

NIT - ISLAMIC EQUITY FUND
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2020



INDEPENDENT AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS OF NIT - ISLAMIC EQUITY FUND

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **NIT - Islamic Equity Fund** (the Fund) as at December 31, 2020 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 half year then ended. The Management Company (National Investment Trust Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with the 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, 2020 and December 31, 2019 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2020.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of 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 the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Chartered Accountants

Engagement Partner: **Shahbaz Akbar**

Dated: February 25, 2021

Karachi

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**NIT - ISLAMIC EQUITY FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2020**

	Note	December 31, 2020 (Unaudited)	June 30, 2020 (Audited)
-----Rupees in '000-----			
Assets			
Balances with banks	5	73,136	109,899
Investments	6	3,325,364	2,909,191
Dividend and profit receivable	7	5,867	2,700
Security deposits		2,600	2,600
Total assets		3,406,967	3,024,390
Liabilities			
Payable to National Investment Trust Limited - Management Company	8	8,210	15,023
Payable to Central Depository Company of Pakistan Limited - Trustee	9	411	364
Payable to Securities and Exchange Commission of Pakistan		335	597
Payable against purchase of investments		6,129	8,656
Payable against redemption of units		362	7
Accrued expenses and other liabilities	10	44,174	37,954
Dividend payable		464	305
Total liabilities		60,085	62,906
Net assets		3,346,882	2,961,484
Unit holders' fund (as per statement attached)		3,346,882	2,961,484
Contingencies and commitments	11		
------(Number of units)-----			
Number of units in issue		369,698,704	400,185,081
------(Rupees)-----			
Net asset value per unit		9.05	7.40

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

Alfa

**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, 2020**

Note	Six months period ended December 31		Quarter ended December 31	
	2020	2019	2020	2019
Rupees in '000				
Income				
	84,620	89,538	66,395	48,729
Dividend income	1,375	1,500	428	1,500
Gain on sale of investments - net	3,758	9,353	1,028	6,556
Profit on bank deposits				
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.4 2,013	2,446	217	5,129
	91,766	102,837	68,068	61,914
Expenses				
Remuneration of National Investment Trust Limited - Management Company	8.1 33,491	29,720	16,335	16,193
Sindh sales tax on remuneration of the Management Company	8.2 4,354	3,864	2,124	2,106
Allocation of expenses related to registrar services, accounting, operation and valuation services	8.3 1,673	1,497	817	818
Selling and marketing expenses	8.4 3,152	2,844	1,575	1,921
Remuneration of Central Depository Company of Pakistan Limited - Trustee	2,179	1,989	1,069	1,061
Sindh sales tax on remuneration of Trustee	9.1 283	259	139	138
Annual fee of the Securities and Exchange Commission of Pakistan	335	297	163	162
Custodian charges of Central Depository Company of Pakistan Limited	22	19	12	16
Settlement and bank charges	175	366	83	366
Auditors' remuneration	373	363	182	184
Amortization of preliminary expenses and floatation costs	-	499	-	252
Legal and professional charges	155	-	155	-
Shariah advisory fee	246	326	120	165
Charity expenses	2,981	1,943	2,510	(903)
Annual listing fees	-	28	-	-
Printing and related costs	51	38	13	38
Total expenses	49,470	44,052	25,297	22,517
Net income from operating activities	42,296	58,785	42,771	39,397
Provision for Sindh Workers' Welfare Fund	10.1 (846)	(1,176)	(846)	(788)
Net income for the period before taxation	41,450	57,609	41,925	38,609
Taxation	12 -	-	-	-
Net income for the period after taxation	41,450	57,609	41,925	38,609
Allocation of net income for the period after taxation				
Net income for the period after taxation	41,450	57,609		
Income already paid on units redeemed	(2,685)	(256)		
	38,765	57,353		
Accounting income available for distribution:				
- Relating to capital gains	340	3,928		
- Excluding capital gains	38,425	53,425		
	38,765	57,353		

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




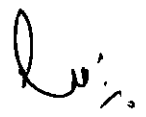
**NIT - ISLAMIC EQUITY FUND
 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
 FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2020**

