

**NIT ISLAMIC EQUITY FUND**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2018**



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

**Introduction**

We have reviewed the accompanying condensed interim statement of assets and liabilities of **NIT Islamic Equity Fund** (the Fund) as at December 31, 2018 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the six months period ended December 31, 2018. The Management Company (National Investment Trust Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2018 and December 31, 2017 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2018.

**Scope of Review**

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

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

**Other matters**

The condensed interim financial statements of the Fund for the half year ended December 31, 2017 were reviewed and the financial statements of the Fund for the year ended June 30, 2018 were audited by another firm of Chartered Accountants who had expressed an unmodified conclusion and opinion thereon vide their reports dated February 27, 2018 and September 05, 2018 respectively.

Chartered Accountants

Engagement Partner: **Shahbaz Akbar**

Dated: February 28, 2019

Karachi

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network  
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan  
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NIT ISLAMIC EQUITY FUND  
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES  
AS AT DECEMBER 31, 2018

	Note	December 31, 2018 (Unaudited)	June 30, 2018 (Audited)
-----Rupees in '000-----			
<b>ASSETS</b>			
Balances with banks	5	273,732	460,460
Investments	6	3,216,336	3,735,970
Dividend and profit receivables	7	2,588	15,097
Preliminary expenses and floatation costs		1,378	1,877
Advance against IPO subscription		-	6,350
Security deposits		2,600	2,600
<b>Total assets</b>		<b>3,496,634</b>	<b>4,222,354</b>
<b>LIABILITIES</b>			
Payable to National Investment Trust Limited - Management Company	8	15,954	15,900
Payable to Central Depository Company of Pakistan Limited - Trustee	9	437	487
Payable to Securities and Exchange Commission of Pakistan		1,850	4,122
Payable against redemption of units		368	3,013
Payable against purchase of investments		15,985	24,867
Accrued expenses and other liabilities	10	41,578	40,054
Dividend Payable		127	188
<b>Total liabilities</b>		<b>76,299</b>	<b>88,631</b>
<b>NET ASSETS</b>		<b>3,420,335</b>	<b>4,133,723</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>3,420,335</b>	<b>4,133,723</b>
<b>Contingencies and commitments</b>	11		
		(Number of units)	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>411,108,138</b>	<b>417,333,978</b>
		----- (Rupees) -----	
<b>NET ASSETS VALUE PER UNIT</b>		<b>8.32</b>	<b>9.91</b>

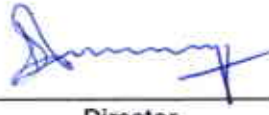
The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

*Attest*

For National Investment Trust Limited  
(Management Company)

  
\_\_\_\_\_  
Managing Director

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Chief Financial Officer

**NIT ISLAMIC EQUITY FUND  
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)  
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2018**

Note	Six months period ended December 31,		Quarter ended December 31,	
	2018	2017	2018	2017
Rupees in '000				
<b>INCOME</b>				
	97,791	115,655	59,242	79,795
Dividend income	(39,773)	42,046	(52,284)	39,438
(Loss) / Gain on sale of investments - net	13,578	15,188	6,841	8,786
Mark-up/return on bank deposits	(4,884)	-	(2,471)	-
Net unrealised diminution on re-measurement of investments classified as 'fair value through profit or loss'	66,712	172,899	11,328	128,019
<b>EXPENSES</b>				
Impairment loss on securities classified as "available for sale"	618,092	229,076	618,092	103,368
Remuneration of National Investment Trust Limited -Management Company	38,988	42,853	18,594	20,796
Sindh sales tax on remuneration of Management Company	5,068	5,571	2,417	2,704
Selling and Marketing Expenses	1,178	-	1,178	-
Remuneration of Central Depository Company of Pakistan Limited - Trustee	2,453	2,647	1,181	1,292
Sindh Sales Tax on Remuneration of Trustee	319	344	154	168
Annual fee - Securities and Exchange Commission of Pakistan	1,850	2,033	882	986
Allocation of expenses related to registrar services, accounting, operation and valuation services	1,933	2,158	911	1,054
Central Depository Charges	52	30	44	10
Securities transaction costs	142	-	7	-
Settlement and bank charges	180	490	156	490
Auditors' Remuneration	282	369	132	168
Amortization of preliminary expenses and floatation costs	504	502	252	252
Shariah advisory fee	331	331	169	165
Charity expenses	1,875	2,482	1,398	1,974
Printing and related costs	10	30	10	16
	673,257	288,916	645,577	133,443
<b>Net loss from operating activities</b>	(606,545)	(116,017)	(634,249)	(5,424)
Provision for Sindh Workers' Welfare Fund (SWWF)	-	-	-	-
<b>Net loss for the period before taxation</b>	(606,545)	(116,017)	(634,249)	(5,424)
Taxation	-	-	(298)	-
<b>Net loss for the period after taxation</b>	(606,545)	(116,017)	(633,951)	(5,424)
<b>Allocation of net loss for the period after taxation</b>				
Net loss for the period	-	-	-	-
Income already paid on units redeemed	-	-	-	-
Accounting income available for distribution:				
-Relating to capital gains	-	-	-	-
-Excluding capital gains	-	-	-	-

