

An Open-end Income Fund primarily investing in Government issued securities; NIT-GBF offers a high degree of security to investors and is an ideal Fund for investors seeking best possible returns with minimum risk.



NIT - GOVERNMENT BOND FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT MARCH 31, 2018

		March 31, 2018	June 30, 2017
	Note	(Unaudited)	(Audited)
		-----Rupees in '000-----	
ASSETS			
Bank balances	5	1,267,749	961,804
Investments	6	2,689,573	2,876,774
Profit Receivables and others	7	84,181	34,187
Deposit with Central Depository Company of Pakistan		100	100
Total assets		4,041,603	3,872,865
LIABILITIES			
Payable to National Investment Trust Limited - Management Company	8	3,030	2,682
Payable to Central Depository Company of Pakistan Limited - Trustee	9	385	345
Payable to Securities and Exchange Commission of Pakistan		2,375	3,023
Payable against redemption of units		1	35
Accrued expenses and other liabilities	10	45,224	48,652
Dividend Payable		1,100	53,360
Total liabilities		52,115	108,097
NET ASSETS		3,989,488	3,764,768
Unit holders' fund (as per statement attached)		3,989,488	3,764,768
Contingencies	11		
		Number of units	
Number of units in issue		385,841,550	377,902,126
		-----Rupees-----	
Net asset value per unit		10.3397	9.9623

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

Sd/-
Chief Financial Officer

NIT - GOVERNMENT BOND FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE NINE MONTHS AND THREE MONTHS PERIOD ENDED MARCH 31, 2018

Note	Nine months period ended,		Three months period ended,		
	2018	2017	2018	2017	
-----Rupees in '000-----					
INCOME					
	95,963	117,023	30,753	41,635	
	44,816	38,902	18,582	13,494	
	51,550	24,499	16,263	5,072	
	169	6,531	19	226	
10.1	-	39,149	-	39,149	
Total income	192,498	226,104	65,617	99,576	
EXPENSES					
Remuneration of National Investment Trust Limited - Management Company	8.1	19,327	33,886	6,642	8,805
Sindh Sales Tax on remuneration to Management Company	8.2	2,513	4,405	864	1,144
Remuneration of Central Depository Company of Pakistan Limited - Trustee		2,940	2,836	990	952
Sindh Sales Tax on remuneration of Trustee	9.1	382	369	129	124
Annual fee - Securities and Exchange Commission of Pakistan		2,375	2,270	805	766
Allocation of expenses related to registrar services, accounting, operation and valuation services	8.3	3,167	3,029	1,063	1,022
Auditors' remuneration		787	557	318	119
Settlement and bank charges		284	287	81	71
Listing fee		40	64	5	9
Printing charges		95	63	75	63
Mutual Fund rating Fee		285	273	285	273
Legal & Professional Charges		285	-	136	-
Total expenses		32,480	48,039	11,393	13,348
Net income from operating activities		160,018	178,065	54,224	86,228
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed		-	(2,251)	-	(3,508)
Provision for Sindh Workers' Welfare Fund	10.1	(3,200)	(8,534)	(1,084)	(8,534)
Net income for the period before taxation		156,818	167,280	53,140	74,186
Taxation	12	-	-	-	-
Net income for the period		156,818	167,280	53,140	74,186
Allocation of net income for the period after taxation					
Net income for the period		156,818		53,140	
Income already paid on units redeemed		(14,588)		(11,231)	
		<u>142,230</u>		<u>41,909</u>	
Accounting income available for distribution:					
-Relating to capital gains		153		15	
-Excluding capital gains		142,077		64,356	
		<u>142,230</u>		<u>64,371</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

Sd/-
Chief Financial Officer

NIT - GOVERNMENT BOND FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE NINE MONTHS AND THREE MONTHS PERIOD ENDED MARCH 31, 2018

