-	11.03
D.S.Industries Limited	44,780	-	-	-	-	44,780	98	98	-	-	0.07
Dar-es-Salaam Textile Mills Limited	266,787	-	-	-	-	266,787	587	587	-	-	2.69
Data Textiles Limited	618,595	-	-	-	-	618,595	-	-	-	-	6.24
Dawood Lawrencepur Limited	234,769	-	-	(1)	-	234,768	6,004	10,776	0.04	0.04	4.46
Dewan Khalid Textile Mills Limited	279,486	-	-	-	-	279,486	307	307	-	-	4.92
Dewan Mushtaq Textile Mills Limited	240,424	-	-	-	-	240,424	481	481	-	-	7.00
Din Textile Mills Limited	281,239	-	-	-	-	281,239	3,847	7,565	0.03	0.03	1.52
Elcoat Spinning Mills Limited	706,880	-	-	-	-	706,880	7,509	15,127	0.05	0.05	6.46
Faisal Spinning Mills Limited	1,527	-	-	-	(1,527)	-	-	-	-	-	-
Fateh Industries Limited	23,062	-	-	-	-	23,062	-	-	-	-	1.15
Fateh Sports Wear Limited	45,219	-	-	-	-	45,219	-	-	-	-	3.62
Fateh Textile Mills Limited	35,925	-	-	-	-	35,925	4,598	4,598	0.02	0.02	2.87
Fatima Enterprises Limited	628,671	-	-	-	-	628,671	5,468	6,601	0.02	0.02	4.42
Fazal Cloth Mills Limited	1,105,611	-	-	-	-	1,105,611	13,415	50,858	0.17	0.17	5.89
Fazal Textile Mills Limited	67,755	-	-	-	-	67,755	1,232	22,504	0.07	0.08	1.10
Gadoon Textile Mills Limited	1,335,356	-	-	-	-	1,335,356	21,392	46,657	0.15	0.16	5.70
Ghulam Muhammad Dadabhoj Pudable	49,259	-	-	-	-	49,259	-	-	-	-	0.99
Globe Textile Mills Limited	65,972	-	-	-	-	65,972	346	792	-	-	0.40
Gul Ahmed Textile Mills Limited	527,681	-	-	-	-	527,681	9,778	9,778	0.03	0.03	0.96
Gulistan Spinning Mills Limited	265,532	-	26,553	-	-	292,085	1,129	1,633	0.01	0.01	1.99
Gulistan Textile Mills Limited	667,834	-	66,783	-	-	734,617	6,011	15,912	0.05	0.05	3.87
Gulshan Spinning Mills Limited	911,590	-	91,159	55	-	1,002,804	4,558	6,909	0.02	0.02	5.41
Hafiz Textile Mills Limited	7,585	-	-	-	(7,500)	85	-	1	-	-	0.01
Haji Mohammed Ismail Mills Limited	147	-	-	-	(147)	-	-	-	-	-	-
Hajra Textile Mills Limited	518,063	-	-	-	-	518,063	-	-	-	-	3.77
Hakim Textile Mills Limited	257,368	-	-	-	-	257,368	-	-	-	-	4.77
Harum Textile Mills Limited	58,248	-	-	-	-	58,248	-	-	-	-	0.62
I.C.C. Textiles Limited	164,870	-	-	-	-	164,870	193	193	-	-	1.65
Ibrahim Fibres Limited	1,800,000	-	-	-	-	1,800,000	53,658	61,524	0.20	0.21	0.58
Ideal Spinning Mills Limited	658,396	-	-	-	-	658,396	922	1,962	0.01	0.01	6.64
Indus Dyeing & Manufacturing Company Limited	525,295	-	-	-	-	525,295	5,510	109,787	0.36	0.37	2.91
Indus Polyester Company Limited (Under voluntary winding up)	4	-	-	-	-	4	-	-	-	-	0.00
International Knitwear Limited	110,832	-	8,312	-	-	119,144	-	970	-	-	3.69
Ishaq Textile Mills Limited	443,946	-	-	-	-	443,946	919	919	-	-	4.60
Itti Textile Mills Limited	163,151	-	-	-	-	163,151	-	-	-	-	2.46
J. A. Textile Mills Limited	677,361	-	-	-	-	677,361	-	-	-	-	5.38
J. K. Spinning Mills Limited	324,568	-	-	-	-	324,568	373	1,837	0.01	0.01	4.64
Jubilee Spinning & Weaving Mills Limited	130	-	-	-	(130)	-	-	-	-	-	-
