

NIT - INCOME FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2014

Note	31 December 2014 Unaudited (Rupees in '000)	30 June 2014 Audited	
Assets			
Bank balances	6	482,133	235,042
Investments	7	3,106,147	2,959,584
Receivable against Marginal Trading System		-	81,185
Profit and other receivable		123,951	82,278
Security deposit		350	350
Preliminary expenses and floatation costs		122	554
Total assets		3,712,703	3,358,993
Liabilities			
Payable to National Investment Trust Limited - Management Company		9,430	9,176
Payable to Central Depository Company of Pakistan Limited - Trustee		342	310
Payable to Securities and Exchange Commission of Pakistan		1,266	2,555
Payable against redemption of units		2	79
Accrued expenses and other liabilities	8	37,744	61,269
Total liabilities		48,784	73,389
Net Assets		3,663,919	3,285,604
Unit holders' fund (as per statement attached)		3,663,919	3,285,604
Contingencies and commitments			
	9		
(Number of units)			
Number of units in issue		331,967,298	321,581,340
(Rupees)			
Net assets value per unit		11.0370	10.2170

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For National Investment Trust Limited
(Management Company)

Sd/-
Managing Director

Sd/-
Director

Sd/-
Director

NIT - INCOME FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE SIX AND THREE MONTHS PERIOD ENDED DECEMBER 31, 2014

Note	Six months period ended		Three months period ended	
	2014	2013	2014	2013
(Rupees in '000)				
Income				
Income from government securities	148,188	128,082	78,710	63,040
Profit on bank deposits	6,945	4,879	4,970	1,934
Income from term finance certificates	26,843	27,912	16,059	10,829
Income from certificates of investment	6,185	854	-	-
Income from letters of placement	164	4,734	164	4,056
Amortisation of premium / (discount) on term finance certificates - net	4,524	902	2,663	(69)
Capital gain on sale of investments - net	5,847	7,460	7,325	4,942
Income from Marginal Trading System	1,988	-	-	-
Reversal of Impairment	45,632	-	32,793	-
Total income	246,316	174,823	142,684	84,732
Expenses				
Remuneration of National Investment Trust Limited - Management Company	21,121	21,847	10,767	10,677
Sindh sales tax on remuneration of Management Company	3,675	4,115	1,873	1,983
Federal excise duty on remuneration of Management Company	3,379	3,862	1,722	1,709
Remuneration of Central Depository Company of Pakistan Limited - Trustee	1,878	1,914	959	940
Annual fee - Securities and Exchange Commission of Pakistan	1,266	1,311	645	641
Provisioning on non - performing term finance certificate	9,933	6,218	38	6,218
Central Depository Company charges	104	5	104	3
Laga and Levy charges	172	-	16	-
Amortisation of preliminary expenses and floatation costs	432	436	214	218
Settlement and bank charges	136	161	81	74
Securities transaction costs	164	120	84	75
Listing fee	120	120	40	-
Auditors' remuneration	203	203	116	3
Printing charges	268	50	143	25
Other expenses	244	-	244	-
Total expenses	43,095	40,362	17,046	22,566
Net income from operating activities	203,221	134,461	125,638	62,166
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net	7,571	(6,832)	7,992	(2,820)
Provision for Workers' Welfare Fund	(4,216)	(2,553)	(2,930)	(1,187)
Net income for the period before taxation	206,576	125,076	130,700	58,159
Taxation	-	-	-	-
Net income for the period after taxation	206,576	125,076	130,700	58,159
Earnings per unit - basic and diluted	0.65	0.37	0.41	0.18

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For National Investment Trust Limited
(Management Company)

Sd/-
Managing Director

Sd/-
Director

Sd/-
Director

NIT - INCOME FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX AND THREE MONTHS PERIOD ENDED DECEMBER 31, 2014

	Note	Six months period ended		Three months period ended	
		2014	2013	2014	2013
----- (Rupees in '000) -----					
Net income for the period after taxation		206,576	125,076	143,539	58,159
Other comprehensive income					
Items to be reclassified to income statement in subsequent periods:					
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'available for sale'	7.6	62,669	(14,184)	45,656	1,288
Total comprehensive income for the period		269,245	110,892	189,195	59,447

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For National Investment Trust Limited
(Management Company)