Note	Six months period ended December 31		Quarter ended December 31		
	2020	2019	2020	2019	
	-----Rupees in '000-----				
Net income for the period after taxation	41,450	57,609	41,925	38,609	
Other comprehensive income					
Items that will not be reclassified to condensed interim income statement					
Changes in the fair value of investments classified as financial assets at 'FVOCI'	6.5	657,898	537,357	146,674	770,993
Total comprehensive income for the period	<u>699,348</u>	<u>594,966</u>	<u>188,599</u>	<u>809,602</u>	

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

Altru

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

 _____ Managing Director	 _____ Director	 _____ Director	 _____ Chief Financial Officer
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**NIT - ISLAMIC EQUITY FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020**

Six months period ended December 31								
2020				2019				
Capital value	Accumulated loss	Unrealised (diminution) / appreciation on investments 'at fair value through other comprehensive income'	Total	Capital value	Accumulated loss	Unrealised (diminution) / appreciations on investments 'at fair value through other comprehensive income'	Total	
Rupees in '000								
Net assets at the beginning of the period	4,006,601	(212,321)	(832,796)	2,961,484	4,124,655	(63,010)	(1,015,819)	3,045,826
Issue of 81,249,483 units (2019: 43,342,925 units)								
Capital value	589,871	-	-	589,871	312,069	-	-	312,069
Element of income	105,878	-	-	105,878	15,070	-	-	15,070
Total proceeds on issuance of units	695,749	-	-	695,749	327,139	-	-	327,139
Issue of 7,811 units in lieu of refund of capital (2019: 111,054 units)	57	-	-	57	802	-	-	802
Redemption of 116,850,256 units (2019: 57,144,519 units)								
Capital Value	(848,333)	-	-	(848,333)	(411,441)	-	-	(411,441)
Element of loss	(139,786)	(2,685)	-	(142,471)	(19,646)	(256)	-	(19,902)
Total payments on redemption of units	(988,119)	(2,685)	-	(990,804)	(431,087)	(256)	-	(431,343)
Total comprehensive income for the period	-	41,450	657,898	699,348	-	57,609	537,357	594,966
Issue of 5,106,585 units under CIP (2019: 6,701,761 units)	37,074	-	-	37,074	48,387	-	-	48,387
Transfer of loss on disposal of investments classified as 'financial assets at fair value through other comprehensive income' to undistributed income	-	(13,034)	13,034	-	-	(120,874)	120,874	-
Final distribution for the year ended June 30, 2020 (Date: July 7, 2020 @ Re 0.14 per unit)	-	(55,969)	-	(55,969)	-	-	-	-
Final distribution for the year ended June 30, 2019 (Date: July 5, 2019 @ Rs 0.19 per unit)	-	-	-	-	-	(77,486)	-	(77,486)
Refund of capital	(57)	-	-	(57)	(802)	-	-	(802)
Net assets at the end of the period	3,751,305	(242,559)	(161,864)	3,346,882	4,069,094	(204,017)	(357,588)	3,507,489

	(Rupees in '000)	(Rupees in '000)
Accumulated loss brought forward		
- Realized loss	(215,936)	(51,210)
- Unrealized income / (loss)	3,615	(11,800)
	(212,321)	(63,010)
Accounting income available for distribution		
- Relating to capital gains	340	3,928
- Excluding capital gains	38,425	53,425
	38,765	57,353
Transfer of loss on disposal of investments classified as 'financial assets at fair value through other comprehensive income' to undistributed income	(13,034)	(120,874)
Final distribution for the year ended June 30, 2020 (Date: July 7, 2020 @ Re 0.14 per unit)	(55,969)	-
Final distribution for the year ended June 30, 2019 (Date: July 5, 2019 @ Rs 0.19 per unit)	-	(77,486)
Accumulated loss carried forward	(242,559)	(204,017)
Accumulated loss carried forward		
- Realized loss	(244,572)	(206,463)
- Unrealized income	2,013	2,446
	(242,559)	(204,017)
	(Rupees)	(Rupees)
Net asset value per unit at the beginning of the period	7.40	7.39
Net asset value per unit at the end of the period	9.05	8.66

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
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020**