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

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For National Investment Trust Limited  
(Management Company)

Managing Director

Director

Director

Chief Financial Officer

**NIT ISLAMIC EQUITY FUND  
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2018**

Note	Six months period ended December 31,		Quarter ended December 31,	
	2018	2017	2018	2017
Rupees in '000				
Net loss for the period after taxation	(606,545)	(116,017)	(633,951)	(5,424)
Other comprehensive (loss) / income for the period				
Items that may be reclassified to income statement in subsequent periods				
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'available for sale'	6.4 (39,983)	(631,690)	143,119	(163,031)
<b>Total comprehensive loss for the period</b>	<b><u>(646,528)</u></b>	<b><u>(747,707)</u></b>	<b><u>(490,832)</u></b>	<b><u>(168,455)</u></b>

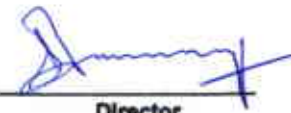
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**For National Investment Trust Limited  
(Management Company)**

  
\_\_\_\_\_  
Managing Director

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Chief Financial Officer


**NIT ISLAMIC EQUITY FUND  
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)  
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2018**

	Six months period ended December 31,							
	2018				2017			
	Capital Value	Undistributed income	Unrealised appreciation / (diminution) on "Available for Sale" Investments	Total	Capital Value	Undistributed income	Unrealised appreciation / (diminution) on "Available for Sale" Investments	Total
Rupees in '000-								
<b>Net assets at the beginning of the period</b>	4,192,974	(70,949)	11,698	4,133,723	3,926,534	15,380	708,736	4,650,650
<b>Issue of 30,994,586 units (2017: 42,995,445 units)</b>								
Capital Value	287,755	-	-	287,755	509,653	-	-	509,653
Element of income	1,420	-	-	1,420	(55,272)	-	-	(55,272)
Amount received on issuance of units	289,175	-	-	289,175	454,381	-	-	454,381
<b>Redemption of 37,220,426 units (2017: 20,486,868 units)</b>								
Capital Value	(355,569)	-	-	(355,569)	(242,844)	-	-	(242,844)
Element of income								
-Income already paid	-	-	-	-	30,288	-	-	30,288
-Refund / adjustment on units	(466)	-	-	(466)	-	-	-	-
Amount paid / payable on redemption of units	(356,035)	-	-	(356,035)	(212,556)	-	-	(212,556)
<b>Total comprehensive income / (loss) for the period</b>	-	(606,545)	(39,983)	(646,528)	-	(116,017)	(631,690)	(747,707)
<b>Net assets at the end of the period</b>	<b>4,126,114</b>	<b>(677,494)</b>	<b>(28,285)</b>	<b>3,420,335</b>	<b>4,168,359</b>	<b>(100,637)</b>	<b>77,046</b>	<b>4,144,768</b>
Accumulated loss brought forward comprising of:								
-Realized		(70,949)				15,380		
-Unrealized		-				-		
		<u>(70,949)</u>				<u>15,380</u>		
Accounting income available for distribution								
-Relating to capital gains		-				-		
-Excluding capital gains		-				-		
<b>Net Income or loss for the period</b>		<b>(606,545)</b>				<b>(116,017)</b>		
<b>Accumulated loss carried forward -realized</b>		<b><u>(677,494)</u></b>				<b><u>(100,637)</u></b>		
Accumulated loss carried forward comprising								
-Realized		(672,610)				(100,637)		
-Unrealized		(4,884)				-		
		<u>(677,494)</u>				<u>(100,637)</u>		
					(Rupees)			(Rupees)
Net assets value per unit at beginning of the period					<u>9.91</u>			<u>11.85</u>
Net assets value per unit at end of the period					<u>8.32</u>			<u>9.99</u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

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

  
Managing Director

  
Director

  
Director


  
Chief Financial Officer

NIT ISLAMIC EQUITY FUND  
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)  
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2018

	Six months period ended	
	December 31,	
	2018	2017
	-----Rupees in '000-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss for the period before taxation	(606,545)	(116,017)
<b>Adjustments:</b>		
Amortization of preliminary expenses and floatation costs	504	502
Net unrealised diminution on re-measurement of investments classified as 'fair value through profit or loss'	(4,884)	-
Impairment loss on equity securities classified as 'available for sale'	618,092	229,076
	<u>7,167</u>	<u>113,561</u>
<b>(Increase) / decrease in assets</b>		
Investments	(133,557)	(272,433)
Receivable against sale of investments	-	(72,815)
Advance against IPO subscription	6,350	-
Dividend and other receivables	12,509	2,507
	<u>(114,698)</u>	<u>(342,741)</u>
<b>Increase / (decrease) in liabilities</b>		
Payable to National Investment Trust Limited - Management Company	54	(1,152)
Payable to Central Depository Company of Pakistan Limited - Trustee	(50)	(52)
Fee payable to Securities and Exchange Commission of Pakistan	(2,272)	(2,457)
Payable against purchase of investments	(8,882)	5,884
Accrued expenses and other liabilities	1,524	(1,707)
	<u>(9,626)</u>	<u>516</u>
<b>Net cash used in operating activities</b>	<u>(117,157)</u>	<u>(228,664)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Amount received on sales of units	289,170	454,381
Payment against redemption of units	(358,680)	(210,923)
Dividend paid	(61)	(46,678)
<b>Net cash (used in) / generated from financing activities</b>	<u>(69,571)</u>	<u>196,780</u>
<b>Net decrease in cash and cash equivalents during the period</b>	<u>(186,728)</u>	<u>(31,884)</u>
Cash and cash equivalents at the beginning of the period	460,460	604,677
<b>Cash and cash equivalents as at the end of the period</b>	<u><u>273,732</u></u>	<u><u>572,793</u></u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For National Investment Trust Limited  
(Management Company)