Sd/-
Managing Director

Sd/-
Director

Sd/-
Director

NIT - INCOME FUND
CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2014

	Note	2014	2013
		(Rupees in '000)	
Undistributed income brought forward - realised		66,534	399,089
Final distribution for the year ended 30 June 2014: Nil (2013: Rs. 1.0590 per unit)			
- Cash Distribution		-	(57,531)
- Units under Cumulative Investment Plan		-	(2,399)
- Bonus Units		-	(285,777)
		-	(345,707)
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net		2,983	1,300
Net income for the period after taxation		206,576	125,076
Undistributed income carried forward - realised		276,093	179,758

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For National Investment Trust Limited
(Management Company)

Sd/-
Managing Director

Sd/-
Director

Sd/-
Director

NIT - INCOME FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT
IN UNIT HOLDERS' FUND (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2014

Note	2014 (Rupees in '000)	2013
Net assets at beginning of the period [Rs. 10.2170 per unit (2013: Rs. 11.2743 per unit)]	3,285,604	3,680,444
Issue of 35,571,459 units (2013: 38,827,936 units)	381,422	400,757
Issue of Nil bonus units (2013: 27,975,380 units)	-	285,777
Redemption of 25,185,501 units (2013: 75,915,869 units)	(264,781)	(784,693)
Issue of Nil units under Cumulative Investment Plan (2013: 234,802 units)	-	2,399
	116,641	(95,760)
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net		
- transferred to condensed interim income statement	(7,571)	6,832
- transferred to condensed interim distribution statement	(2,983)	(1,300)
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'available for sale'	7.6 62,669	(14,184)
Capital gain on sale of investments - net	5,847	7,460
Other net income for the period	200,729	117,616
Total comprehensive income for the period	206,576	125,076
Final distribution for the year ended 30 June 2014: Nil (2013: Rs. 1.0590 per unit)		
- Cash Distribution	-	(57,531)
- Units under Cumulative Investment Plan	-	(2,399)
- Bonus Units	-	(285,777)
	-	(345,707)
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - amount representing income that form part of unit holder's fund - net	2,983	1,300
Net assets at end of the period [Rs.11.0370 per unit (2013: Rs. 10.5700 per unit)]	3,663,919	3,356,701

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For National Investment Trust Limited
(Management Company)

Sd/-
Managing Director

Sd/-
Director

Sd/-
Director

NIT - INCOME FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2014

	2014 (Rupees in '000)	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	206,576	125,076
Adjustments:		
Amortisation of preliminary expenses and floatation costs	432	436
Element of income and capital gains included in prices of units issued less those in units redeemed - net	(7,571)	6,832
	199,437	132,344
(Increase) / decrease in assets		
Investments	(83,894)	235,570
Receivable against Marginal Trading System	81,185	-
Profit and other receivable	(41,673)	5,298
	(44,382)	240,868
(Decrease) / increase in liabilities		
Payable to National Investment Trust Limited - Management Company	254	239
Payable to Central Depository Company of Pakistan Limited - Trustee	32	(17)
Payable to Securities and Exchange Commission of Pakistan	(1,289)	(1,104)
Payable against redemption of units	(77)	3,716
Accrued expenses and other liabilities	(23,525)	4,832
	(24,605)	7,666
Net cash flows from operating activities	130,450	380,878
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issue of units	381,422	400,757
Payments on redemption of units	(264,781)	(784,693)
Distribution paid	-	(57,531)
Net cash from / (used in) financing activities	116,641	(441,467)
Net increase in cash and cash equivalents during the period	247,091	(60,589)
Cash and cash equivalents at beginning of the period	235,042	86,598
Cash and cash equivalents at end of the period	482,133	26,009

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For National Investment Trust Limited
(Management Company)

Sd/-
Managing Director

Sd/-
Director

Sd/-
Director

NIT - INCOME FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL
INFORMATION (UNAUDITED)
FOR THE SIX AND THREE MONTHS PERIOD ENDED DECEMBER 31, 2014