Junaid Cotton Mills Limited	37,436	-	-	-	-	37,436	-	-	-	-	1.50
Kaiser Arts & Krafts Mills Limited	36,944	-	-	-	-	36,944	-	-	-	-	0.43
Karim Cotton Mills Limited	110,562	-	-	-	-	110,562	-	-	-	-	9.34
Karim Silk Mills Limited	19,223	-	-	-	-	19,223	-	-	-	-	1.97
Khalid Siraj Textile Mills Limited	700,498	-	-	-	-	700,498	-	-	-	-	6.55
Kohat Textile Mills Limited	38,569	-	-	-	(38,569)	-	-	-	-	-	-
Kohinoor Industries Limited	334,468	-	-	-	-	334,468	-	465	-	-	1.10
Kohinoor Looms Limited	169,648	-	-	-	-	169,648	-	-	-	-	1.57
Kohinoor Mills Limited	2,859,830	-	-	-	-	2,859,830	9,037	9,037	0.03	0.03	5.62
Kohinoor Spinning Mills Limited	602,327	-	-	-	-	602,327	-	-	-	-	0.46
Kohinoor Textile Mills Limited	3,161,234	-	-	-	-	3,161,234	13,972	17,766	0.06	0.06	2.17
Landmark Spinning Industries Limited	447,937	-	-	-	-	447,937	-	-	-	-	3.69
Maqbool Textile Mills Limited	1,420,216	-	-	-	-	1,420,216	14,849	15,225	0.05	0.05	8.45
Masood Textile Mills Limited	1,012,914	-	1,012,914	-	-	2,025,828	37,288	38,896	0.13	0.13	3.38
Mehr Dastgir Textile Mills Limited	49,259	-	-	-	(49,000)	259	-	-	-	-	0.00
Mehran Jute Mills Limited	121,543	-	-	-	-	121,543	-	-	-	-	3.96
Mian Textile Industries Limited	736,078	-	-	-	-	736,078	221	405	-	-	3.33
Moonlite (Pak) Limited	115,477	-	-	-	-	115,477	635	635	-	-	5.35
Muhammad Farooq Textile Mills Limited	1,860,277	-	-	-	-	1,860,277	2,214	2,214	0.01	0.01	9.85
Nagina Cotton Mills Limited	2,546	-	-	-	(2,546)	-	-	-	-	-	-
Nakshbandi Industries Limited - Right	65,781	-	(65,781)	-	-	-	-	-	-	-	-
Nishat (Chunian) Limited	2,479,243	-	1,242,238	54	-	3,721,535	33,769	58,726	0.19	0.20	2.50
Nishat (Chunian) Limited - Convertible Preference Shares	1,239,757	-	-	-	-	1,239,757	12,398	21,398	0.07	0.07	3.00
Nishat Mills Limited	5,034,661	357,140	2,265,598	1	-	7,657,400	225,530	330,187	1.09	1.12	2.18
Norrie Textile Mills Limited	136,500	-	-	-	-	136,500	-	-	-	-	2.81
Olympia Spinning & Weaving Mills Limited	42,855	-	-	-	(42,855)	-	-	-	-	-	-
Olympia Textile Mills Limited	358,359	-	-	-	-	358,359	-	-	-	-	3.32
Paramount Spinning Mills Limited	1,612,535	-	161,253	9	-	1,773,797	11,288	13,303	0.04	0.05	11.24
Premium Textile Mills Limited	807,307	-	-	-	-	807,307	8,803	18,649	0.06	0.06	13.10
Prosperity Weaving Mills Limited	1,083	-	-	-	(1,083)	-	-	-	-	-	-
Qayyum Spinning Mills Limited	73,149	-	-	-	(73,000)	149	-	-	-	-	0.00
Quetta Textile Mills Limited	19,005	-	-	-	(19,005)	-	-	-	-	-	-
Quetta Textile Mills Limited - Right	60,055	-	(60,055)	-	-	-	-	-	-	-	-
Ravi Textile Mills Limited	346,636	-	-	-	-	346,636	-	-	-	-	1.39
Redco Textiles Limited	786,569	-	-	-	-	786,569	-	-	-	-	3.69
Reliance Cotton Spinning Mills Limited	465,638	-	-	-	-	465,638	3,824	9,224	0.03	0.03	4.52
Reliance Weaving Mills Limited	592,645	-	-	-	-	592,645	2,074	5,334	0.02	0.02	1.92