  
Managing Director

  
Director

  
Director

  
Chief Financial Officer

**NIT ISLAMIC EQUITY FUND**  
**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2018**

**1 LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1 The NIT Islamic Equity Fund (the Fund) was established under a Trust Deed executed between National Investment Trust Limited (NITL) as Management Company and the Central Depository Company of Pakistan Limited as trustee. The Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) on February 03, 2015 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) and the trust deed was executed on February 24, 2015. The Fund is categorized as an Equity Scheme in accordance with the criteria for categorisation of open ended collective investment scheme as specified by the 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 and is listed on Pakistan Stock Exchange Limited (PSX). Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.
- 1.4 The objective of the Fund is to invest in the equity market when there is an opportunity to invest the funds in a gainful manner and such investment is for the benefit of the Fund based on long term perspective to provide the unit holders safe and Halal income on their investment. Under the Trust Deed all conducts and acts of the Fund are based on Shariah. The Management Company has appointed Mufti Zeeshan Ali Aziz as Shariah Advisor to the NIT Islamic Equity Fund to ensure that the activities of the Fund are in compliance with the Principles of Shariah.
- 1.5 Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of "AM2++" to the Management Company.
- 1.6 Title to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as trustee of the Fund.

**2 BASIS OF PRESENTATION**

The transactions undertaken by the Fund are in accordance with the process prescribed under the Shariah guidelines issued by the Shariah Advisor and are accounted for on substance rather than the form prescribed by the earlier referred guidelines. This practice is being followed to comply with the requirements of the accounting and reporting standards as applicable in Pakistan.

**3 BASIS OF PRESENTATION**

**3.1 STATEMENT OF COMPLIANCE**

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- 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 the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the International Accounting Standard (IAS) 34, Interim Financial Reporting, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

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3.2 These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2018.

3.3 These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at December 31, 2018.

#### 4 SIGNIFICANT ACCOUNTING POLICIES

4.1 The accounting policies adopted and the methods of computation of the of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2018.

4.2 The preparation of the condensed interim financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgements made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements of the Fund as at and for the year ended June 30, 2018. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2018.

#### 4.3 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current period

There are certain new standards, interpretations and amendments to existing standards that are effective for annual accounting periods beginning on July 1, 2018. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

#### 4.4 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

During the current period the SECP has extended the applicability of IFRS 9: 'Financial Instruments' for periods beginning on or after June 30, 2019. The Management is currently in the process of analysing the potential impact of changes required in classification and measurement of financial instruments and related matters on adoption of this Standard.

There are certain new standards and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after January 1, 2019. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

		December 31, 2018 (Unaudited)	June 30, 2018 (Audited)
		-----Rupees in '000-----	
<b>5</b>	<b>BALANCES WITH BANKS</b>		
		Note	
	In savings accounts	5.1	273,732      460,460

These represent balances with banks in savings accounts carrying mark-up rates ranging from 2.40 % to 10.10% per annum. (June 30, 2018: 2.05% to 6.50% per annum)

		December 31, 2018 (Unaudited)	June 30, 2018 (Audited)
		-----Rupees in '000-----	
<b>6</b>	<b>INVESTMENTS</b>		
		Note	
	At fair value through profit or loss		
	Equity securities - listed	6.1	30,666      -
	"Available for sale"		
	Equity securities - listed	6.2	3,185,670      3,735,970
			3,216,336      3,735,970

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## 6.1 Investment - "at fair value through profit or loss" -Listed Equity Securities

