



**NIT Government Bond Fund
Condensed Interim Financial
Statements (Unaudited)
for the Nine Months Period
ended
31 March 2017**

**NIT - GOVERNMENT BOND FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT MARCH 31, 2017**

	March 31, 2017	June 30, 2016
Note	(Unaudited)	(Audited)
	-----Rupees in '000-----	
ASSETS		
Bank balances	907,845	1,279,554
Investments	3,218,987	2,820,110
Profit Receivable	21,524	94,347
Deposit with Central Depository Company of Pakistan	100	100
Total assets	4,148,456	4,194,111
LIABILITIES		
Payable to National Investment Trust Limited - Management Company	2,997	5,088
Payable to Central Depository Company of Pakistan Limited - Trustee	367	345
Payable to Securities and Exchange Commission of Pakistan	2,270	3,469
Payable against redemption of units	-	131
Accrued expenses and other liabilities	39,732	73,796
Dividend Payable	2,437	19,655
Total liabilities	47,803	102,484
NET ASSETS	4,100,653	4,091,627
Unit holders' fund (as per statement attached)	4,100,653	4,091,627
Contingency		
	Number of units	
Number of units in issue	396,031,262	410,935,884
	----Rupees-----	
Net asset value per unit	10.3544	9.9569

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

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

sd/-
Managing Director

sd/-
Director

sd/-
Director

**NIT - GOVERNMENT BOND FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE NINE MONTHS AND THREE MONTHS PERIOD ENDED MARCH 31, 2017**

Note	Nine months period ended,		Three months period ended,	
	2017	2016	2017	2016
------(Unaudited)-----				
-----Rupees in '000-----				
INCOME				
Income from government securities	117,023	84,242	41,635	62,596
Profit on bank deposits	38,902	41,044	13,494	10,009
Mark-up on Pakistan Investment Bonds	24,499	147,239	5,072	-
Capital gain on sale of investments -net	6,531	114,683	226	4,231
Reversal of provision for WWF	10.1 39,149	-	39,149	-
Total income	226,104	387,208	99,576	76,836
EXPENSES				
Remuneration of National Investment Trust Limited - Management Company	8.1 33,886	44,914	8,805	13,242
Sindh Sales Tax on remuneration to Management Company	8.2 4,405	7,294	1,144	2,150
Federal Excise Duty on remuneration to Management Company	-	7,182	-	2,114
Remuneration of Central Depository Company of Pakistan Limited - Trustee	2,836	3,266	952	983
Sindh Sales Tax on remuneration of Trustee	9.1 369	456	124	136
Annual fee - Securities and Exchange Commission of Pakistan	2,270	2,686	766	792
Allocation of expenses related to registrar services, accounting, operation and valuation services	8.3 3,029	1,531	1,022	1,134
Auditors' remuneration	557	512	119	122
Settlement and bank charges	287	718	71	184
Listing fee	64	122	9	-
Printing charges	63	73	63	23
Mutual Fund rating Fee	273	251	273	19
Total expenses	48,039	69,005	13,348	20,899
Net income from operating activities	178,065	318,203	86,228	55,937
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed	(2,251)	(60,368)	(3,508)	(30,544)
Provision for Sindh Workers' Welfare Fund	10.1 (8,534)	-	(8,534)	-
Net income for the period before taxation	167,280	257,835	74,186	25,393
Taxation	12 -	-	-	-
Net income for the period	167,280	257,835	74,186	25,393

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

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

sd/-

Managing Director

sd/-

Director

sd/-

Director

**NIT - GOVERNMENT BOND FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE NINE MONTHS AND THREE MONTHS PERIOD ENDED MARCH 31, 2017**

Note	Nine months period ended,		Three months period ended,	
	2017	2016	2017	2016
	----- (Unaudited) -----			
	----- Rupees in '000 -----			
Net income for the period	167,280	257,835	74,186	25,393
Other comprehensive income for the period				
Items to be reclassified to income statement in subsequent periods:				
Net unrealised (dimunition) / appreciation in the fair value of investments classified as 'available for sale'	6.3	(9,943)	(110,349)	518
				3,803
Total comprehensive income for the period	157,337	147,486	74,704	29,196