	Six months period ended	
	December 31	
Note	2020	2019
	-----Rupees in '000-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	41,450	57,609
Adjustments for:		
Amortization of preliminary expenses and floatation costs	-	499
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(2,013)	(2,446)
Provision for Sindh Workers' Welfare Fund	846	1,176
	<u>40,283</u>	<u>56,838</u>
Decrease / (Increase) in assets		
Investments - net	<u>243,738</u>	<u>134,389</u>
Dividend and profit receivable	<u>(3,167)</u>	<u>(12,456)</u>
	240,571	121,933
(Decrease) / increase in liabilities		
Payable to National Investment Trust Limited - Management Company	<u>(6,813)</u>	<u>617</u>
Payable to Central Depository Company of Pakistan Limited - Trustee	47	47
Payable to the Securities and Exchange Commission of Pakistan	(262)	(3,164)
Payable against purchase of investments	(2,527)	-
Accrued expenses and other liabilities	<u>5,374</u>	<u>(3,612)</u>
	(4,181)	(6,112)
Net cash generated from operating activities	<u>276,673</u>	<u>172,659</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of units	<u>732,823</u>	<u>327,139</u>
Payments against redemption of units	(990,449)	(431,310)
Dividend paid	(55,810)	(28,897)
Net cash used in financing activities	<u>(313,436)</u>	<u>(133,068)</u>
Net (decrease) / increase in cash and cash equivalents during the period	<u>(36,763)</u>	<u>39,591</u>
Cash and cash equivalents at the beginning of the period	109,899	180,232
Cash and cash equivalents as at the end of the period	<u>5</u> <u>73,136</u>	<u>219,823</u>


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

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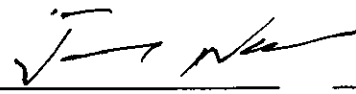
For National Investment Trust Limited
(Management Company)




Managing Director



Director



Director



Chief Financial Officer

NIT - ISLAMIC EQUITY FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

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 as the Management Company and Central Depository Company of Pakistan Limited as the Trustee. The Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) on February 3, 2015 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Trust Deed was executed on February 24, 2015. The Fund is categorized as an 'Equity Scheme' as per the criteria for categorisation of open ended collective investment schemes as specified by SECP. The units of the Fund were initially issued at Rs 10 per unit.
- 1.2 The Management Company of the Fund has been classified as a Non-Banking Finance Company (NBFC) under the NBFC Rules, 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. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).
- 1.3 The Fund has been categorised as a Shariah compliant (Islamic) equity fund by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009. The Fund is an open-ended mutual fund and is listed on Pakistan Stock Exchange Limited. 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 holder 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 of the Fund to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.5 The Management Company has been assigned a quality rating of 'AM1' by VIS on December 31, 2020, whereas PACRA has assigned an asset manager rating of 'AM2++' with 'positive outlook' to the Management Company on November 5, 2020.
- 1.6 Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2 BASIS OF PRESENTATION

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

3 BASIS OF PREPARATION

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 requirements of IAS 34, 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.

3.2 The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. 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 published audited annual financial statements of the Fund for the year ended June 30, 2020.

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, 2020.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT 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, 2020.

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, 2020. 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, 2020.

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

There are certain amendments to standards that are mandatory for the Fund's accounting period beginning on July 1, 2020. 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

There are certain new standards, interpretations and amendments to the published accounting and reporting standards that are mandatory for the Fund's accounting periods beginning on or after July 1, 2021, but are considered to be not relevant or will not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

	Note	December 31, 2020 (Unaudited)	June 30, 2020 (Audited)
-----Rupees in '000-----			
5 BALANCES WITH BANKS			
In savings accounts	5.1	73,136	109,899
		<u>73,136</u>	<u>109,899</u>

5.1 The balances in savings accounts carry profit rates ranging from 5% to 7.5% per annum. (June 30, 2020: 6.50% to 13.00% per annum).