Name of Investee Companies	As at 01 July 2018	Purchases during the period	Bonus shares received during the period	Right shares purchased/ subscribed during the period	Sale during the period	As at December 31, 2018	Cost/ Carrying value as at December 31, 2018	Market Value as at December 31, 2018	Market Value as a percentage of Net Assets	Market Value as a percentage of investment	Percentage of paid-up capital of the investee company
<b>TEXTILE COMPOSITE</b>											
Nishat Mills Limited	-	98,500	-	-	-	98,500	13,816	12,463	0.36	40.64	0.03
	-	98,500	-	-	-	98,500	13,816	12,463	0.36	40.64	
<b>CEMENT</b>											
Pioneer Cement Limited	-	150,000	-	-	-	150,000	7,953	6,287	0.18	20.50	0.07
D. G. Khan Cement Co. Limited	-	25,000	-	-	25,000	-	-	-	-	-	-
	-	175,000	-	-	25,000	150,000	7,953	6,287	0.18	20.50	
<b>POWER GENERATION &amp; DISTRIBUTION</b>											
Hub Power Company Limited	-	85,000	-	-	-	85,000	8,085	7,292	0.21	23.78	0.01
	-	85,000	-	-	-	85,000	8,085	7,292	0.21	23.78	
<b>OIL &amp; GAS MARKETING COMPANIES</b>											
Sui Northern Gas Pipeline Limited	-	60,000	-	-	-	60,000	5,696	4,624	0.14	15.08	0.01
	-	60,000	-	-	-	60,000	5,696	4,624	0.14	15.08	
<b>OIL &amp; GAS EXPLORATION COMPANIES</b>											
Oil & Gas Development Company Limited	-	55,000	-	-	55,000	-	-	-	-	-	-
Pakistan Petroleum Limited	-	60,000	9,000	-	69,000	-	-	-	-	-	-
	-	115,000	9,000	-	124,000	-	-	-	-	-	-
<b>FERTILIZER</b>											
Engro Corporation Limited	-	20,000	-	-	20,000	-	-	-	-	-	-
	-	20,000	-	-	20,000	-	-	-	-	-	-
<b>Total as at December 31, 2018</b>	<b>-</b>	<b>553,500</b>	<b>9,000</b>	<b>-</b>	<b>169,000</b>	<b>393,500</b>	<b>35,550</b>	<b>30,666</b>	<b>0.90</b>	<b>100.00</b>	

## 6.2 Investments "Available for Sale" -Listed Equity Securities

Name of Investee Companies	As at 01 July 2018	Purchases during the period	Bonus shares received during the period	Right shares purchased/ subscribed during the period	Sale during the period	As at December 31, 2018	Cost/ Carrying value as at December 31, 2018	Market Value as at December 31, 2018	Market Value as a percentage of Net Assets	Market Value as a percentage of investment	Percentage of paid-up capital of the investee company
<b>COMMERCIAL BANKS</b>											
Meezan Bank Limited	676,630	35,000	67,663	-	44,500	734,793	33,740	67,888	1.99	2.13	0.09
	676,630	35,000	67,663	-	44,500	734,793	33,740	67,888	1.99	2.13	
<b>TEXTILE COMPOSITE</b>											
Nishat Mills Ltd.	290,100	20,000	-	-	-	310,100	43,685	39,237	1.15	1.23	0.09
	290,100	20,000	-	-	-	310,100	43,685	39,237	1.15	1.23	
<b>CEMENT</b>											
Cheral Cement Company Limited	710,900	-	-	-	225,000	485,900	33,843	33,843	0.99	1.06	0.28
D. G. Khan Cement Co. Limited	2,249,000	-	-	-	650,000	1,599,000	128,160	128,160	3.75	4.02	0.36
Fauji Cement Company Ltd	3,253,500	-	-	-	650,000	2,603,500	54,491	54,491	1.59	1.71	0.20
Lucky Cement Limited	708,450	50,000	-	-	115,000	643,450	279,688	279,688	8.18	8.78	0.20
	6,921,850	50,000	-	-	1,640,000	5,331,850	496,182	496,182	14.51	15.58	
<b>REFINERY</b>											
National Refinery Ltd.	74,200	-	-	-	10,000	64,200	18,347	18,347	0.54	0.58	0.08
	74,200	-	-	-	10,000	64,200	18,347	18,347	0.54	0.58	
<b>POWER GENERATION &amp; DISTRIBUTION</b>											
Hub Power Company Limited	2,201,100	200,000	-	-	-	2,401,100	247,811	205,990	6.02	6.47	0.21
	2,201,100	200,000	-	-	-	2,401,100	247,811	205,990	6.02	6.47	