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** NIT - Income Fund (the "Fund") was established under a Trust Deed executed on 17 September 2009 between National Investment Trust Limited ("NITL"), as Management Company, and Central Depository Company of Pakistan Limited ("CDC"), as Trustee. The Fund was approved by the Securities and Exchange Commission of Pakistan ("SECP") vide its letter no. NBFC-II/NITL/1026/2009 dated 20 November 2009 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 ("NBFC Rules"). The Fund is categorized as an Income Scheme as per the criteria for categorisation of open end collective investment scheme as specified by Securities and Exchange Commission of Pakistan (SECP) and other allied matters.
- 1.2** 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 registered office of the Management Company is situated at 6th floor, National Bank of Pakistan Building I.I. Chundrigar Road, Karachi.
- 1.3** The Fund is an open-ended mutual fund. The units are transferable and can be redeemed by surrendering them to the Fund. The units of the Fund were initially offered for public subscription at par from 15 February 2010 to 19 February 2010 (both days inclusive). Prior to the public offer, units were offered and issued to core investors and pre IPO investors at Rs.10 per unit. Subsequent to the initial period i.e., after 19 February 2010 units are being offered in accordance with the basis specified in the offering document.
- 1.4** The objective of the Fund is to generate competitive stream of return with moderate level of risk for its unit holders, by investing primarily in fixed income securities / instruments.
- 1.5** Pakistan Credit Rating Agency Limited (PACRA) has assigned a rating of A+(f) to the fund and the Management Company has been assigned management rating "AM2-" by PACRA.

2 BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information of the Company for the six months period ended 31 December 2014 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations have been followed.

- 2.2** The condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the financial statements of the Fund as at and for the year ended 30 June 2014.

- 2.3** This condensed interim financial information is being submitted to the unit holders as required under Regulation 38 (g) of the Non-Banking Finance Companies and notified Entities Regulations, 2008 (NBFC Regulations).

2.4 Functional and presentation currency

This condensed interim financial information is presented in Pak Rupees, which is the Fund's functional and presentation currency. All financial information presented in Pak Rupees has been rounded off to the nearest thousand of rupees except otherwise stated.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation followed for the preparation of condensed interim financial information are the same as those applied in preparing the financial statements as at and for the year ended 30 June 2014.

4 ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial information requires management to make judgements, estimates and assumption that affect the application of accounting policies and reported amount of assets and liabilities, income and expenses. Actual result may differ from these estimates.

The significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended 30 June 2014.

NIT - INCOME FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL
INFORMATION (UNAUDITED)
FOR THE SIX AND THREE MONTHS PERIOD ENDED DECEMBER 31, 2014

5 FINANCIAL RISK MANAGEMENT

The Fund's financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended 30 June 2014.

6 BANK BALANCES

		31 December 2014 Unaudited	30 June 2014 Audited
(Rupees in '000)			
In current accounts		177	177
In savings accounts	6.1	481,956	234,865
		482,133	235,042

- 6.1** These accounts carry rates ranging from 7% to 10.35% per annum (2013: 7% to 9.6% p.a.).

7 INVESTMENTS

Available for sale

Government securities	7.1	2,809,822	2,231,924
Term finance certificates - listed	7.2 & 7.4	191,091	271,850
Term finance certificates - unlisted	7.3 & 7.4	105,234	155,810
Certificates of Investment	7.5	-	300,000
		3,106,147	2,959,584

7.1 Investment in government securities - Available for sale

Issue date	Tenor	Face value			Balance as at 31 December 2014			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at 01 July 2014	Purchases during the period	Sales / matured during the period	As at 31 December 2014	Carrying value	Market value		
(Rupees in '000)									
Market Treasury Bills									
15 May 2014	3 Months	250,000	-	250,000	-	-	-	-	-
12 June 2014	3 Months	400,000	-	400,000	-	-	-	-	-
10 July 2014	3 Months	-	310,000	310,000	-	-	-	-	-
24 July 2014	3 Months	-	270,000	270,000	-	-	-	-	-
07 August 2014	3 Months	-	210,000	210,000	-	-	-	-	-
4 September 2014	3 Months	-	400,000	400,000	-	-	-	-	-
16 October 2014	3 Months	-	250,000	250,000	-	-	-	-	-
30 October 2014	3 Months	-	500,000	500,000	-	-	-	-	-
13 November 2014	3 Months	-	400,000	-	400,000	396,249	396,115	(134)	10.81
15 May 2014	6 Months	50,000	250,000	300,000	-	-	-	-	-
12 July 2013	12 Months	150,000	-	150,000	-	-	-	-	-
20 March 2014	12 Months	-	75,000	-	75,000	73,510	73,495	(15)	2.01
		850,000	2,665,000	3,040,000	475,000	469,759	469,610	(149)	12.82
									15.12
Pakistan Investment Bond									
19 July 2012	10 years	150,000	-	150,000	-	-	-	-	-
18 July 2013	05 years	125,000	-	125,000	-	-	-	-	-
17 July 2104	05 years	-	240,000	-	240,000	246,476	254,779	8,303	6.95
18 July 2013	03 years	1,145,000	830,000	50,000	1,925,000	1,908,625	1,973,930	65,305	53.87
17 July 2104	03 years	-	367,500	260,000	107,500	109,273	111,503	2,230	3.04
		1,420,000	1,437,500	585,000	2,272,500	2,264,374	2,340,212	75,838	63.87
									75.34
		2,270,000	4,102,500	3,625,000	2,747,500	2,734,133	2,809,822	75,689	