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

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

sd/-
Managing Director

sd/-
Director

sd/-
Director

**NIT - GOVERNMENT BOND FUND
CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2017**

Note	Nine months period ended,	
	2017	2016
	----- (Unaudited) -----	
	----- Rupees in '000 -----	
Undistributed (loss) / income at the beginning of the period- realised	(2,628)	(69,341)
Element of income/(loss) and capital gains/(losses) included in the prices of units issued less those in units redeemed - amount representing income/(loss) that form part of unit holders' Fund-net	77	26,941
Net income for the period	167,280	257,835
Undistributed income carried forward- realised	<u>164,729</u>	<u>215,435</u>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

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

**sd/-
Managing Director**

**sd/-
Director**

**sd/-
Director**

NIT - GOVERNMENT BOND FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2017

	Note	Nine months period ended,	
		2017	2016
		------(Unaudited)-----	
		-----Rupees in '000-----	
Net assets at the beginning of the period		4,091,627	4,860,709
[Rs. 9.9569 per unit (2015: Rs. 10.1222 per unit)]			
Issue of 89,299,234 units (2016: 102,495,496 units)		905,829	1,046,623
Redemption of 104,203,856 units (2016: 192,558,260 units)		(1,056,391)	(1,991,905)
		(150,562)	(945,282)
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net			
- amount representing loss transferred to interim income statement		2,251	60,368
- amount representing (income) transferred to interim distribution statement		(77)	(26,941)
		2,174	33,427
Net unrealised (diminution) in the fair value of investments classified as 'available for sale'	6.3	(9,943)	(110,349)
Gain on sale of investments-net		6,531	114,683
Other net income for the period		160,749	143,152
Total comprehensive income for the period		157,337	147,486
Element of income/(loss) and capital gains/(losses) included in the prices of units issued less those in units redeemed - amount representing income/(loss) that form part of unit holders' Fund-net		77	26,941
Net assets at the end of the period		4,100,653	4,123,281
[Rs. 10.3544 per unit (2016: Rs. 10.5687 per unit)]			

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

For National Investment Trust Limited
(Management Company)

sd/-
Managing Director

sd/-
Director

sd/-
Director

**NIT - GOVERNMENT BOND FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2017**

	Nine months period ended,	
	2017	2016
	----- (Unaudited) -----	
	----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	167,280	257,835
Adjustments:		
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed	2,251	60,368
	<u>169,531</u>	<u>318,203</u>
(Increase) / decrease in assets		
Investments	(408,820)	(240,465)
Accrued income	72,823	108,963
Receivable against sale of investments	-	(54,971)
	<u>(335,997)</u>	<u>(186,473)</u>
Increase / (decrease) in liabilities		
Payable to National Investment Trust Limited - Management Company	(2,091)	(1,457)
Payable to Central Depository Company of Pakistan Limited - Trustee	22	(38)
Payable to Securities and Exchange Commission of Pakistan	(1,199)	(2,361)
Payable against redemption of units	(131)	(358)
Accrued expenses and other liabilities	(34,064)	(54,922)
	<u>(37,463)</u>	<u>(59,136)</u>
Net cash (used in) / generated from operating activities	<u>(203,929)</u>	<u>72,594</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received on issue of units	905,829	1,046,623
Payments against redemption of units	(1,056,391)	(1,991,905)
Distribution paid	(17,218)	(195,430)
Net cash (used in) financing activities	<u>(167,780)</u>	<u>(1,140,712)</u>
Net increase in cash and cash equivalents during the period	<u>(371,709)</u>	<u>(1,068,118)</u>
Cash and cash equivalents at the beginning of the period	1,279,554	1,443,512
Cash and cash equivalents at the end of the period	<u><u>907,845</u></u>	<u><u>375,394</u></u>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