Affix

Name of Investee Companies	As at 01 July 2018	Purchases during the period	Bonus shares received during the period	Right shares purchased/subscribed during the period	Sale during the period	As at December 31, 2018	Cost/ Carrying value as at December 31, 2018	Market Value as at December 31, 2018	Market Value as a percentage of Net Assets	Market Value as a percentage of investment	Percentage of paid-up capital of the investee company
	(Number of Shares)				Rupees in '000			%			
<b>OIL &amp; GAS MARKETING COMPANIES</b>											
Pakistan State Oil Co. Ltd	569,760	-	113,952	-	187,500	496,212	136,609	111,861	3.27	3.51	0.13
Sui Northern Gas Pipelines Ltd	934,100	50,000	-	-	-	984,100	75,845	75,845	2.22	2.38	0.16
Sui Southern Gas Co. Ltd	1,744,000	20,000	-	-	-	1,764,000	40,748	40,748	1.19	1.28	0.20
	<b>3,247,860</b>	<b>70,000</b>	<b>113,952</b>	<b>-</b>	<b>187,500</b>	<b>3,244,312</b>	<b>253,202</b>	<b>228,454</b>	<b>6.68</b>	<b>7.17</b>	
<b>OIL &amp; GAS EXPLORATION COMPANIES</b>											
Oil & Gas Development Company Limited	1,626,100	842,600	-	-	20,000	2,448,700	313,434	313,434	9.17	9.84	0.06
Mari Petroleum Company Limited	-	83,440	500	-	-	83,940	118,595	103,738	3.03	3.26	0.07
Pakistan Oilfields Ltd.	253,350	260,000	48,670	-	60,000	502,020	213,268	213,268	6.24	6.69	0.18
Pakistan Petroleum Ltd	852,000	456,300	127,800	-	31,000	1,405,100	209,341	210,287	6.15	6.60	0.06
	<b>2,731,450</b>	<b>1,642,340</b>	<b>176,970</b>	<b>-</b>	<b>111,000</b>	<b>4,439,760</b>	<b>854,638</b>	<b>840,727</b>	<b>24.59</b>	<b>26.39</b>	
<b>ENGINEERING</b>											
Crescent Steel And Allied Products Ltd	178,300	-	-	-	135,000	43,300	2,406	2,406	0.07	0.08	0.06
International Industries Ltd	109,300	10,000	-	-	-	119,300	18,378	18,378	0.54	0.58	0.10
International Steels Limited	1,050,100	-	-	-	100,000	950,100	62,488	62,488	1.83	1.96	0.22
Arreli Steel Limited	100,500	-	-	-	-	100,500	5,126	4,812	0.14	0.15	0.03
	<b>1,438,200</b>	<b>10,000</b>	<b>-</b>	<b>-</b>	<b>235,000</b>	<b>1,213,200</b>	<b>88,398</b>	<b>88,084</b>	<b>2.58</b>	<b>2.77</b>	
<b>AUTOMOBILE ASSEMBLER</b>											
Honda Atlas Cars Limited	247,900	-	-	-	45,000	202,900	35,820	35,820	1.05	1.12	0.14
Indus Motor Company Limited	119,630	-	-	-	21,760	97,870	127,360	119,370	3.49	3.75	0.12
Milal Tractors Ltd.	27,460	6,120	-	-	-	33,580	27,938	27,939	0.82	0.88	0.08
Pak Suzuki Motor Co. Ltd.	167,300	-	-	-	96,900	70,400	12,259	12,259	0.36	0.38	0.09
	<b>562,290</b>	<b>6,120</b>	<b>-</b>	<b>-</b>	<b>163,660</b>	<b>404,750</b>	<b>203,377</b>	<b>195,388</b>	<b>5.71</b>	<b>6.13</b>	
<b>AUTOMOBILE PARTS &amp; ASSEMBLER</b>											
Agnauto Industries Limited	150,000	-	-	-	-	150,000	38,340	33,308	0.97	1.05	0.52
General Tyre And Rubber Co. Of Pak. Ltd	135,600	-	94,920	-	40,000	190,520	15,400	15,400	0.45	0.48	0.18
Thal Limited	136,800	-	-	-	-	136,800	51,474	58,504	1.71	1.84	0.17
	<b>422,400</b>	<b>-</b>	<b>94,920</b>	<b>-</b>	<b>40,000</b>	<b>477,320</b>	<b>105,214</b>	<b>107,212</b>	<b>3.14</b>	<b>3.37</b>	
<b>CABLE &amp; ELECTRIC GOODS</b>											
Pak Elektron Ltd.	1,486,500	-	-	-	125,000	1,361,500	33,901	33,901	0.99	1.06	0.27
Pakistan Cables Ltd.	256,750	-	-	-	-	256,750	35,727	35,727	1.04	1.12	0.90
	<b>1,743,250</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>125,000</b>	<b>1,618,250</b>	<b>69,628</b>	<b>69,628</b>	<b>2.04</b>	<b>2.19</b>	
<b>FERTILIZER</b>											
Dawood Hercules Corporation Ltd	48,000	-	-	-	-	48,000	5,824	5,335	0.16	0.17	0.01
Engro Corporation Ltd.	576,400	48,700	-	-	30,000	595,100	175,265	173,222	5.07	5.44	0.11
Engro Fertilizer Limited	1,500,500	45,000	-	-	138,500	1,407,000	79,250	97,153	2.84	3.05	0.11
Fatima Fertilizer Company	609,500	-	-	-	-	609,500	22,800	22,228	0.65	0.70	0.03
Fauji Fertilizer Company Limited.	848,100	-	-	-	125,000	723,100	58,279	67,140	1.96	2.11	0.06
	<b>3,582,500</b>	<b>93,700</b>	<b>-</b>	<b>-</b>	<b>293,500</b>	<b>3,382,700</b>	<b>341,418</b>	<b>365,078</b>	<b>10.68</b>	<b>11.46</b>	
<b>PHARMACEUTICALS</b>											
Abbot Laboratories (Pakistan) Ltd	61,950	-	-	-	-	61,950	43,809	39,094	1.14	1.23	0.06
AGP Limited	100,000	-	-	-	-	100,000	8,000	8,743	0.26	0.27	0.04
Ferozsons Laboratories Ltd.	143,850	-	-	-	10,000	133,850	19,315	19,315	0.56	0.61	0.44
Glaxosmithline (Pak) Ltd.	388,900	-	-	-	-	388,900	43,821	43,821	1.28	1.38	0.12
Glaxosmithline Consumer Health Pakistan Limited	35,370	-	-	-	-	35,370	-	9,422	0.09	0.30	0.04
Searle Pakistan Ltd.	491,053	-	71,107	-	42,000	520,160	127,746	127,746	3.74	4.01	0.28
	<b>1,221,123</b>	<b>-</b>	<b>71,107</b>	<b>-</b>	<b>52,000</b>	<b>1,240,230</b>	<b>242,691</b>	<b>248,141</b>	<b>7.07</b>	<b>7.79</b>	
<b>PAPER &amp; BOARD</b>											
Packages Limited	214,800	-	-	-	-	214,800	83,089	83,089	2.43	2.61	0.24
	<b>214,800</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>214,800</b>	<b>83,089</b>	<b>83,089</b>	<b>2.43</b>	<b>2.61</b>	
<b>LEATHER &amp; TANNERIES</b>											
Bata Pakistan Limited	5,120	-	-	-	-	5,120	7,910	7,910	0.23	0.25	0.07
Service Industries Ltd	83,670	-	-	-	-	83,670	60,672	60,672	1.77	1.90	0.70
	<b>88,790</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>88,790</b>	<b>68,582</b>	<b>68,582</b>	<b>2.01</b>	<b>2.15</b>	