NIT - INCOME FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL
INFORMATION (UNAUDITED)
FOR THE SIX AND THREE MONTHS PERIOD ENDED DECEMBER 31, 2014

7.2 Term finance certificates - listed

All certificates have a face value of Rs. 5,000 each.

Name of the investee company	Number of certificates			Balance as at 31 December 2014			Market value as a percentage of net assets	Market value as a percentage of total investments
	As at 01 July 2014	Purchases during the period	Disposed during the period	As at 31 December 2014	Carrying value *	Market value		
----- (Rupees in '000) ----- (%) -----								
Commercial banks								
Askari Bank Limited	16,000	-	-	16,000	80,379	78,302	(2,077)	2.14
Summit Bank Limited	20,000	-	-	20,000	99,862	85,429	(14,433)	2.33
	36,000	-	-	36,000	180,241	163,731	(16,510)	4.47
Fertilizer								
Engro Fertilizer Limited	8,000	-	-	8,000	28,930	27,360	(1,570)	0.75
	8,000	-	-	8,000	28,930	27,360	(1,570)	0.75
Electricity								
K-Electric Limited AZM Sukuk 1	15,000	-	15,000	-	-	-	-	-
K-Electric Limited AZM Sukuk 2	5,000	-	5,000	-	-	-	-	-
	20,000	-	20,000	-	-	-	-	-
	64,000	-	20,000	44,000	209,171	191,091	(18,080)	5.22

* In case of debt securities against which provision has been made, these are carried at amortised cost less provision

7.2.1 This represents investments in listed term finance certificates. During the six months period ended, the status of these term finance certificates has been changed from non-performing to performing based on compliance with terms of installments on due dates. Therefore, provision for impairment made upto 30 September 2014 amounting to Rs. 45.632 million including Rs. 35.699 million as at 30 June 2014 has been reversed. These have been revalued at prevailing rate quoted by the MUFAP as at 31 December 2014 and income thereon has been recognised accordingly in accordance with the requirements of Circular no. 33 of 2012 issued by SECP. The unrealised loss of Rs. 14.433 million due to marked to MUFAP's rate has been taken to statement of comprehensive income based on its categorisation as performing.

7.3 Term finance certificates - unlisted

All certificates have a face value of Rs. 5,000 each.

Name of the investee company	Number of certificates			Balance as at 31 December 2014			Market value as a percentage of net assets	Market value as a percentage of total investments
	As at 01 July 2014	Purchases during the period	Disposals during the period	As at 31 December 2014	Carrying value	Market value		
----- (Rupees in '000) ----- (%) -----								
Commercial banks								
Bank Al-Falah Limited (Fixed)	7,000	-	-	7,000	35,064	38,046	2,982	1.04
Bank Al-Falah Limited (Floating)	5,250	-	-	5,250	26,348	27,110	762	0.74
Bank Al-Habib Limited (3rd issue)	10,000	-	10,000	-	-	-	-	-
Bank Al-Habib Limited (4th issue)	7,000	-	-	7,000	34,951	40,078	5,127	1.09
	29,250	-	10,000	19,250	96,363	105,234	8,871	2.87