NATIONAL INVESTMENT (UNIT) TRUST

AS AT JUNE 30, 2010

INVESTMENTS - AVAILABLE FOR SALE

SHARES OF COMPANIES- Fully Paidup ordinary shares of Rs.10 each unless stated otherwise

Name of the Investee Company	----- Number of shares / certificates / units -----					Balance as at June 30, 2010		Percentage in Relation to			
	As at July 1, 2009	Purchases during the year	Bonus / Right / New Issue	Merger / Demerger effects/ Adjustments	Sales during the year	As at June 30, 2010	Carrying Value	Market value	Market value as a percentage of net assets	Market value as a percentage of total investments	Paid up capital of the investee Company
---Rupees In '000---											
Resham Textile Industries Limited	212,405	-	-	-	(212,405)	-	-	-	-	-	-
Ruby Textile Mills Limited	610,664	-	-	-	-	610,664	-	-	-	-	1.56
Ruppali Polyester Limited	1,400,000	-	-	-	-	1,400,000	45,622	46,200	0.15	0.16	4.11
Sadoun Textile Mills Limited	985	-	-	-	-	985	-	-	-	-	0.03
Saif Textile Mills Limited	1,965,871	-	-	-	-	1,965,871	4,856	4,856	0.02	0.02	7.44
Saitex Spinning Mills Limited	358,212	-	-	-	-	358,212	-	-	-	-	4.84
Sajjad Textile Mills Limited	316,932	-	-	-	-	316,932	-	-	-	-	1.49
Saifi Textile Mills Limited	104,645	-	-	-	-	104,645	956	1,789	0.01	0.01	3.13
Sally Textile Mills Limited	348,279	-	-	-	-	348,279	-	1,174	-	-	3.97
Salman Noman Enterprises Limited	292,746	-	-	-	-	292,746	-	527	-	-	7.36
Samin Textiles Limited	139,945	-	-	-	-	139,945	789	789	-	-	1.05
Sana Industries Limited	270,721	-	-	-	-	270,721	3,925	8,390	0.03	0.03	4.92
Sapphire Fibers Limited	199,354	-	24,919	162	-	224,435	16,945	22,984	0.08	0.08	1.14
Sapphire Textile Mills Limited	352,976	-	-	-	-	352,976	24,355	38,439	0.13	0.13	1.76
Sargoda Spinning Mills Limited	588,202	-	-	-	-	588,202	-	588	-	-	1.89
Saritow Spinning Mills Limited	648,933	-	-	-	-	648,933	-	-	-	-	4.89
Schon Textiles Limited	258,610	-	-	-	-	258,610	-	-	-	-	2.16
Service Textile	162,908	-	-	-	-	162,908	-	-	-	-	3.66
Service Fabrics Limited	1,349,180	-	-	-	-	1,349,180	-	-	-	-	8.56
Shadab Textile Mills Limited	94,207	-	-	-	-	94,207	-	-	-	-	3.14
Shaheen Cotton Mills Limited	217	-	-	-	(217)	-	-	-	-	-	-
Shahpur Textile Mills Limited	890,850	-	-	-	-	890,850	-	-	-	-	6.37
Shahtaj Textile Mills Limited	475,726	-	-	-	-	475,726	4,370	7,136	0.02	0.02	4.92
Shahzad Textile Mills Limited	2,610	-	-	-	(2,610)	-	-	-	-	-	-
Shams Textile Mills Limited	1,211,998	-	-	-	-	1,211,998	6,908	19,525	0.06	0.07	14.03
Siftaq International Limited	108,222	-	-	-	-	108,222	-	-	-	-	3.59
Sind Fine Textile Mills Limited	78,011	-	-	-	-	78,011	-	-	-	-	2.28
Sunrays Textile Mills Limited	271,565	-	-	-	-	271,565	2,741	8,508	0.03	0.03	3.94
Sunshine Cotton Mills Limited	426,521	-	-	-	-	426,521	-	-	-	-	5.43
Suraj Cotton Mills Limited	389,555	-	-	-	-	389,555	4,947	12,275	0.04	0.04	2.16