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	Note	December 31, 2020 (Unaudited)	June 30, 2020 (Audited)
-----Rupees in '000-----			
6 INVESTMENTS			
At fair value through profit or loss			
Listed equity securities	6.1	5,165	8,246
At fair value through other comprehensive income			
Listed equity securities	6.2	<u>3,320,199</u>	<u>2,900,945</u>
		<u>3,325,364</u>	<u>2,909,191</u>

6.1 Listed equity securities - at fair value through profit or loss

Name of Investee Companies	As at 01 July 2020	Purchases during the period	Bonus shares received during the period	Right shares purchased/ subscribed during the period	Merger / demerger adjustment effects	Sold during the period	As at December 31, 2020	Carrying value as at December 31, 2020	Market value as at December 31, 2020	Market value as a percentage of net assets	Market value as a percentage of total investment	Holding as a percentage of paid-up capital of the investee company
Textile Composite												
Nishat Mills Limited	17,900	-	-	-	-	17,900	-	-	-	-	-	-
Cement												
Pioneer Cement Limited	100,000	-	-	-	-	50,000	50,000	3,152	5,165	0.15	0.16	0.02
								<u>3,152</u>	<u>5,165</u>	<u>0.15</u>	<u>0.16</u>	
Oil and Gas Marketing Companies												
Sui Northern Gas Pipeline Limited	10,000	-	-	-	-	10,000	-	-	-	-	-	-
								<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Total as at December 31, 2020								<u>3,152</u>	<u>5,165</u>			
Total as at June 30, 2020								<u>4,631</u>	<u>8,246</u>			

6.1.1 All shares are fully paid up ordinary shares of Rs 10 each.

6.2 Listed equity securities - at fair value through other comprehensive income

Name of Investee Companies	As at 01 July 2020	Purchases during the period	Bonus shares received during the period	Right shares purchased/ subscribed during the period	Merger / demerger adjustment effects	Sold during the period	As at December 31, 2020	Carrying value as at December 31, 2020	Market value as at December 31, 2020	Market value as a percentage of net assets	Market value as a percentage of total investment	Holding as a percentage of paid-up capital of the investee company
Commercial Banks												
Meezan Bank Limited	1,560,772	40,000	153,077	-	-	249,676	1,504,173	84,896	157,096	4.69	4.72	0.11
BankIslami Pakistan Limited	50,000	-	-	-	-	-	50,000	641	601	0.02	0.02	0.00
								<u>85,537</u>	<u>157,697</u>	<u>4.71</u>	<u>4.74</u>	
Textile Composite												
Nishat Mills Limited	380,100	50,000	-	-	-	25,000	405,100	54,088	41,227	1.23	1.24	0.12
								<u>54,088</u>	<u>41,227</u>	<u>1.23</u>	<u>1.24</u>	
Cement												
Cherat Cement Company Limited	309,490	-	-	-	-	125,000	184,490	19,214	26,971	0.81	0.81	0.09
D. G. Khan Cement Company Limited	1,009,000	25,000	-	-	-	225,000	809,000	86,786	92,695	2.77	2.79	0.18
Fauji Cement Company Limited	2,603,500	-	-	-	-	325,000	2,278,500	52,064	49,375	1.48	1.48	0.17
Lucky Cement Limited	560,750	32,500	-	-	-	77,500	515,750	295,382	359,008	10.73	10.80	0.16
								<u>453,446</u>	<u>528,049</u>	<u>15.79</u>	<u>15.88</u>	