Note	Nine months period ended,		Three months period ended,	
	2018	2017	2018	2017
-----Rupees in '000-----				
			(Unaudited)	
Net income for the period	156,818	167,280	53,140	74,186
Other comprehensive income for the period				
Items to be reclassified to income statement in subsequent periods:				
Net unrealised (diminution) / appreciation in the fair value of investments classified as 'available for sale'	6.3	(22)	(9,943)	(44)
Total comprehensive income for the period	156,796	157,337	53,096	74,704

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

Sd/-
Chief Financial Officer

NIT - GOVERNMENT BOND FUND
CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2018

Note	2018				2017			
	Value	Undistributed income	Unrealised appreciation / (diminution) 'available for sale' investments	Total	Value	Undistributed income	Unrealised appreciation / (diminution) 'available for sale' investments	Total
-----Rupees in '000-----								
Net assets at the beginning of the period	3,755,001	9,218	549	3,764,768	4,085,447	(2,644)	8,808	4,091,627
Issue of 113,800,332 units (2017: 89,299,234 units)	1,148,708	-	-	1,148,708	889,144	16,685	-	905,829
Redemption of 105,860,908 units (2017: 104,203,856 units)	(1,066,196)	(14,588)	-	(1,080,784)	(1,037,547)	(18,844)	-	(1,056,391)
Element of loss and capital losses included in prices of units issued less those in units redeemed-net;	-	-	-	-	-	2,251	-	2,251
Total comprehensive income / (loss) for the period	-	156,818	(22)	156,796	-	167,280	(9,943)	157,337
Income already paid on units redeemed	-	-	-	-	-	-	-	-
Net assets at the end of the period	3,837,513	151,448	527	3,989,488	3,937,043	164,729	(1,135)	4,100,653
Net assets at the end of the period								
Undistributed income brought forward								
-Realized income		9,218				(2,628)		
-Unrealized income		-				-		
		<u>9,218</u>				<u>(2,628)</u>		
Accounting income available for distribution								
-Relating to capital gains		153						
-Excluding capital gains		142,077						
		<u>142,230</u>				167,280		
Income already paid on units redeemed		-				-		
Element of loss and capital losses included in the prices of units issued less those in units redeemed - amount representing loss that form part of unit holders' fund - net		-				77		
Undistributed income carried forward		<u>151,448</u>				<u>164,729</u>		
Undistributed income carried forward comprising								
-Realized income		151,448				164,729		
-Unrealized income		-				-		
		<u>151,448</u>				<u>164,729</u>		
				(Rupees)				(Rupees)
Net assets value per unit at beginning of the period				<u>9.9623</u>				<u>9.9569</u>
Net assets value per unit at end of the period				<u>10.3397</u>				<u>10.3544</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**

**Sd/-
Chief Financial Officer**

NIT - GOVERNMENT BOND FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2018

	March 31,	
	2018	2017
	----- (Unaudited) -----	
	----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	156,818	167,280
Adjustments:		
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed	-	2,251
	<u>156,818</u>	<u>169,531</u>
(Increase) / decrease in assets		
Investments	187,179	(408,820)
Accrued income	(49,994)	72,823
	<u>137,185</u>	<u>(335,997)</u>
Increase / (decrease) in liabilities		
Payable to National Investment Trust Limited - Management Company	348	(2,091)
Payable to Central Depository Company of Pakistan Limited - Trustee	40	22
Payable to Securities and Exchange Commission of Pakistan	(648)	(1,199)
Payable against redemption of units	(34)	(131)
Accrued expenses and other liabilities	(3,428)	(34,064)
	<u>(3,722)</u>	<u>(37,463)</u>
Net cash generated / (used in) from operating activities	<u>290,281</u>	<u>(203,929)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received on issue of units	1,148,708	905,829
Payments against redemption of units	(1,080,784)	(1,056,391)
Distribution paid	(52,260)	(17,218)
Net cash generated / (used in) financing activities	<u>15,664</u>	<u>(167,780)</u>
Net increase in cash and cash equivalents during the period	<u>305,945</u>	<u>(371,709)</u>
Cash and cash equivalents at the beginning of the period	961,804	1,279,554
Cash and cash equivalents at the end of the period	<u>1,267,749</u>	<u>907,845</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