Taj Textile Mills Limited	1,409,947	-	-	-	-	1,409,947	-	634	-	-	4.22
Tariq Cotton Mills Limited	43,101	-	-	(1)	-	43,100	-	-	-	-	6.16
Tata Textile Mills Limited	2,094,285	-	-	-	-	2,094,285	18,725	29,341	0.10	0.10	12.09
Tawakkal Garments Industries Limited	118,664	-	-	-	-	118,664	-	-	-	-	0.98
Tawakkal Limited	113,264	-	-	-	-	113,264	-	-	-	-	0.81
Treet Corporation Limited	355,064	-	3,195,576	-	-	3,550,640	8,280	147,210	0.49	0.50	8.49
Tri-Star Polyester Limited	629,772	-	-	-	-	629,772	-	-	-	-	2.93
United Brands Limited	8,016	-	-	-	(8,016)	-	-	-	-	-	-
Yousuf Weaving Mills Limited	1,188,621	-	-	-	-	1,188,621	1,248	1,724	0.01	0.01	2.97
Zahur Cotton Mills Limited	485,694	-	-	-	-	485,694	-	-	-	-	4.93
Zahur Textile Mills Limited	412,147	-	-	-	-	412,147	-	-	-	-	0.55
Zil Limited	309,872	-	30,987	-	-	340,859	4,866	13,679	0.05	0.05	6.40
78,284,244	357,140	10,400,456	273	(514,623)	88,527,490	830,821	2,038,818	6.72	6.90		
TOBACCO											
Pakistan Tobacco Company Limited	1,807,339	-	-	-	-	1,807,339	131,665	187,981	0.62	0.64	0.71
1,807,339	-	-	-	-	1,807,339	131,665	187,981	0.62	0.64		
HEALTH CARE EQUIPMENT AND SERVICES											
Medi Glass Limited	295,554	-	-	-	-	295,554	-	-	-	-	3.89
295,554	-	-	-	-	295,554	-	-	-	-	-	
PHARMA AND BIOTECH											
Abbot Laboratories (Pakistan) Limited	2,593,029	-	-	-	-	2,593,029	207,961	240,244	0.80	0.82	2.65
Ferozsons Laboratories Limited	988,514	-	197,702	-	-	1,186,216	1,878	123,082	0.41	0.42	5.69
Glaxosmithkline Pakistan Limited	6,335,730	-	-	-	-	6,335,730	481,136	514,081	1.70	1.74	3.71
Highnoon Laboratories Limited	320,625	-	-	-	-	320,625	3,639	7,650	0.03	0.03	1.94
IBL Health Care Limited	295,437	-	-	-	-	295,437	-	2,068	0.01	0.01	1.48
Otsuka Pakistan Limited	105,217	-	-	-	-	105,217	1,617	3,572	0.01	0.01	1.05
Sanofi Aventis (Pakistan) Limited	229,461	-	-	-	-	229,461	21,056	28,017	0.09	0.10	2.38
Searle Pakistan Limited	786,713	-	118,006	30	-	904,749	21,204	53,380	0.18	0.18	2.95
Wyeth Pakistan Limited (Rs 100 / share)	111,574	-	-	-	-	111,574	43,914	117,065	0.39	0.40	0.78
11,766,300	-	315,708	30	-	12,082,038	782,405	1,089,159	3.62	3.71		
MEDIA											
Eye Television Network Limited	9,159	-	-	-	-	9,159	258	213	-	-	0.02
9,159	-	-	-	-	9,159	258	213	-	-	-	
TRAVEL AND LEISURE											
Pakistan Services Limited	893,795	-	-	-	-	893,795	101,044	110,366	0.37	0.37	2.75
893,795	-	-	-	-	893,795	101,044	110,366	0.37	0.37		
FIXED LINE TELECOMMUNICATION											
Pak Datacom Limited	143,119	-	-	-	-	143,119	2,538	16,026	0.05	0.05	1.83
Pakistan Telecommunication Company Limited	6,099,384	1,275,000	-	-	-	7,374,384	130,363	131,264	0.44	0.45	0.20
Wateen Telecom Limited	-	-	3,500,000	-	-	3,500,000	21,805	21,805	0.07	0.07	0.57
6,242,503	1,275,000	3,500,000	-	-	11,017,503	154,706	169,095	0.56	0.57		