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

**sd/-
Managing Director**

**sd/-
Director**

**sd/-
Director**

NIT - GOVERNMENT BOND FUND

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE NINE MONTHS AND THREE MONTHS PERIOD ENDED MARCH 31, 2017

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 The NIT - Government Bond Fund (the Fund) was established under a Trust Deed executed between National Investment Trust Limited (NITL) as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter no. NBFC-II/NITL/896/2009 dated September 24, 2009 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) and the Trust Deed was executed on September 4, 2009. The Fund is categorized as Income Scheme as per criteria for categorization of open end collective investment scheme as specified by Securities and Exchange Commission of Pakistan (SECP) and other allied matters. 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, 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. The units are transferable and can be redeemed by surrendering them to the Fund. The units of the Fund were initially offered for public subscription at par from 16 November 2009 to 18 November 2009 (both days inclusive)
- 1.4 Pakistan Credit Rating Agency Limited (PACRA) has assigned "AA-(f)" rating to the Fund and has assigned an asset manager rating of "AM2+" to the Management Company.
- 1.5 The objective of the Fund is to generate competitive stream of return with moderate level of risk for its unit holders, by investing primarily in government securities.
- 1.6 Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as Trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

- 2.1.1 This condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of the IFRS, the requirements of the NBFC Rules, the NBFC Regulations or the directives issued by the SECP shall prevail.
- 2.1.2 This condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the annual financial statements of the Fund as at and for the year ended 30 June 2016.
- 2.1.3 This condensed interim financial information is being submitted to the unit holders as required under Regulation 38 (2)(f) of the Non-Banking Finance Companies and notified Entities Regulations, 2008 (NBFC Regulations).

3 Significant Accounting Policies

The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended 30 June 2016.

4 Use of Judgements and Estimates

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

The significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements as at and for the year ended 30 June 2016.

5 BANK BALANCES

These represent balances with banks in savings accounts carrying rates ranging from 3.75% to 6.50% per annum (30 June 2016: 2.00% to 7.5% per annum)

6 INVESTMENTS	Note	March 31, 2017 (Unaudited)	June 30, 2016 (Audited)
		-----Rupees in '000-----	
Available for sale			
Government securities:			
- Market Treasury Bills	6.1	2,398,457	931,130
- Pakistan Investment Bonds	6.2	820,530	1,888,980
		<u>3,218,987</u>	<u>2,820,110</u>

6.1 Market Treasury Bills

Issue date	Tenor	Face value			Balance as at 31 March 2017		Market value as a percentage of net assets	Market value as a percentage of total investments	
		As at 1 July 2016	Purchases during the period	Sales / matured during the period	As at 31 March 2017	Carrying value			Market value
-----Rupees in '000-----									
----- (%) -----									
August 20, 2015	12 Months	350,000	500,000	850,000	-	-	-	-	
September 3, 2015	12 Months	202,000		202,000	-	-	-	-	
January 21, 2016	12 Months	4,500		4,500	-	-	-	-	
February 18, 2016	12 Months	68,000		68,000	-	-	-	-	
March 3, 2016	12 Months	125,000	300,000	425,000	-	-	-	-	
April 14, 2016	12 Months	20,700			20,700	20,661	20,657	0.50	
July 21, 2016	12 Months		450,000		450,000	442,536	441,954	10.78	
May 12, 2016	6 Months	28,000		28,000	-	-	-	-	
May 26, 2016	6 Months	150,000		150,000	-	-	-	-	
July 11, 2016	6 Months		200,000	200,000	-	-	-	-	
July 21, 2016	6 Months		1,350,000	1,350,000	-	-	-	-	
August 4, 2016	6 Months		100,000	100,000	-	-	-	-	
August 18, 2016	6 Months		700,000	700,000	-	-	-	-	
January 19, 2017	6 Months		250,000		250,000	245,679	245,530	5.99	
March 2, 2017	3 Months		400,000		400,000	396,529	396,443	9.67	
February 16, 2017	3 Months		600,000		600,000	596,143	596,023	14.53	
January 19, 2017	3 Months		650,000	250,000	400,000	399,237	399,161	9.73	
February 2, 2017	3 Months		300,000		300,000	298,746	298,691	7.28	
November 24, 2016	3 Months		400,000	400,000	-	-	-	-	
Total - 31 March 2017		948,200	6,200,000	4,727,500	2,420,700	2,399,530	2,398,457	58.48	74.52