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Name of Investee Companies	As at 01 July 2020	Purchases during the period	Bonus shares received during the period	Right shares purchased/subscribed during the period	Merger / demerger adjustment effects	Sold during the period	As at December 31, 2020	Carrying value as at December 31, 2020	Market value as at December 31, 2020	Market value as a percentage of net assets	Market value as a percentage of total investment	Holding as a percentage of paid-up capital of the investee company
	(Number of shares)						(Rupees in '000)		%			
Power Generation & Distribution												
Kot Addu Power Company Limited	-	25,000	-	-	-	-	25,000	696	680	0.02	0.02	0.00
The Hub Power Company Limited	2,794,884	112,500	-	-	-	-	2,907,384	277,648	230,643	6.89	6.94	0.22
								<u>278,344</u>	<u>231,323</u>	<u>6.91</u>	<u>6.96</u>	
Oil and Gas Marketing Companies												
Pakistan State Oil Company Limited	625,454	20,000	-	-	-	162,500	482,954	104,151	103,980	3.11	3.13	0.10
Sui Northern Gas Pipelines Limited	1,049,100	-	-	-	-	15,000	1,034,100	110,960	45,935	1.37	1.38	0.16
Sui Southern Gas Company Limited	1,764,000	-	-	-	-	-	1,764,000	64,717	25,613	0.77	0.77	0.20
								<u>279,828</u>	<u>175,528</u>	<u>5.25</u>	<u>5.28</u>	
Oil and Gas Exploration Companies												
Oil & Gas Development Company	2,660,700	-	-	-	-	100,000	2,560,700	374,102	265,724	7.94	7.99	0.06
Mari Petroleum Company Limited	150,100	-	-	-	-	2,520	147,580	186,474	197,731	5.91	5.95	0.11
Pakistan Oilfields Limited	429,520	-	-	-	-	20,000	409,520	179,744	161,928	4.84	4.87	0.14
Pakistan Petroleum Limited	2,385,240	-	-	-	-	250,000	2,135,240	287,343	192,876	5.76	5.80	0.08
								<u>1,027,663</u>	<u>818,259</u>	<u>24.45</u>	<u>24.61</u>	
Engineering												
International Industries Limited	116,230	159,500	-	-	-	10,000	265,730	52,396	46,928	1.40	1.41	0.20
International Steels Limited	715,100	-	-	-	-	50,000	665,100	83,441	62,007	1.85	1.86	0.15
Agha Steels Limited	-	311,099	-	-	-	137,500	173,599	5,555	6,842	0.20	0.21	0.03
Amreli Steel Limited	100,500	-	-	-	-	-	100,500	5,126	4,850	0.14	0.15	0.03
								<u>146,518</u>	<u>120,627</u>	<u>3.59</u>	<u>3.63</u>	
Automobile Assembler												
Honda Atlas Cars Limited	82,900	-	-	-	-	10,000	72,900	23,065	23,919	0.71	0.72	0.05
Indus Motor Company Limited	99,390	-	-	-	-	24,900	74,490	96,554	89,236	2.67	2.68	0.09
Millat Tractors Limited	37,777	-	-	-	-	-	37,777	30,338	41,331	1.23	1.24	0.08
Pak Suzuki Motor Company Limited	10,700	-	-	-	-	-	10,700	4,740	2,589	0.08	0.08	0.01
								<u>154,697</u>	<u>157,075</u>	<u>4.69</u>	<u>4.72</u>	
Automobile Parts and Assembler												
Agriauto Industries Limited	150,000	-	-	-	-	43,300	106,700	27,273	24,994	0.75	0.75	0.74
General Tyre And Rubber Company of Pakistan Limited	228,624	-	-	-	-	-	228,624	21,271	18,958	0.57	0.57	0.19
Thal Limited	121,800	-	-	-	-	37,700	84,100	31,644	39,752	1.19	1.20	0.21
								<u>80,188</u>	<u>83,704</u>	<u>2.51</u>	<u>2.52</u>	
Cable and Electric Goods												
Pak Elektron Limited	1,426,500	175,000	-	-	-	400,000	1,201,500	41,620	48,216	1.44	1.45	0.24
Pakistan Cables Limited	249,250	-	-	-	-	8,300	240,950	50,169	32,376	0.97	0.97	0.68
								<u>91,789</u>	<u>80,592</u>	<u>2.41</u>	<u>2.42</u>	
Fertilizer												
Dawood Hercules Corporation Limited	48,000	-	-	-	-	48,000	-	-	-	-	-	-
Engro Corporation Limited	697,610	30,000	-	-	-	40,000	687,610	191,105	211,346	6.31	6.36	0.12
Engro Fertilizer Limited	1,857,000	-	-	-	-	373,000	1,484,000	89,207	93,833	2.80	2.82	0.11
Fatima Fertilizer Company	509,500	-	-	-	-	509,500	-	-	-	-	-	-
Fauji Fertilizer Company Limited	75,600	-	-	-	-	-	75,600	6,087	8,203	0.25	0.25	0.01
								<u>286,399</u>	<u>313,382</u>	<u>9.36</u>	<u>9.43</u>	
Pharmaceuticals												
Abbot Laboratories (Pakistan) Limited	61,950	27,800	-	-	-	3,000	86,750	63,044	65,528	1.96	1.97	0.09
AGP Limited	84,500	-	-	-	-	36,000	48,500	3,880	5,523	0.17	0.17	0.02
Ferozsons Laboratories Limited	63,950	-	12,790	-	-	-	76,740	12,453	25,354	0.76	0.76	0.21
GlaxoSmithKline Pakistan Limited	302,700	-	-	-	-	20,000	282,700	57,616	54,230	1.62	1.63	0.09
GlaxoSmithKline Consumer Healthcare Limited	35,370	-	-	-	-	-	35,370	-	9,378	0.28	0.28	0.03
The Searle Company Limited	540,160	-	-	66,321	-	30,000	574,614	163,984	143,211	4.28	4.31	0.27
								<u>300,977</u>	<u>303,224</u>	<u>9.07</u>	<u>9.12</u>	
Chemicals												
ICI Pakistan Limited	-	23,000	-	-	-	-	23,000	17,093	17,482	0.52	0.53	0.02
								<u>17,093</u>	<u>17,482</u>	<u>0.52</u>	<u>0.53</u>	
Paper and Board Packages Limited												
Packages Limited	189,800	-	-	-	-	42,500	147,300	86,891	87,926	2.63	2.64	0.16
								<u>86,891</u>	<u>87,926</u>	<u>2.63</u>	<u>2.64</u>	