NATIONAL INVESTMENT (UNIT) TRUST

AS AT JUNE 30, 2010

INVESTMENTS - AVAILABLE FOR SALE

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---Rupees In '000---											
ELECTRICITY											
Karachi Electric Supply Company Limited (Rs 3.5 / share)	5,667,614	-	-	-	-	5,667,614	11,732	12,639	0.04	0.04	0.08
Karachi Electric Supply Company- Right	1,756,960	-	(1,756,960)	-	-	-	-	-	-	-	-
Kohinoor Energy Limited	410,390	-	-	-	-	410,390	7,900	10,871	0.04	0.04	0.24
Kohinoor Power Company Limited	290,160	-	-	-	-	290,160	1,613	1,613	0.01	0.01	2.30
Kot Addu Power Company Limited	1,231,503	-	-	-	-	1,231,503	38,867	51,403	0.17	0.17	0.14
Nisbat Chunnian Power Limited	-	-	3,000,000	-	-	3,000,000	30,000	29,820	0.10	0.10	0.82
S. G. Power Limited	323,376	-	-	-	-	323,376	233	272	-	-	1.81
Sitara Energy Limited	256,117	-	-	-	-	256,117	5,007	5,250	0.02	0.02	1.34
The Hub Power Company Limited	14,710,605	-	-	-	-	14,710,605	207,273	470,151	1.56	1.60	1.27
	24,646,725	-	1,243,040	-	-	25,889,765	302,625	582,019	1.94	1.98	†
GAS WATER AND MULTIUTILITIES											
Sui Northern Gas Pipelines Limited	16,894,303	-	-	-	-	16,894,303	109,283	469,493	1.56	1.59	3.08
Sui Southern Gas Company Limited	10,069,822	-	-	-	-	10,069,822	105,835	160,211	0.53	0.54	1.50
	26,964,125	-	-	-	-	26,964,125	215,118	629,704	2.09	2.13	†
BANKS											
Allied Bank Limited	1,856,827	-	144,580	-	(411,026)	1,590,381	41,166	90,572	0.30	0.31	0.20
Arif Habib Bank Limited	842,013	-	-	-	-	842,013	3,023	3,023	0.01	0.01	0.17
Askari Bank Limited	17,752,222	-	3,550,661	794,703	-	22,097,586	223,815	336,325	1.12	1.14	3.44
Atlas Bank Limited	16,766,336	-	-	-	-	16,766,336	37,557	37,557	0.12	0.13	3.35
Bank AL-Habib Limited	52,478,431	-	10,495,686	200	-	62,974,317	1,023,633	1,983,691	6.58	6.73	8.60
Bank Islami Pakistan Limited	599,368	-	-	-	-	599,368	1,924	1,924	0.01	0.01	0.11
Faysal Bank Limited	8,721,255	-	-	43	-	8,721,298	84,421	124,366	0.41	0.42	1.43
Habib Bank Limited	1,088,938	-	98,893	-	(339,985)	847,846	48,083	82,453	0.27	0.28	0.08
Habib Metropolitan Bank Limited	50,152,164	-	8,024,448	1,472	-	58,178,084	1,056,392	1,390,456	4.61	4.72	6.66
JS Bank Limited	21,025,241	-	-	-	-	21,025,241	59,081	59,081	0.20	0.20	3.43
KASB Bank Limited	1,457,776	-	379,021	-	-	1,836,797	7,476	7,476	0.02	0.03	0.19
MCB Bank Limited	-	345,414	-	-	-	345,414	67,490	67,076	0.22	0.23	0.05
Mybank Limited	110	-	-	-	(110)	-	-	-	-	-	-
National Bank of Pakistan	4,391,717	140,000	1,097,929	-	-	5,629,646	200,955	360,860	1.20	1.22	0.42
NIB Bank Limited	10,608,990	-	-	-	-	10,608,990	31,721	31,721	0.11	0.11	0.26
Samba Bank Limited	10,452,500	-	-	-	-	10,452,500	23,727	23,727	0.08	0.08	1.19
Silkbank Limited	3,047,384	-	9,477,364	129	-	12,524,877	33,942	33,942	0.11	0.12	1.39