Alt

Name of Investee Companies	As at 01 July 2018	Purchases during the period	Bonus shares received during the period	Right shares purchased/subscribed during the period	Sale during the period	As at December 31, 2018	Cost/ Carrying value as at December 31, 2018	Market Value as at December 31, 2018	Market Value as a percentage of Net Assets	Market Value as a percentage of investment	Percentage of paid-up capital of the investee company
<b>FOODS &amp; PERSONAL CARE PRODUCTS</b>											
Engro Foods Limited	100,600	-	-	-	-	100,600	8,020	8,020	0.23	0.25	0.01
At-Tahur Limited	-	833,326	-	-	350,000	483,326	10,150	9,183	0.27	0.29	
Mitchell's Fruit Farms Limited	32,550	-	-	-	-	32,550	7,067	7,067	0.21	0.22	0.41
Shezan International Ltd	77,350	-	7,735	-	-	85,085	38,716	39,373	1.15	1.24	0.97
	210,500	833,326	7,735	-	350,000	701,561	63,953	63,643	1.86	2.00	
<b>Total as at December 31, 2018</b>	<b>25,627,043</b>	<b>2,960,486</b>	<b>532,347</b>	<b>-</b>	<b>3,252,160</b>	<b>25,867,716</b>	<b>3,213,955</b>	<b>3,185,670</b>	<b>92.98</b>	<b>100.00</b>	
<b>Total as at June 30, 2018</b>	<b>21,917,621</b>	<b>8,006,930</b>	<b>170,052</b>	<b>96,980</b>	<b>4,564,540</b>	<b>25,627,043</b>	<b>3,724,272</b>	<b>3,735,970</b>	<b>90.42</b>	<b>100</b>	

6.2.1 Investments include shares with market value of Re. 168.804 million (June 30, 2018: Rs 195.470 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 23 October 2007 issued by the Securities and Exchange Commission of Pakistan.

6.2.2 All shares have a nominal face value of Rs. 10 each except for shares of Agriautos Industries Limited and Thal Limited which have a face value of Rs. 5.

	December 31, 2018	December 31, 2018
	2018	2017
	------(Unaudited)-----	
	-----Rupees in '000-----	

**6.3 Net unrealised diminution on re-measurement of investments classified as 'fair value through profit or loss'**

Market value of investments		30,666	-
Less: Carrying value of investments		(35,550)	-
		<u>(4,884)</u>	<u>-</u>

**6.4 Net unrealised diminution on re-measurement of investments classified as 'available for sale'**

Market value of investments	6.2	3,185,670	3,559,161
Less:			
Carrying cost of investments		4,216,368	3,828,671
Provision for impairment thereagainst	6.5	(1,002,413)	(346,556)
		<u>3,213,955</u>	<u>3,482,115</u>
		(28,285)	77,046
Less: Net unrealised diminution in the fair value of investments at the beginning of the period		<u>(11,698)</u>	<u>(708,736)</u>
		<u>(39,983)</u>	<u>(631,690)</u>

**6.5 Provision for impairment against equity securities**

Balance as at July 1, 2018		477,524	127,215
Charge for the period		618,092	229,076
Reversal of impairment of securities sold		(93,203)	(9,735)
Balance as at December 31, 2018		<u>1,002,413</u>	<u>346,556</u>

6.6 Finance Act 2014 has introduced tax on bonus shares issued by Companies. Most equity funds including NIT equity funds have challenged the applicability of withholding tax provision on bonus shares before Honorable High Court of Sindh ("the Court") on various legal grounds and have sought relief from the Court. The Court, in its order dated 25 November 2014, has granted interim relief by passing the restraining order whereby the Defendants, (issuers of the Bonus shares) have refrained from deducting and /or transferring 5% withholding tax on bonus shares issued by them.