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Name of Investee Companies	As at 01 July 2020	Purchases during the period	Bonus shares received during the period	Right shares purchased/ subscribed during the period	Merger / demerger adjustment effects	Sold during the period	As at December 31, 2020	Carrying value as at December 31, 2020	Market value as at December 31, 2020	Market value as a percentage of net assets	Market value as a percentage of total investment	Holding as a percentage of paid-up capital of the investee company
Leather and Tanneries												
Bata Pakistan Limited	5,120	-	-	-	-	-	5,120	9,728	7,843	0.23	0.24	0.07
Service Industries Limited	130,733	-	32,683	-	-	9,050	154,366	71,910	128,765	3.85	3.87	0.66
								<u>81,638</u>	<u>136,608</u>	<u>4.08</u>	<u>4.11</u>	
Foods and Personal Care Products												
At-Tahur Limited	504,158	-	50,415	-	-	-	554,573	9,625	11,180	0.33	0.34	0.31
Mitchell's Fruit Farms Limited	32,550	-	-	-	-	-	32,550	8,626	11,786	0.35	0.35	0.41
Shezan International Limited	85,085	-	-	-	-	-	85,085	38,716	29,824	0.89	0.90	0.97
								<u>56,967</u>	<u>52,790</u>	<u>1.57</u>	<u>1.59</u>	
Right Certificates												
Mitchell's Fruit Farms Limited	-	-	-	62,000	-	-	62,000	-	14,706	0.44	0.44	0.79
								<u>-</u>	<u>14,706</u>	<u>0.44</u>	<u>0.44</u>	
Total as at December 31, 2020								<u>3,482,063</u>	<u>3,320,199</u>			
Total as at June 30, 2020								<u>3,733,741</u>	<u>2,900,945</u>			

6.2.1 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.

6.3 Investments include shares with market value of Rs 91.323 million (June 30, 2020: Rs 76.547 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 23, 2007 issued by the Securities and Exchange Commission of Pakistan.

	Note	December 31	
		2020	2019
		----- (Unaudited) -----	
		----- Rupees in '000 -----	
6.4 Net unrealised appreciation on re-measurement of investment classified as 'financial assets at fair value through profit or loss'			
Market value of investments	6.1	5,165	18,074
Less: Carrying value of investments	6.1	(3,152)	(15,628)
		<u>2,013</u>	<u>2,446</u>
6.5 Appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through other comprehensive income'			
Market value of investments	6.2	3,320,199	3,309,573
Less: Carrying cost of investments	6.2	3,482,063	3,667,161
		(161,864)	(357,588)
Add: Changes in fair value of investments disposed of during the period		29,076	37,138
Less: Net unrealised (diminution) / appreciation in the fair value of investments at the beginning of the period		(832,796)	(1,015,819)
Amount of unrealised diminution / (appreciation) pertaining to disposed of securities		42,110	158,012
		(790,686)	(857,807)
		<u>657,898</u>	<u>537,357</u>

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- 6.6 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance, 2001 as a result of which companies were liable to withhold five percent of the bonus shares to be issued. The shares so withheld were only to be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition had been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order had been granted by the Honourable High Court of Sindh in favour of CISs.