Soneri Bank Limited	57,298,108	-	11,459,621	1	-	68,757,730	579,628	579,628	1.92	1.97	11.42
United Bank Limited	980,122	250,000	98,012	-	(100,000)	1,228,134	43,605	66,577	0.22	0.23	0.10
	259,519,502	735,414	44,826,215	796,548	(851,121)	305,026,558	3,567,639	5,280,455	17.51	17.94	†
NON LIFE INSURANCE											
Union Insurance Company of Pakistan Limited	306	-	-	-	-	306	-	8	-	-	-
	306	-	-	-	-	306	-	8	-	-	†
REAL ESTATE INVESTMENT AND SERVICES											
Pace (Pakistan) Limited	525,716	-	-	-	-	525,716	1,877	1,877	0.01	0.01	0.19
	525,716	-	-	-	-	525,716	1,877	1,877	0.01	0.01	†
FINANCIAL SERVICES											
Al Zamin Leasing Corporation Limited	1,898,388	-	-	(1,898,388)	-	-	-	-	-	-	-
Arif Habib Investments Limited	143,589	-	-	-	-	143,589	2,780	2,780	0.01	0.01	0.48
Arif Habib Limited	35,268	-	8,817	-	-	44,085	1,940	1,940	0.01	0.01	0.12
Arif Habib Securities Limited	1,101,895	-	-	-	-	1,101,895	30,456	36,594	0.12	0.12	0.29
Askari Leasing Limited	1,207,530	-	-	(1,207,530)	-	-	-	-	-	-	-
Dadaboy Leasing Limited	370,674	-	-	-	-	370,674	-	-	-	-	4.93
Dawood Capital Management Limited	663,832	-	-	-	-	663,832	1,321	1,321	0.01	0.01	4.43
Dawood Equities Limited	2,306	-	-	-	(2,306)	-	-	-	-	-	-
First Capital Securities Corporation Limited	3,177,518	-	476,627	-	-	3,654,145	7,281	17,284	0.06	0.06	1.27
First Dawood Investment Bank Limited	2,626,148	-	-	1	-	2,626,149	4,675	4,675	0.02	0.02	4.19
First National Equities Limited	65,227	-	-	-	-	65,227	525	762	-	-	-
IGI Investment Bank Limited	7,682,579	-	-	-	-	7,682,579	16,441	16,441	0.05	0.06	3.62
Invest Capital Investment Bank Limited	-	-	-	8,271,554	-	8,271,554	7,031	7,031	0.02	0.02	2.90
Invest & Finance Securities Limited	695	-	-	-	(695)	-	-	-	-	-	-
Investec Securities Limited	98,518	-	-	-	-	98,518	41	41	-	-	0.60
Islamic Investment Bank Limited	139,990	-	-	-	-	139,990	-	-	-	-	0.71
Jahangir Siddiqui & Company Limited	393,701	600,000	-	-	-	993,701	12,560	12,560	0.04	0.04	0.13
Javed Omer Vohra & Company Limited	1,775,606	-	-	-	-	1,775,606	10,594	9,482	0.03	0.03	3.49
JS Investments Limited	7,302	-	-	-	-	7,302	54	54	-	-	0.01
Orix Leasing Pakistan Limited	2,903,580	-	-	-	-	2,903,580	15,186	15,186	0.05	0.05	3.63
Pervaiz Ahmed Securities Limited	230,884	-	-	-	-	230,884	566	566	-	-	0.30
Pervaiz Ahmed Securities Limited - Right	-	-	533,526	-	-	533,526	-	-	-	-	0.69
Prudential Investment Bank Limited	326,292	-	-	-	-	326,292	-	-	-	-	3.26
Saudi Pak Leasing Company Limited	2,972,567	-	-	-	-	2,972,567	2,140	2,140	0.01	0.01	6.58
Security Investment Bank Limited	2,277,698	-	-	-	-	2,277,698	3,417	3,417	0.01	0.01	4.43
Security Leasing Corporation Limited	447,026	-	-	-	-	447,026	885	1,270	-	-	1.23
	30,548,813	600,000	1,018,970	5,165,637	(3,001)	37,330,419	117,893	133,544	0.44	0.45	†