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As an abundant caution, the Fund has made payments which are equivalent to 5% value of the respective bonus shares, determined on the basis of day-end price on the first day of book closure. These payments have been recorded as part of cost of respective investments. Details are as follows.

	5% (No. of Bonus shares)	Market value as on 31 December 2018	Payment made to the investee companies
		-----Rupees in '000-----	
Searle Pakistan Limited*	4,947	1,215	2,485
Searle Pakistan Limited**	1,329	326	-
Pakistan State Oil Company Limited**	4,748	1,070	-
Searle Pakistan Limited**	3,755	922	-
		3,533	2,485

\* Searle Pakistan Limited has not released the bonus shares and retained the payment due to court order.

\*\* Searle Pakistan Limited and Pakistan State Oil Company Limited has not demanded the payment due to filing of petition by the Fund and have not released the shares due to court order.

	Note	December 31, 2018 (Unaudited)	June 30, 2018 (Audited)
		-----Rupees in '000-----	
<b>7</b>	<b>DIVIDEND AND PROFIT RECEIVABLES</b>		
	Dividend Receivable	156	12,617
	Profit receivable on savings accounts	2,432	2,480
		2,588	15,097
<b>8</b>	<b>PAYABLE TO NATIONAL INVESTMENT TRUST LIMITED MANAGEMENT COMPANY</b>		
	On account of:		
	- Management remuneration	8.1 6,055	6,992
	- Sindh Sales Tax	8.2 787	909
	- Preliminary expenses and floatation costs	5,000	5,000
	- Allocation of expenses related to registrar services accounting, operation and valuation services	8.3 284	349
	- Selling & Marketing Expense	8.4 1,178	-
	- Others	2,650	2,650
		15,954	15,900

- 8.1 The Management Company has charged its remuneration at the rate of 2 percent per annum. (30 June 2018: 2 percent per annum).
- 8.2 During the period, Sindh Sales Tax at the rate of 13% (June 30, 2018: 13%) was charged on the management remuneration.
- 8.3 The Management Company may charge fees and expenses related to registrar services, accounting, operations and valuations services, related to Collective Investment Scheme (CIS) upto a maximum of 0.1% of the average annual net assets of the Scheme. Accordingly, such expenses have been charged at the rate of 0.1% of the average annual net assets of the Scheme being lower than actual expenses.
- 8.4 SECP vide Circular No.40 of 2016 dated December 30, 2016 (later amended via circular 05 of 2017 dated February 13, 2017 and circular 5 of 2018 dated June 4, 2018) has allowed Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds and money market funds), initially for three years (from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense shall be 0.4% per annum of net assets of the fund or actual expenses whichever is lower. Accordingly, such expenses have been charged at the rate of 0.4% of net assets of the Fund, being lower than actual expenses incurred.

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		December 31, 2018 (Unaudited)	June 30, 2018 (Audited)
		-----Rupees in '000-----	
<b>9</b>	<b>PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE</b>		
	Trustee remuneration	387	431
	Sindh Sales Tax	50	56
		<u>437</u>	<u>487</u>

9.1 During the period, Sindh Sales Tax at the rate of 13% (June 30, 2018: 13%) was charged on trustee remuneration.

		December 31, 2018 (Unaudited)	June 30, 2018 (Audited)
		-----Rupees in '000-----	
<b>10</b>	<b>ACCRUED EXPENSES &amp; OTHER LIABILITIES</b>		
	Provision for Sindh Workers' Welfare Fund	8,793	8,793
	Federal Excise Duty	21,295	21,295
	Auditors' remuneration	378	417
	Charity payable	4,953	3,223
	Zakat	50	72
	Capital gain tax	1,410	1,425
	Shariah advisory Fee	162	171
	Brokerage Charges	985	1,136
	Payable against bonus shares	3,522	3,522
	Annual Listing Fee	30	-
		<u>41,578</u>	<u>40,054</u>

10.1 The status of Sindh workers' welfare fund (SWWF) is the same as that disclosed in the annual financial statements for the year ended June 30, 2018. MUFAP has taken a legal opinion that SWWF, if applicable, can only be applied from the date of enactment of SWWF Act, 2014, i.e. May 21, 2015. Based on the advise of MUFAP on January 12, 2017, that as a matter of abundant caution, the provision for SWWF should be made on prudent basis with the effect from the date of enactment of SWWF act (i.e. May 21, 2015), while the efforts to exclude mutual funds from SWWF continue, provision for SWWF is being made on a daily basis. Had the SWWF not been provided, the NAV per unit of the Fund would have been higher by Re. 0.0214 (June 30, 2018: Re. 0.0211).