On June 27, 2018, the Supreme Court of Pakistan passed a judgement whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically. The CISs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019 and on July 15, 2019, the Honourable High Court of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication and the Funds have included these shares in their portfolio, as the management is confident that the decision of the constitutional petition will be in favour of the CISs.

Further, the Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund since July 1, 2018 have not been withheld by the investee companies.

As an abundant caution, the Fund has made payments which is 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. As at December 31, 2020, the following bonus shares of the Fund were withheld by certain companies at the time of declaration of the bonus shares.

Name of investee company	December 31, 2020 (Unaudited)			June 30, 2020 (Audited)		
	Number of bonus shares	Market value	Payment made to the investee company	Number of bonus shares	Market value	Payment made to the investee company
	----- (Rupees in '000) -----			----- (Rupees in '000) -----		
The Searle Company Limited*	4,947	1,233	2,485	4,947	986	2,485
The Searle Company Limited**	1,329	331	-	1,329	265	-
Pakistan State Oil Company Limited**	4,748	1,022	-	4,748	751	-
The Searle Company Limited**	3,755	936	-	3,755	748	-
		3,522	2,485		2,750	2,485

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

** The Searle Company Limited and Pakistan State Oil Company Limited have not released the shares due to court order and the amount has been recorded as a liability.

	December 31, 2020 (Unaudited)	June 30, 2020 (Audited)
	-----Rupees in '000-----	

7 DIVIDEND AND PROFIT RECEIVABLE

Dividend receivable	5,599	2,017
Profit receivable on savings accounts	268	683
	5,867	2,700

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	Note	December 31, 2020 (Unaudited)	June 30, 2020 (Audited)
-----Rupees in '000-----			
8	PAYABLE TO NATIONAL INVESTMENT TRUST LIMITED - MANAGEMENT COMPANY		
	Management remuneration payable	8.1	5,616
	Sindh sales tax payable on management remuneration	8.2	730
	Preliminary expenses and floatation costs payable		-
	Payable against allocation of expenses related to registrar services accounting, operation and valuation services	8.3	289
	Payable against selling and marketing expenses	8.4	1,575
	Other payable		-
		8,210	15,023

8.1 The Management Company has charged its remuneration at the rate of 2% (June 30, 2020: 2%) of the average net assets of the Fund during the period. The remuneration is payable to the Management Company monthly in arrears.

8.2 During the period, Sindh sales tax at the rate of 13% (June 30, 2020: 13%) was charged on the management remuneration.

8.3 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

During the period, the Management Company has charged such expenses to the Fund at the rate of 0.1% (June 30, 2020: 0.1%) of the average net assets of the Fund which has been approved by the board of directors.

8.4 In accordance with the SECP's circular 11 dated July 5, 2019 asset management companies are allowed to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) subject to the maximum limit approved by the board of directors as part of the annual plan.

Accordingly, the Management Company has charged selling and marketing expenses to the Fund during the period subject to the limit approved by the board of directors.

	Note	December 31, 2020 (Unaudited)	June 30, 2020 (Audited)
-----Rupees in '000-----			
9	PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE		
	Trustee remuneration payable		364
	Sindh sales tax payable on Trustee remuneration	9.1	47
		411	364

9.1 During the period, Sindh sales tax at the rate of 13% (June 30, 2020: 13%) was charged on the Trustee remuneration.

	Note	December 31, 2020 (Unaudited)	June 30, 2020 (Audited)
-----Rupees in '000-----			
10	ACCRUED EXPENSES AND OTHER LIABILITIES		
	Provision for Sindh Workers' Welfare Fund	10.1	12,390
	Provision for federal excise duty	10.2	21,295
	Auditors' remuneration payable		369
	Charity payable		5,878
	Zakat payable		27
	Capital gain tax payable		284
	Withholding tax payable		9
	Shariah advisory fee		35
	Brokerage expense payable		365
	Payable against bonus shares		3,522
		44,174	37,954

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- 10.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, was required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP had taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs / mutual funds, MUFAP recommended that, as a matter of abundant caution, provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from 21 May 2015).