7.4 Significant terms and conditions of term finance certificates outstanding at the period end are as follows:

Name of security	Number of certificates	Unredeemed face value (Rupees)	Mark-up rate (per annum)	Issue date	Tenor	Secured / unsecured	Rating
Listed term finance certificates							
Askari Bank Limited	16,000	4,990	6-months KIBOR + 2.50%	18 November 2009	10 years	Unsecured	AA-
Engro Fertilizers Limited	8,000	3,600	6-months KIBOR + 2.40%	17 December 2009	7 years	Secured	A+
Summit Bank Limited	20,000	4,993	6-months KIBOR + 3.25%	27 October 2011	7 years	Unsecured	A-
Unlisted term finance certificates							
Bank Al-Falah Limited (Fixed)	7,000	4,990	15.00%	02 December 2009	8 years	Unsecured	AA-
Bank Al-Falah Limited (Floating)	5,250	4,990	6-months KIBOR + 2.50%	02 December 2009	8 years	Unsecured	AA-
Bank Al-Habib Limited (4th issue)	7,000	4,993	15.00%	30 June 2011	10 years	Unsecured	AA

NIT - INCOME FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL
INFORMATION (UNAUDITED)
FOR THE SIX AND THREE MONTHS PERIOD ENDED DECEMBER 31, 2014

7.5 Certificates of Investment

Name of the investee company	Number of certificates			Balance as at 31 December 2014			Market value as a percentage of net assets	Market value as a percentage of total investments
	As at 01 July 2014	Purchases during the period	Matured during the period	As at 31 December 2014	Carrying value	Market value		
----- (Rupees in '000) ----- (%) -----								
Pak Libya Holding Company (Private) Limited	300,000	-	300,000	-	-	-	-	-
	300,000	-	300,000	-	-	-	-	-

7.6 Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'available for sale'

	31 December 2014 Unaudited (Rupees in '000)	30 June 2014 Audited
Market value of investments	3,106,147	2,959,584
Less: Carrying value of investments	(3,039,667)	(2,955,773)
	66,480	3,811
Less: Net unrealised appreciation / (diminution) on re-measurement of investments at beginning of the period / year	3,811	(16,895)
Net unrealised (diminution) / appreciation during the period / year	62,669	(13,084)

8 ACCRUED EXPENSES AND OTHER LIABILITIES

Provision for Worker's Welfare Fund	8.1	27,539	23,323
Federal excise duty	8.2	8,979	5,600
Auditors' remuneration payable		433	397
Printing charges payable		150	25
Brokerage payable		70	384
Settlement charges		31	15
Zakat payable		58	175
Capital gains tax payable		160	159
Withholding tax payable		4	210
Dividend payable		272	30,895
Legal and professional charges payable		48	86
		37,744	61,269

8.1 WORKERS WELFARE FUND

The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs. 0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honorable High Court of Sindh (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication. During the year ended 30 June 2011, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. However, on 14 December 2010, the Ministry filed its response against the constitutional petition requesting the Court to dismiss the petition. According to the legal counsel who is handling the case there is a contradiction between the aforementioned clarification issued by the Ministry and the response filed by the Ministry in Court.

During the year ended 30 June 2012, the Honorable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, had declared the said amendments as unlawful and unconstitutional. In March 2013, a larger bench of the Sindh High Court (SHC) passed an order declaring that the amendments introduced in the WWF Ordinance, 1971 through the Finance Act 2006 and 2008 respectively do not suffer from any constitutional or legal infirmity. However, the Honourable High Court of Sindh has not addressed the other amendments made in the WWF Ordinance 1971 about applicability of WWF to the CISs which is still pending before the Court. The decisions of SHC (in against) and LHC (in favour) are pending before Supreme Court. However, the Management Company, as a matter of abundant caution, has decided to continue to maintain the provision for WWF amounting to Rs. 27.539 million (including Rs. 4.216 million for the current period). Had the same not been made the net assets value per unit of the Fund would have been higher by Rs 0.0830 per unit.

NIT - INCOME FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL
INFORMATION (UNAUDITED)
FOR THE SIX AND THREE MONTHS PERIOD ENDED DECEMBER 31, 2014

8.2 As per the requirement of Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Management Company has been applied effective 13 June 2013. The Management Company is of the view that since the remuneration is already subject to provincial sales tax, further levy of FED may result in double taxation, which does not appear to be the spirit of the law. The matter has been taken up collectively by the Mutual Fund Association of Pakistan where various options are being considered. The High Court of Sindh in its order dated 09 September 2013 granted stay to the various funds for the recovery of FED. As a matter of abundant caution, the Management Company has made a provision with effect from 13 June 2013, aggregating to Rs. 10.559 million out of which Rs. 1.580 million have been paid to the Management Company. Had the provision not been made, the net assets value (NAV) per unit of the Fund as at 31 December 2014 would have been higher by Rs. 0.0318 per unit.