NATIONAL INVESTMENT (UNIT) TRUST

AS AT JUNE 30, 2010

INVESTMENTS - AVAILABLE FOR SALE

SHARES OF COMPANIES- Fully Paidup ordinary shares of Rs.10 each unless stated otherwise

Name of the Investee Company	----- Number of shares / certificates / units -----						Balance as at June 30, 2010		Percentage in Relation to		
	As at July 1, 2009	Purchases during the year	Bonus / Right / New Issue	Merger / Demerger effects/ Adjustments	Sales during the year	As at June 30, 2010	Carrying Value	Market value	Market value as a percentage of net assets	Market value as a percentage of total investments	Paid up capital of the investee Company
---Rupees In '000---											
EQUITY INVESTMENT INSTRUMENTS											
Al Zamin Leasing Modaraba	1,429,009	-	-	(1,429,009)	-	-	-	-	-	-	-
Al-Meezan Mutual Fund	2,866,385	-	-	-	-	2,866,385	10,262	19,061	0.06	0.06	2.08
Asian Stocks Fund Limited	344,813	-	-	-	-	344,813	1,414	2,034	0.01	0.01	0.38
B.R.R. Guardian Modaraba	1,858,028	-	-	49	-	1,858,077	2,397	2,397	0.01	0.01	2.38
Dominion Stock Fund Limited	157,629	-	-	-	-	157,629	54	54	-	-	3.15
First Capital Mutual Fund Limited	143,097	-	-	-	-	143,097	329	329	-	-	0.48
First Habib Bank Modaraba	5,035,756	-	-	-	-	5,035,756	15,258	25,330	0.08	0.09	5.00
First Habib Modaraba (Rs 5 / certificate)	1,584,070	-	-	-	-	1,584,070	8,982	10,613	0.04	0.04	0.79
First Paramount Modaraba	38,322	-	-	-	(38,322)	-	-	-	-	-	-
First Tawakkal Modaraba	474,032	-	-	-	-	474,032	-	-	-	-	1.83
Golden Arrow Selected Stocks Fund Limited (Rs 5 / unit)	4,963	-	-	-	(4,963)	-	-	-	-	-	-
Investec Mutual Fund	172,406	-	-	-	-	172,406	29	29	-	-	1.72
JS Growth Fund	9,787,430	-	-	-	-	9,787,430	29,167	32,690	0.11	0.11	3.08
JS Large Cap Fund	1,369,104	-	-	-	-	1,369,104	3,149	5,819	0.02	0.02	0.42
JS Value Fund Limited	1,190,610	-	-	-	-	1,190,610	4,286	4,286	0.01	0.01	1.00
LTV Capital Modaraba (Rs 5 / certificate)	321	-	-	-	-	321	-	-	-	-	0.00
Pakistan Premier Fund Limited	722,456	-	-	-	-	722,456	1,459	5,852	0.02	0.02	0.43
PICIC Growth Fund	6,429,358	-	-	-	-	6,429,358	35,941	59,536	0.20	0.20	2.27
PICIC Investment Fund	10,108,128	-	-	-	-	10,108,128	20,519	38,209	0.13	0.13	3.56
Standard Chartered Modaraba	1,948,462	-	-	-	-	1,948,462	13,269	17,926	0.06	0.06	4.29
	45,664,379	-	-	(1,428,960)	(43,285)	44,192,134	146,515	224,165	0.75	0.76	
SOFTWARE AND COMPUTER SERVICES											
Netsol Technologies Limited	442,877	-	-	-	-	442,877	7,910	11,076	0.04	0.04	0.57
	442,877	-	-	-	-	442,877	7,910	11,076	0.04	0.04	
TECHNOLOGY HARDWARE AND EQUIPMENT											
Pakistan Telephone Cables Limited	91,424	-	-	-	-	91,424	279	282	-	-	0.44
	91,424	-	-	-	-	91,424	279	282	-	-	
DELISTED / UNQUOTED COMPANIES											
Adamjee Floorings	59,110	-	-	-	-	59,110	-	-	-	-	-
Adamjee Industries	121	-	-	-	-	121	-	-	-	-	-
Adamjee Paper	269,806	-	-	-	-	269,806	-	-	-	-	-
Afsar Textile Mills Limited	64,184	-	-	-	-	64,184	-	-	-	-	-
Al-Hussany Industries Limited	61,573	-	-	-	-	61,573	-	-	-	-	-
Arag Industries Limited	189,220	-	-	-	-	189,220	-	-	-	-	-
Aslo Electronics	39,407	-	-	-	-	39,407	-	-	-	-	-
Aswan Teritage Limited	168,712	-	-	-	-	168,712	-	-	-	-	-
Baig Spinning Mills Limited (Under v'luntary winding up)	51,106	-	-	-	(51,106)	-	-	-	-	-	-
Balochistan Tower	74,114	-	-	-	-	74,114	-	-	-	-	-
Bankers Equity Limited (Under winding up through court)	3,408,091	-	-	-	-	3,408,091	-	-	-	-	-
Bawany Textile Mills Limited	84,233	-	-	-	-	84,233	-	-	-	-	-
Central Cotton Limited	34,948	-	-	-	-	34,948	-	-	-	-	-
Chliya C. Board	43,200	-	-	-	-	43,200	-	-	-	-	-
Crescent Knitwear Limited	81,277	-	-	-	-	81,277	-	-	-	-	-
Crown Textile Limited	317,647	-	-	-	-	317,647	-	-	-	-	-
Equity Participation Limited	4,925	-	-	-	(4,925)	-	-	-	-	-	-
Ghaffar Textile Mills Limited	45,835	-	-	-	-	45,835	-	-	-	-	-
Greaves Aircondition	59,110	-	-	-	-	59,110	-	-	-	-	-
Gypsum Corporation	165,017	-	-	-	-	165,017	-	-	-	-	-
H-Shaikh	113,022	-	-	-	-	113,022	-	-	-	-	-
Hyderabad Electronic	98,518	-	-	-	-	98,518	-	-	-	-	-
Indus Bank Limited (Under winding up through court)	147	-	-	-	-	147	-	-	-	-	-
Industrial Development Bank of Paksitan	1,970	-	-	-	-	1,970	-	208	-	-	-
Innovative Investment Bank Limited	35,227	-	-	-	-	35,227	-	352	-	-	-
Karachi Pipe	156,102	-	-	-	-	156,102	-	-	-	-	-
Kohinoor Cotton Limited	62,553	-	-	-	-	62,553	-	-	-	-	-
Lafayette Industries Synthetics Limited	92,360	-	-	-	-	92,360	-	-	-	-	-
Marr Fabrics Limited	118,221	-	-	-	-	118,221	-	-	-	-	-
Mehran Bank Limited	738,590	-	-	-	-	738,590	-	-	-	-	-
Mohib Textile Mills Limited	159,813	-	-	-	-	159,813	-	-	-	-	-
National Construction Overseas	24,629	-	-	-	-	24,629	-	-	-	-	-
National Match Industries	26,452	-	-	-	-	26,452	-	-	-	-	-
Naveed Textile Mills Limited	70,637	-	-	-	-	70,637	-	-	-	-	-
Nowshera Engineering	26,057	-	-	-	-	26,057	-	-	-	-	-
Nusrat Textile Mills Limited	306,342	-	-	-	-	306,342	-	-	-	-	-
Pak Paper Corporation	103,848	-	-	-	-	103,848	-	-	-	-	-
Pearl Fabrics	229,970	-	-	-	-	229,970	-	-	-	-	-
Premier Board	29,998	-	-	-	-	29,998	-	-	-	-	-
Punjab Building	443,845	-	-	-	-	443,845	-	-	-	-	-
Punjab Cotton	56,155	-	-	-	-	56,155	-	-	-	-	-
Punjab Lamp	108,468	-	-	-	-	108,468	-	-	-	-	-
Rcd Ball Bearing	19,716	-	-	-	-	19,716	-	-	-	-	-
Refrigerators Manufacturer Company of Pakistan Limited	26	-	-	-	-	26	-	-	-	-	-
Rex Baren Battery	56,155	-	-	-	-	56,155	-	-	-	-	-