Had the provision for SWWF not been recorded in these condensed interim financial statements for the period from May 21, 2015 to December 31, 2020, the net asset value per unit of the Fund as at December 31, 2020 would have been higher by Re. 0.034 (June 30, 2020: Re 0.03).

- 10.2 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 01, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 21.295 million has been retained in these condensed interim financial statements as the matter is pending before the Honourable Supreme Court of Pakistan. Had the provision for FED not been made, the net asset value per unit of the Fund as at December 31, 2020 would have been higher by Re 0.0576 (June 30, 2020: Re 0.0532).

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2020 and June 30, 2020.

12 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% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since, the Management Company intends to distribute the income earned by Fund for the year ending June 30, 2021 to the unit holders in the manner as explained above, accordingly no provision for taxation has been made in these condensed interim financial statements.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds as per Section 4B of the Income Tax Ordinance, 2001.

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13 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period results is 2.83% which includes 0.35% representing Government levies on the Fund such as provision for Sindh Worker's Welfare Fund, sales tax, federal excise duties, annual fee to the SECP etc. The prescribed limit for the ratio is 4.5% (excluding Government levies) under the NBFC Regulations for a collective investment scheme categorised as an 'equity scheme'.

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 are executed on an arm's length basis and essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges 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 Remunerations to the Management Company and the Trustee are 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:

Transactions during the period	Six month period ended December 31		Quarter ended December 31	
	2020	2019	2020	2019
	(Unaudited)			
	Rupees in '000			
National Investment Trust Limited - Management Company				
Issue of 1,801,720 units under CIP (2019: 2,404,943 units)	13,080	17,364	-	17,364
Redemption of 11,904,762 units (2019: Nil units)	100,000	-	-	-
Remuneration of the Management Company	33,491	29,720	16,335	16,193
Sindh sales tax on remuneration of the Management Company	4,354	3,864	2,124	2,106
Selling and marketing expenses	3,152	2,844	1,575	1,921
Allocation of expenses related to registrar services, accounting, operation and valuation services	1,673	1,497	817	818
Central Depository Company of Pakistan Limited - Trustee				
Remuneration of the Trustee	2,179	1,989	1,069	1,061
Sindh sales tax on Trustee remuneration	283	259	139	138
Custodian charges	22	19	12	16
Directors and key management personnel				
Issue of 120,266 units (2019: 88,283 units)	1,022	603	1,022	500
Issue of 8,068 units under CIP (2019: 16,988 units)	59	123	-	-
Additional units: 528 units as refund of capital (2019: 8 units)	-	-	-	-
Redemption of units: Nil (2019: 193,013 units)	-	1,200	-	1,200

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Amounts outstanding as at period / year end	December 31, 2020 (Unaudited)	June 30, 2020 (Audited)
	-----Rupees in '000-----	
National Investment Trust Limited - Management Company		
99,817,015 units held (June 30, 2020: 109,920,057)	903,344	813,408
Management remuneration payable	5,616	4,844
Sindh sales tax payable on management remuneration	730	630
Payable against allocation of expenses related to registrar services, accounting, operation and valuation services	289	252
Preliminary expenses and floatation costs payable	-	5,000
Payable against selling and marketing expenses	1,575	1,647
Other payable	-	2,650
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration payable	364	322
Sindh sales tax payable on Trustee remuneration	47	42
Directors and key management personnel		
648,456 units held (June 30, 2020: 519,594 units)	5,863	3,845

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. 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 statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

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).

As at December 31, 2020 and June 30, 2020, the Fund held the following financial instruments measured at fair value:

----- As at December 31, 2020 (Un-audited) -----			
Level 1	Level 2	Level 3	Total
----- Rupees in '000 -----			

Financial assets at fair value through profit or loss

Investments

Listed equity securities	5,165	-	-	5,165
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Financial assets at fair value through other comprehensive income

Investments

Listed equity securities	3,320,199	-	-	3,320,199
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3,325,364	-	-	3,325,364
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