9 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 31 December 2014.

10 TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than unrealized capital gains / loss to the unit holders. The Fund has not recorded any tax liability in respect of income relating to the current period as the Management Company intends to distribute at least 90 percent of the Fund's accounting income for the year ending 30 June 2015 as reduced by capital gains (whether realised or unrealised) to its unit holders.

11 EARNINGS PER UNIT

	Six months period ended		Three months period ended	
	2014	2013	2014	2013
	-----Unaudited----- ----- (Rupees in '000) -----			
Net income for the period after taxation	206,576	125,076	130,700	58,159
	----- (Number of units) -----			
Weighted average number of units outstanding	318,657,654	333,891,403	316,908,469	323,703,737
	----- (Rupees) -----			
Earnings per unit - basic and diluted	0.65	0.37	0.41	0.18

12 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

12.1 Connected persons include National Investment Trust Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes managed by the Management Company, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund and directors and officers of the Management Company and the Trustee and unit holders holding 10 percent or more units of the Fund.

12.2 Remuneration to the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.

12.3 Remuneration payable to the Trustee is determined in accordance with the provisions of the Trust Deed.

12.4 Other transactions with connected persons are in the normal course of business, at contracted terms determined in accordance with the market rates.

NIT - INCOME FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL
INFORMATION (UNAUDITED)
FOR THE SIX AND THREE MONTHS PERIOD ENDED DECEMBER 31, 2014

12.5 Details of transactions with connected persons during the period are as follows:

	Six months period ended		Three months period ended	
	2014	2013	2014	2013
	----- (Unaudited) ----- ----- (Rupees in '000) -----			
National Investment Trust Limited - Management Company				
Issue of nil bonus units (2013: 7,083,978 bonus units)	-	72,365	-	-
Issue of Nil units (2013: nil units)	-	-	-	-
Front end load on sale of units	18	14	11	5
Remuneration of the Management Company	21,121	21,847	10,354	10,607
Sindh Sales Tax on remuneration to Management Company	3,675	4,115	1,802	1,983
National Investment Trust Limited - Employees Provident Fund				
Issue of nil bonus units (2013: 519,852 units)	-	5,313	-	-
National Investment Trust Limited - Employees Pension Fund				
Issue of nil bonus units (2013: 1,518,128 units)	-	15,509	-	-
Central Depository Company of Pakistan Limited - Trustee				
Trustee fee for the period	1,878	1,914	959	940
Chief Operating officer				
Issue of nil units (2013: 95,822 units)	-	979	-	-
Head of MD's Secretariat and Personnel				
Issue of nil unit (2013: 2,625 units)	-	27	-	-

12.6 Amounts outstanding at the end of the period:

	31 December 2014	30 June 2014
	Unaudited	Audited
	(Rupees in '000)	
National Investment Trust Limited - Management Company		
124,942,072 units held (30 June 2014: 124,942,072 units)	1,378,986	1,276,533
Management fee payable	3,774	3,539
Sindh Sales Tax	657	656
Formation cost and other initial charges payable	4,484	4,484
Sales load payable	515	497
National Bank of Pakistan		
18,286,550 units held (30 June 2013: 18,286,550 units)	201,829	186,834
National Investment Trust Limited - Employees Provident Fund		
5,924,447 units held (30 June 2014: 5,924,447 units)	65,388	60,530
National Investment Trust Limited - Employees Pension Fund		
17,301,228 units held (30 June 2014: 17,301,228 units)	190,954	176,767
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	342	310
Security Deposit	100	100
Chief Operating Officer		
1,092,029 units held (30 June 2014: 1,092,029 units)	12,053	11,160
Fund Manager		
529 units held (30 June 2014: 529 units)	6	5

NIT - INCOME FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL
INFORMATION (UNAUDITED)
FOR THE SIX AND THREE MONTHS PERIOD ENDED DECEMBER 31, 2014

	31 December 2014 Unaudited (Rupees in '000)	30 June 2014 Audited
--	--	----------------------------

Head of MD's Secreteriat and Personnel
29,911 units held (2013: 29,911 units)

	330	306
--	-----	-----

13 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on 19 February 2015 by the Board of Directors of the Management Company.

For National Investment Trust Limited
(Management Company)

Sd/-
Managing Director

Sd/-
Director

Sd/-
Director