10.2 The status of Federal Excise Duty (FED) is the same as that disclosed in the annual financial statements of the Fund for the year ended 30 June 2018. Since the appeal is pending in the Supreme Court of Pakistan, the Management Company as a matter of abundant caution has retained provision for FED on management fee aggregating to Rs. 21.295 million. Had the provision not been made, the NAV per unit of the Fund would have been higher by Re. 0.0518 (30 June 2018: Re. 0.0510) per unit.

## 11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2018 and June 30, 2018.

## 12 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 by way of cash dividend. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulation, 2008, the Fund is required to distribute atleast 90% of the net accounting income other than unrealised capital gains to the unit holders in cash. The Fund is also exempt from the provision of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has incurred a loss during the current period and accordingly, no provision for taxation has been made in these condensed interim financial statements.

## 13 TOTAL EXPENSE RATIO

Total expense ratio (all the expenses, including government levies, incurred during the period divided by average net asset value for the period) is 2.79% per annum. Total expense ratio (excluding government levies) is 2.36% per annum which is within the limit of 4% as prescribed under the NBFC regulations.

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#### 14 TRANSACTIONS WITH CONNECTED PERSONS

- 14.1 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 the directors and officers of the Management Company and the Trustee and unit holders holding 10 percent or more units of the Fund.
- 14.2 Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investments and distribution 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.
- 14.3 Remuneration to the Management Company and the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.
- 14.4 The details of significant transactions carried out by the Fund with connected persons and balances with them at the period end are as follows:

Details of the transactions with connected persons are as follows:

Transactions during the period	Six month period ended		Quarter ended	
	2018	2017	2018	2017
	(Unaudited)		(Unaudited)	
	Rupees in '000		Rupees in '000	
<b>National Investment Trust Limited - Management Company</b>				
Remuneration of the Management Company	38,988	42,853	18,594	20,796
Sindh Sales Tax on Management Fee	5,068	5,571	2,417	2,704
Selling and marketing expenses	1,178	-	1,178	-
Allocation of expenses related to registrar services, accounting, operation and valuation services	1,933	2,158	911	1,054
<b>Central Depository Company of Pakistan Limited - Trustee</b>				
Remuneration of the Trustee	2,453	2,647	1,181	1,292
Sindh Sales Tax on remuneration of Trustee	319	344	154	168
Central Depository Charges	52	30	44	10
<b>Directors and key management personnel</b>				
21,861 units issued (2017: 93,219 units)	208	1,000	8	1,000
Nil units redeemed (2017: 113,711 units)	-	1,080	-	1,080
<b>Amounts outstanding as at period end</b>			<b>December 31, 2018</b>	<b>June 30, 2018</b>
			<b>(Unaudited)</b>	<b>(Audited)</b>
			<b>Rupees in '000</b>	
<b>National Investment Trust Limited - Management Company</b>				
107,515,114 units held (June 30, 2018: 107,515,114)			894,526	1,065,475
Management remuneration payable			6,055	6,992
Sindh Sales Tax payable			787	909
Payable against allocation of expenses related to registrar services, accounting, operation and valuation services			284	349
Preliminary expenses and floatation costs payable			5,000	5,000
Selling & Marketing Expense			1,178	-
Other payable			2,650	2,650
<b>Central Depository Company of Pakistan Limited - Trustee</b>				
Trustee remuneration			387	431
Sindh Sales Tax			50	56
<b>Directors and key management personnel</b>				
702,700 units held (June 30, 2018: 680,839)			5,846	6,747

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## 15 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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 traded in an open market are revalued at the market prices prevailing on the reporting date. Investments of the Fund in equity securities are revalued on the basis of closing quoted market prices available at the stock exchange.

Fair value of investments is determined as follows:

- Fair value of quoted equity securities is determined on the basis of closing market prices on the Pakistan Stock Exchange.
- The fair value of all other financial assets and financial liabilities of the Fund approximate their carrying amounts due to short term maturities of these instruments.

### FAIR VALUE HIERARCHY

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets 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:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs). Level 3: Fair value measurement using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at December 31, 2018 and June 30, 2018, the Fund held the following financial instruments measured at fair value:

	(Un-audited)			Total
	As at December 31, 2018			
	Level 1	Level 2	Level 3	
	Rupees in '000			
<b>Investment classified at 'fair value through profit or loss'</b>				
Listed equity securities	30,666	-	-	30,666
<b>Investment classified at 'available for sale'</b>				
Listed equity securities	3,185,670	-	-	3,185,670
	(Audited)			
	As at June 30, 2018			
	Level 1	Level 2	Level 3	
	Rupees in '000			
<b>Investment classified at 'available for sale'</b>				
Listed equity securities	3,735,970	-	-	3,735,970

## 16 GENERAL

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

## 17 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on 28 Feb 2019 by the Board of Directors of the Management Company.

*Handwritten initials*

For National Investment Trust Limited  
(Management Company)

*Signature*  
Managing Director

*Signature*  
Director

*Signature*  
Director

*Signature*  
Chief Financial Officer