Sd/-
Chief Financial Officer

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, 2018

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 Act, 2017, 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 2017.
- 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

- 3.1** The accounting policies adopted for the preparation of this 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 June 30, 2017 except for the changes in accounting policies as explained in notes 3.2.
- 3.2** Up to 30 June 2017, the element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed to the extent that it is represented by income earned during the accounting period is recognized in income statement and to the extent that it is represented by unrealised appreciation / (diminution) arising during the year on available for sale securities is included in distribution statement.

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, 2018

SECP through its SRO 756(I)/2017 dated 03 August 2017 has made certain amendments in NBFCs and Notified Entities Regulations, 2008. The SRO changed the definition of accounting income in regulation (63) sub-regulation (I) which excludes the element of income from "accounting income". As per SRO, element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. It also specifies that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution.

The said SRO also deleted 'Distribution Statement' and requires additional disclosures with respect to "Income Statement" and "Statement of Movement in Unit Holders' Fund" and recording of element of income / loss included in price of unit issued or redeemed in Statement of movements in reserves or unit holders' fund.

As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management Company has applied the above changes in accounting policy, including the additional disclosures requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', prospectively from 01 July 2017 as clarified by SECP vide its email dated 07 February 2018. Accordingly, corresponding figures have not been restated.

Had the element of income been recognised as per the previous accounting policy, the income of the Fund would have been lower by Rs. 11.1703 million.

4 Use of Judgments, Estimates and Risk Management

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 judgments 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 2017.

The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2017.

5 BANK BALANCES

These represent balances with banks in savings accounts carrying rates ranging from 3.75% to 6.50% per annum .(30 June 2017: 3.75% to 6.50% per annum)

6 INVESTMENTS

Available for sale

Government securities:

- Market Treasury Bills
- Pakistan Investment Bonds

Note	March 31, 2018 (Unaudited)	June 30, 2017 (Audited)
-----Rupees in '000-----		
6.1	2,689,573	2,061,341
6.2	-	815,433
	2,689,573	2,876,774

6.1 Market Treasury Bills

Issue date	Tenor	Face value				Balance as at 31 March 2018		"Market" value as a percentage of net assets	Market value as a percentage of total investments
		As at 1 July 2017	Purchases during the period	Sales / matured during the period	As at 31 March 2018	Carrying value	Market value		
----- (Rupees in '000) -----									
April 13, 2017	3 Months	120,000	-	120,000	-	-	-	-	-
April 27, 2017	3 Months	300,000	-	300,000	-	-	-	-	-
May 11, 2017	3 Months	950,000	-	950,000	-	-	-	-	-
July 6, 2017	3 Months	-	120,000	120,000	-	-	-	-	-
July 20, 2017	3 Months	-	1,000,000	1,000,000	-	-	-	-	-
August 3, 2017	3 Months	-	950,000	950,000	-	-	-	-	-
August 17, 2017	3 Months	-	850,000	850,000	-	-	-	-	-
----- (%) -----									