6.2 Pakistan Investment Bonds

March 26, 2015	5 years	150,000	-	150,000	-	-	-	-	-
July 18, 2013	3 years	1,200,000	-	1,200,000	-	-	-	-	-
March 26, 2015	3 years	450,000	800,000	450,000	800,000	820,592	820,530	20.01	25.49
April 21, 2016	3 years	50,000	-	50,000	-	-	-	-	-
Total - 31 March 2017		1,850,000	800,000	1,850,000	800,000	820,592	820,530	20.01	25.49

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

	-----March 31-----	
	2017	2016
	----- (Unaudited) -----	
	-----Rupees in '000-----	
Market value of investments	3,218,987	3,711,249
Less: carrying value of investments	(3,220,122)	(3,699,528)
	(1,135)	11,721
Less: net unrealised diminution at the beginning of the year	8,808	122,070
	<u>(9,943)</u>	<u>(110,349)</u>

7 PROFIT RECEIVABLE

	March 31, 2017 (Unaudited)	June 30, 2016 (Audited)
	-----Rupees in '000-----	
Profit on savings accounts	4,759	2,812
Mark-up on fixed income securities	16,765	91,535
	<u>21,524</u>	<u>94,347</u>

8 PAYABLE TO NATIONAL INVESTMENT TRUST LIMITED - MANAGEMENT COMPANY	March 31,2017 (Unaudited)	June 30, 2016 (Audited)
	-----Rupees in '000-----	
On account of:		
- Management remuneration	8.1	2,055
- Sindh Sales Tax	8.2	268
- Sales load		327
- Allocation of expenses related to registrar services, accounting, operation and valuation services	8.3	347
	<u>2,997</u>	<u>5,088</u>

8.1 Under the revised Non-Banking Finance Companies & Notified Entities Regulations 2008, notified on 25 November 2015, the Management Company of the Fund is entitled to a remuneration of an amount not exceeding 1.5 percent of average net assets. The Management Company has resolved to revise its remuneration at the rate from 1.25% p.a. to 10% of gross earning with a minimum of 0.5% and maximum of 1% of average annual net assets with effect from February 6, 2017(30 June 2016: 1.25 percent per annum).

8.2 The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% (30 June 2016: 14%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011,

8.3 Securities and Exchange Commission of Pakistan through its SRO 1160(I)/2015 dated November 25, 2015 has revised the Non-Banking Finance Companies and Notified Entities Regulations, 2008. In the revised regulations a new clause 60(3)(s) has been introduced allowing the management company to charge "fees and expenses related to registrar services, accounting, operation and valuation services related to CIS maximum up to 0.1% of average annual net assets of the Scheme or actual whichever is less" from the mutual funds managed by it.

The expenses represents the allocation of expenses relating to registrar services, accounting, operations and valuation services at 0.1% of average net annual assets of the Fund.

9 PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	March 31,2017 (Unaudited)	June 30, 2016 (Audited)
	-----Rupees in '000-----	
Trustee remuneration	325	303
Sindh Sales Tax	9.1	42
	<u>367</u>	<u>345</u>

9.1 The Sindh Provincial Government levied Sindh Sales Tax at the rate of 13% (June 2016: 14%)on the remuneration of the Trustee through Sindh Sales Tax on Services Act, 2011.