NATIONAL INVESTMENT (UNIT) TRUST AS AT JUNE 30, 2010 INVESTMENTS - AVAILABLE FOR SALE

SHARES OF COMPANIES- Fully Paidup ordinary shares of Rs.10 each unless stated otherwise

Name of the Investee Company	----- Number of shares / certificates / units -----						Balance as at June 30, 2010		Percentage in Relation to		
	As at July 1, 2009	Purchases during the year	Bonus / Right / New Issue	Merger / Demerger effects/ Adjustments	Sales during the year	As at June 30, 2010	Carrying Value	Market value	Market value as a percentage of net assets	Market value as a percentage of total investments	Paid up capital of the investee Company
---Rupees In '000---											
Saleem Denim (Kaytex Mills) Limited	162,160	-	-	-	-	162,160	-	-	-	-	-
Shahyar (O.E.)	78,469	-	-	-	-	78,469	-	-	-	-	-
Shahyar Textile Mills Limited	222,109	-	-	-	-	222,109	-	-	-	-	-
Sunrise Textile Mills Limited	15,024	-	-	-	-	15,024	-	-	-	-	-
Sunshine Cloth Mills Limited	440,918	-	-	-	-	440,918	-	-	-	-	-
Zaffar Textile Limited	66,844	-	-	-	-	66,844	-	-	-	-	-
	9,285,981	-	-	-	(56,031)	9,229,950	-	560	-	-	-
Grand Total	734,522,023	7,491,607	80,912,929	4,541,876	(5,036,779)	822,431,656	15,214,992	26,949,809	89.37	91.46	

■ NATIONAL INVESTMENT (UNIT) TRUST

PERFORMANCE TABLE

LAST 3 YEARS

		JUNE 10	JUNE 09	JUNE 08
Total Net Asset Value Ex-Dividend	(Rs. In 000's)	27,747,397	24,409,513	39,982,315
Net Asset Value per Unit Ex-dividend	(Rs./ unit)	25.92	23.89	46.38
Last Issue Price per Unit *	(Rs./ unit)	29.05	27.85	54.20
Last Repurchase Price per Unit *	(Rs./ unit)	28.17	26.85	52.35
Highest Issue Price During the Year	(Rs./ unit)	33.30	43.90	66.30
Lowest Issue Price During the Year	(Rs./ unit)	25.45	21.15	50.45
Highest Repurchase Price During the Year	(Rs./ unit)	32.26	42.35	63.95
Lowest Repurchase Price During the Year	(Rs./ unit)	24.55	20.40	48.70
Total Return of the Fund	%	17.92	(41.48)	(5.76)
Capital Growth	%	8.50	(48.49)	(17.34)
Income Distributions	%	9.42	7.01	11.58
Distribution Per Unit (Final)	(Rs./ unit)	2.25	3.25	6.50
Distribution Date		5-Jul-10	6-Jul-09	1-Jul-08
Average Annual Return				
One Year	%	17.92	(41.48)	(5.76)
Two Years	%	(11.78)	(23.62)	-
Three Years	%	(9.77)	-	-

Note : 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 in not indicative of future results.

* These are cum-dividend prices of 30th June.