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, 2018

Issue date	Tenor	Face value				Balance as at 31 March 2018		"Market" value as a percentage of net assets	Market value as a percentage of total investments
		As at 1 July 2017	Purchases during the period	Sales / matured during the period	As at 31 March 2018	Carrying value	Market value		
(Rupees in '000)									
September 14, 2017	3 Months	-	100,000	100,000	-	-	-	-	-
September 28, 2017	3 Months	-	600,000	600,000	-	-	-	-	-
October 12, 2017	3 Months	-	600,000	600,000	-	-	-	-	-
October 26, 2017	3 Months	-	750,000	750,000	-	-	-	-	-
November 9, 2017	3 Months	-	600,000	600,000	-	-	-	-	-
November 23, 2017	3 Months	-	650,000	650,000	-	-	-	-	-
January 4, 2018	3 Months	-	310,000	310,000	-	-	-	-	-
January 18, 2018	3 Months	-	1,400,000	-	1,400,000	1,397,510	1,397,229	35.02	51.95
February 1, 2018	3 Months	-	500,000	-	500,000	497,871	497,806	12.48	18.51
February 15, 2018	3 Months	-	800,000	-	800,000	794,763	794,538	19.92	29.54
January 19, 2017	6 Months	250,000	-	250,000	-	-	-	-	-
July 21, 2016	12 Months	450,000	-	450,000	-	-	-	-	-
Total - 31 March 2018		2,070,000	9,230,000	8,600,000	2,700,000	2,690,144	2,689,573	67.42	100.00

6.2 Pakistan Investment Bonds

March 26, 2015	3 years	800,000	-	800,000	-	-	-	-	-
Total - 31 March 2018		800,000	-	800,000	-	-	-	-	-

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

	-----March 31----- 2018 2017 ----- (Unaudited) ----- -----Rupees in '000-----	
Market value of investments	2,689,573	3,218,987
Less: carrying value of investments	(2,690,144)	(3,220,122)
	(571)	(1,135)
Less: net unrealised diminution at the beginning of the period	(549)	8,808
	(22)	(9,943)

7 PROFIT AND OTHER RECEIVABLES

	March 31, 2018 (Unaudited)	June 30, 2017 (Audited)
	-----Rupees in '000-----	
Profit on savings accounts	5,941	112
Mark-up on fixed income securities	15,625	34,075
Advance Taxation	62,615	-
	84,181	34,187

8 PAYABLE TO NATIONAL INVESTMENT TRUST LIMITED - MANAGEMENT COMPANY

	March 31, 2018 (Unaudited)	June 30, 2017 (Audited)
	-----Rupees in '000-----	
On account of:		
- Management remuneration	8.1 2,296	2,018
- Sindh Sales Tax	8.2 299	262
- Sales load	76	76
- Allocation of expenses related to registrar services, accounting, operation and valuation services	8.3 359	326
	3,030	2,682

8.1 The Management Company has charged its remuneration at the rate of 10% of gross earning with a minimum of 0.5% and maximum of 1 % of average annual net assets in the current period. (from 01 July 2016 to 05 February 2017 : 1.25% per annum ; from 6 February 2017 to 30 June 2017: 10% of gross earning with a minimum of 0.5% and maximum of 1 % of average annual net assets)

8.2 During the period, Sindh Sales Tax at the rate of 13% (30 June 2017: 13%) was charged on the management remuneration.

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, 2018

- 8.3 Securities and Exchange Commission of Pakistan through its SRO 1160(I)/2015 dated 25 November 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. Accordingly, such expense has been charged.

9	PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	March 31, 2018 (Unaudited)	June 30, 2017 (Audited)
		-----Rupees in '000-----	
	Trustee remuneration	341	305
	Sindh Sales Tax	9.1 44	40
		<u>385</u>	<u>345</u>

- 9.1 During the period, Sindh Sales Tax at the rate of 13% (30 June 2017: 13%) was charged on trustee remuneration.

10	ACCRUED EXPENSES AND OTHER LIABILITIES	March 31, 2018 (Unaudited)	June 30, 2017 (Audited)
		-----Rupees in '000-----	
	Provision for Sindh Workers' Welfare Fund	10.1 12,226	9,005
	Federal Excise Duty	10.2 29,849	29,849
	Capital gain tax	2,225	50
	Auditors' remuneration	469	433
	Legal and Professional Charges	136	135
	Printing charges	9	107
	Settlement charges	-	21
	Brokerage	24	5
	Withholding Tax	1	7,969
	Zakat Payable	-	1,078
	Mutual Fund Rating Fee	285	-
		<u>45,224</u>	<u>48,652</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.