10 ACCRUED EXPENSES AND OTHER LIABILITIES	March 31,2017 (Unaudited)	June 30, 2016 (Audited)
	-----Rupees in '000-----	
Provision for Workers' Welfare Fund	10.1	-
Provision for Sindh Workers' Welfare Fund	10.1	8,534
Federal Excise Duty	10.2	29,849
Capital gain tax		15
Auditors' remuneration		297
Legal and Professional Charges		470
Printing charges		-
Settlement charges		21
Brokerage		3
Withholding Tax		543
Zakat Payable		-
	<u>39,732</u>	<u>73,796</u>

- 10.1 The Finance Act, 2008 introduced amendments to the Workers' Welfare Fund (WWF) Ordinance, 1971 whereby the definition of industrial establishment was extended. The amendments were challenged at various levels and conflicting judgments were rendered by the Lahore High Court, Sindh High Court and Peshawar High Court. The Honourable Supreme Court of Pakistan vide its judgment dated 10 November 2016, has upheld the view of Lahore High Court and decided that WWF is not a tax and hence the amendments introduced through Finance Act, 2008 are ultra-vires to the Constitution. The Federal Board of Revenue has filed Civil Review Petitions in respect of above judgment with the prayer that the judgment dated 10 November 2016 passed in the Civil Appeal may kindly be reviewed in the interest of justice.

The Mutual Fund Association of Pakistan (MUFAP), after deliberating the position and obtaining advice from the legal counsel, decided that the provision for WWF held for the period from 1 January 2013 to 30 June 2015 should be reversed effective from 12 January 2017. Accordingly, the provision amounted to Rs. 39.149 million has been reversed on 12 January 2017. This has resulted in an increase in NAV per unit of Rs. 0.0989 on 31 March 2017.

Furthermore, the Sindh Revenue Board (SRB) had written to few mutual funds in January 2016 to register and pay Sindh Workers Welfare Fund (SWWF) for the accounting year closing on or after 31 December 2013. MUFAP reviewed the issue and based on an opinion dated August 2016 decided that SWWF is not applicable on mutual funds as they are not financial institutions as required by SWWF Act, 2014. MUFAP wrote to SRB that mutual funds are not establishments and are pass through vehicles hence, they do not have any worker and no SWWF is payable by them. SRB responded back that as mutual funds are included in definition of financial institutions in the Financial Institutions (Recovery of Finance) Ordinance, 2001, therefore SWWF is applicable on mutual funds. MUFAP has taken up this matter before the Sindh Finance Ministry to exclude mutual funds from SWWF.

MUFAP has also taken a legal opinion that SWWF, if applicable, can only be applied from the date of enactment of SWWF Act, 2014, i.e. 21 May 2015. Accordingly, on 12 January 2017, MUFAP as an abundant caution, has decided to provide for SWWF with effect from 21 May 2015 and is being made on daily basis going forward, while the efforts to exclude mutual funds from SWWF continue. The provision made for SWWF on 31 March 2017 is amounted to Rs. 8.534 million. This has resulted in a decrease in NAV per unit of Rs. 0.0215.

- 10.2 As per the requirement of Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Management Company has been applied effective 13 June 2013. The Management Company is of the view that since the remuneration is already subject to provincial sales tax, further levy of FED may result in double taxation, which does not appear to be the spirit of the law.

The Honorable Sindh High Court (SHC) through its recent order dated 2 June 2016, in CPD-3184 of 2014 (and others) filed by various taxpayers, has inter alia declared that Federal Excise Act 2005 (FED Act) is on services, other than shipping agents and related services, is ultra vires to the Constitution from 01 July 2011. However, the declaration made by the Honorable Court, as directed, will have affect in the manner prescribed in the judgment. The Sind High Court in its decision dated 16 July 2016 in respect of constitutional petition filed by management companies of mutual funds maintained the previous order on the FED.

Sindh Revenue Board and Federal Board of Revenue have filed appeals before Honorable Supreme Court against the Sindh High Court's decision dated 2 June 2016. Therefore, as a matter of abundant caution, without prejudice to the above, the Management Company has made a provision with effect from 13 June 2013, aggregating to Rs. 31.872 million out of which Rs. 2.023 million have been paid to the Management Company. Had the provision not been made, the Net Assets Value (NAV) per unit of the Fund as at 31 March 2017 would have been higher by Rs. 0.0805 per unit (30 June 2016: Rs. 0.0776 per unit). However, after the exclusion of the mutual funds from federal statute on FED from 1 July 2016, the Fund has discontinued making the provision in this regard.