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 as on 31 March 2018 is amounted to Rs. 12.226 million. This has resulted in a decrease in NAV per unit of Rs. 0.0317.

- 10.2 The status of Federal Excise Duty (FED) is same as disclosed in annual financial statements for the year ended 30 June 2017. 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. 31.872 million out of which Rs. 2.023 million have been paid to the management company (30 June 2017: 31.872 million). Had the provision not been made, the Net Asset Value per unit of the Fund would have been higher by Rs. 0.0826 (30 June 2017: Rs. 0.0843) per unit.

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, 2018

11 CONTINGENCIES

There is no change in the status of contingencies as fully disclosed in annual financial statements for the year ended 30 June 2017.

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 2018 as reduced by capital gains (whether realised or unrealised) to its unit holders in the form of cash.

13 TOTAL EXPENSE RATIO

Total expense ratio (all the expenses, including government levies, incurred during the year divided by average net asset value for the period is 1.13 % per annum. Total expense ratio (excluding government levies) is 0.86 % per annum.

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,	
	2018	2017	2018	2017
	(Unaudited)			
	-----Rupees in '000-----			
National Investment Trust Limited - Management Company				
Issue of 9,840,292 units (2017: 44,359,115 units)	100,000	450,000	-	-
Redemption of 9,844,974 units (2017: 7,937,610 units)	100,000	80,000	-	-
Remuneration of the Management Company	19,327	33,886	6,642	8,805
Sindh Sales Tax on Management remuneration	2,513	4,405	864	1,144
Allocation of expenses related to registrar services, accounting, operation and valuation services	3,167	3,029	1,063	1,022
Central Depository Company of Pakistan Limited - Trustee				
Remuneration of the Trustee	2,940	2,836	990	952
Sindh Sales Tax on Trustee Remuneration	382	369	129	124
Head of MD's Secretariat				
Redemption of 62,241 units (2017: Nil)	635	-	635	-

14.6 Amounts outstanding as at period end:

	March 31, 2018 (Unaudited)	June 30, 2017 (Audited)
	-----Rupees in '000-----	
National Investment Trust Limited - Management Company		
Units held 142,396,564 (June 30, 2017: 142,401,246 units)	1,472,339	1,418,644
Management fee payable	2,296	2,018
Sindh Sales Tax payable	299	262

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, 2018

	March 31, 2018 (Unaudited)	June 30, 2017 (Audited)
	-----Rupees in '000-----	
Sales Load payable	76	76
Allocation of expenses related to registrar services, accounting, operation and valuation services	359	326
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	341	305
Sindh Sales Tax on Trustee remuneration of Trustee	44	40
Security Deposit	100	100
National Investment Trust Limited - Employees' Provident Fund		
7,891,236 units held (June 30, 2017: 7,891,236 units)	81,593	78,615
National Investment Trust Limited - Employees' Pension Fund		
18,202,130 units held (June 30, 2017: 18,202,130 units)	188,205	181,335
National Investment Trust Limited - Employees Benevolent Fund		
2,602,568 units held (June 30, 2017: 2,602,568 units)	26,910	25,928
Bank Al Habib Limited		
48,615,258 units held (June 30, 2017: 48,615,258 units)	502,669	484,321
Chief Operating Officer/ MD		
1,224,171 units held (June 30, 2017: 1,224,171 units)	12,658	12,196
Fund Manager		
676 units held (June 30, 2017: 676 units)	7	7
Head of MD's Secretariat		
Units held: Nil (June 30, 2017: 62,241 units)	-	620

15 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on April 24, 2018 by the Board of Directors of the Management Company.

16 GENERAL

Figures have been rounded off to the nearest thousand rupees.

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

Sd/-
Managing Director

Sd/-
Director

Sd/-
Director

Sd/-
Chief Financial Officer