11 CONTINGENCY

There is no change in the status of contingency as fully disclosed in annual financial statements for the year ended 30 June 2016.

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. Provided that for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the as the case may be, shall not be taken into account. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than capital gains / loss to the unit holders. The Fund has not recorded any tax liability in respect of income relating to the current period as the Management Company intends to distribute in cash at least 90 percent of the Fund's accounting income for the year ending 30 June 2017 as reduced by capital gains (whether realised or unrealised) to its unit holders in the form of cash.

13 TOTAL EXPENSE RATIO

Securities and Exchange Commission of Pakistan (SECP) vide directive no. SCD/PRDD/Direction/18/2016 dated 20 July 2016, requires that Collective Investment Scheme (CIS) shall disclose Total Expense Ratio (TER) in the periodic financial statements of CIS / the Fund. TER of the Fund for the period ended 31 March 2017 is 1.87% which include 0.51% representing government levy, Workers Welfare Fund and SECP fee.

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 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 The transactions with connected persons are in the normal course of business, at contracted terms determined in accordance with the 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:

14.5 Details of the transactions with connected persons are as follows:	Nine months period ended,		Three months period ended,	
	2017	2016	2017	2016
	(Unaudited)			
	-----Rupees in '000-----			
National Investment Trust Limited - Management Company				
Issue of 44,359,114 units : (2016: 31,424,382 units)	450,000	320,000	-	-
7,937,610 Units redeemed (2016: 105,778,921 units)	80,000	1,100,000	-	500,000
Sales Load	-	26	-	12
Remuneration of the Management Company	33,886	44,914	8,805	13,242
Sindh Sales Tax on Management remuneration	4,405	7,294	1,144	2,150
Allocation of expenses related to registrar services, accounting, operation and valuation services	3,029	1,531	1,022	1,134
Central Depository Company of Pakistan Limited - Trustee				
Remuneration of the Trustee	2,836	3,266	952	983
Sindh Sales Tax on Trustee Remuneration	369	456	124	136

14.6 Amounts outstanding as at period/year end:

	March 31, 2017 (Unaudited)	June 30, 2016 (Audited)
	-----Rupees in '000-----	
National Investment Trust Limited - Management Company		
Units held 137,031,199 (June 30, 2016: 100,609,695 units)	1,418,876	1,001,761
Management fee payable	2,055	4,040
Sindh Sales Tax payable	268	657
Sales Load payable	327	67
Allocation of expenses related to registrar services, accounting, operation and valuation services	347	324
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	325	303
Sindh Sales Tax on Trustee remuneration of Trustee	42	42
Security Deposit	100	100
National Investment Trust Limited - Employees' Provident Fund		
7,593,652 units held (June 30, 2016: 7,593,652 units)	78,627	75,609
National Investment Trust Limited - Employees' Pension Fund		
17,812,877 units held (June 30, 2016: 17,812,877 units)	184,441	177,360
National Investment Trust Limited - Employees Benevolent Fund		
2,504,423 units held (June 30, 2016: 2,504,423 units)	25,932	24,936
Bank Al Habib Limited		
48,615,258 units held (June 30, 2016: 48,615,258 units)	503,382	484,055
Chief Operating Officer		
1,169,189 units held (June 30, 2016: 1,169,189 units)	12,106	11,641
Fund Manager		
646 units held (June 30, 2016: 646 units)	7	6
Head of MD's Secretariat and Personnel		
59,445 units held (June 30, 2016: 59,445 units)	616	592

15 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on ***** by the Board of Directors of the Management Company. April 28, 2017

16 GENERAL

Figures have been rounded off to the nearest thousand rupees.

For National Investment Trust Limited
(Management Company)

sd/-	sd/-	sd/-
Managing Director	Director	Director