

An Open-end Money Market Fund primarily investing in fixed income securities, issued by the Government of Pakistan (GOP), which are highly liquid and have low credit risk. NIT-MMF is ensuring a high liquidity level of the portfolio, while maintaining a portfolio composition which yields returns in excess of the benchmark.



NIT - MONEY MARKET FUND

CORPORATE INFORMATION

FUND NAME

NIT - Money Market Fund

NAME OF AUDITORS

EY Ford Rhodes, Chartered Accountants

LIST OF BANKERS

Allied Bank Limited
Bank Al Falah Limited
Bank Al Habib Limited
United Bank Limited
Habib Bank Limited
MCB Bank Limited
Habib Metropolitan Bank Limited
Dubai Islamic Bank Limited
National Bank of Pakistan
MCB Islamic Bank Limited

NIT - MONEY MARKET FUND

FUND MANAGER REPORT

2019-2020

NIT Money Market Fund Objective

NIT Money Market Fund would focus to generate competitive returns with minimum risk for its unitholders by investing in low risk, liquid, short tenor fixed income securities/money market instruments.

Profile of Investment Manager

National Investment Trust Ltd. (NITL) is the first and among the largest Asset Management Company of Pakistan, formed in 1962. With approximately Rs. 76 billion assets as of June 30, 2020 the total number of Funds under the management of NITL is 12, including 4 equity Funds, 2 fixed Income Funds, Money market Fund, Islamic Income Fund, Asset Allocation Fund, Exchange Traded Fund, Conventional Pension Fund and Islamic Pension Fund. During the fiscal year 2019-20 NITL launched NIT Pakistan Gateway Exchange Traded Fund which is the first exchange traded Fund in the history of Pakistan's capital market. During the period NIT-Asset Allocation Fund was also launched and added to the tally of NIT's family of Funds. NIT has established a strong national distribution network which comprises of 24 branches and 3 sales counters including an Investor Facilitation Centre and customer Call Centre at Karachi and various Authorized Bank branches all across Pakistan as its distributors. NITL has also launched an online application allowing its customers to interact with it for a range of services. The Board of Directors of NITL consists of representatives of leading financial institutions, prominent industrialists and nominee of Govt. of Pakistan. The Company has been assigned an Asset Manager rating of "AM2++" by PACRA, which demonstrates that the Asset Manager meets high investment management industry standards and benchmarks with noted strengths in several of the rating factors. All Investment decisions are taken by the Investment Committee of NITL.

Fund Information - NIT MMF

| | | | |
|--------------------|---|---------------------|---|
| • Fund Type | Open-End | • Category | Money Market Fund |
| • Launch Date | January 22, 2016 | • Listing | PSX |
| • Management Fee | Upto 5.0% of Gross Earnings, subject to a floor of 0.25% and cap of 0.75% p.a. of Average Annual Net Assets | • Front End Load | Nil |
| • Back End Load | Nil | • Par Value | PKR 10.0000 |
| • Fund Manager | Shoaib Ahmed Khan | • Risk Profile | Very Low |
| • Stability Rating | AAA(f) (PACRA) (updated on 17-Apr-2020) | • AMC Rating | AM2++ (PACRA) (updated on 05-Nov-2019) |
| • Trustee | Central Depository Co. (CDC) | • Auditors | EY Ford Rhodes |
| • Registrar | National Investment Trust Ltd. | • Pricing Mechanism | Backward Day Pricing |
| • Min Subscription | Rs. 1,000 Growth Units | | |
| | Rs. 100,000 Income Units | | |

Rating

The Pakistan Credit Rating Agency (PACRA) has maintained stability rating "AAA (f)" (Triple A) for NIT Money Market Fund in April 2020. The fund's rating denotes an exceptionally strong capacity to maintain relative stability in returns and possesses negligible exposure to risks.

NIT - MONEY MARKET FUND

FUND MANAGER REPORT

2019-2020

Fund's Performance at a Glance

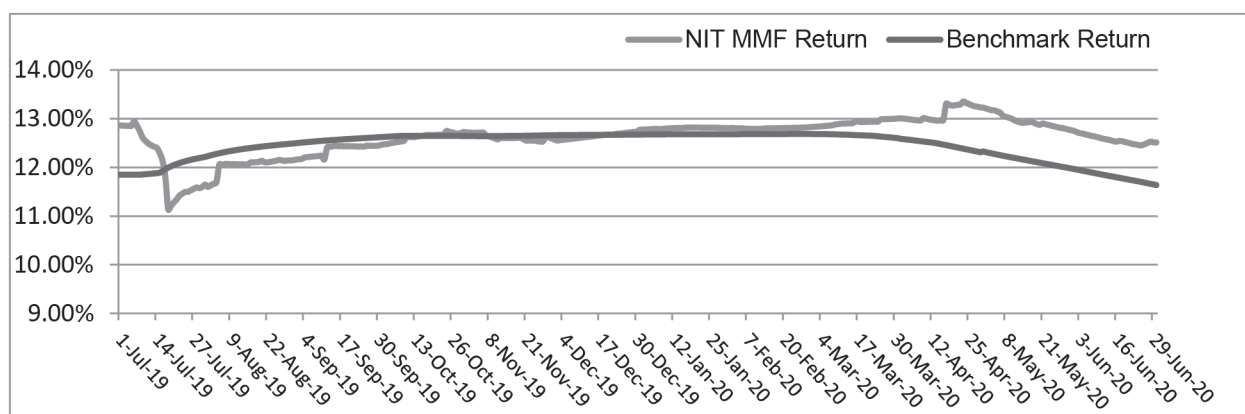
| | 2019-20 | 2018-19 |
|--|---------|---------|
| Beginning Net Assets (Rs. in Million) | 3,484 | 1,322 |
| Beginning NAV Per Unit (Rs.) | 10.7758 | 10.5675 |
| Ending Net Assets (Rs. in Million) | 4,824 | 3,484 |
| Ending NAV Per Unit (Rs.) | 9.6920 | 10.7758 |
| Net Income (Rs. in Million) | 520 | 168 |
| Distribution Per Unit (Rs.) | 1.2474 | 0.9974 |
| Income Distribution (% of Net Income) | 100.00% | 100.00% |
| Annualized Return (%) | 12.51% | 8.87% |
| Benchmark Return (%) | 11.64% | 8.73% |
| Weighted Average Time to Maturity (Days) | 35 | 2 |

Benchmark vs. Return

The performance of the scheme is compared against a benchmark based on 70% weighted average of 3 months PKRV and 30% of 3 months average deposit rate of three AA rated schedule Banks as selected by MUFAP.

Comparison of Fund's return against benchmark

The graph below depicts the comparison of the Fund's return against its benchmark.



Investment Strategy

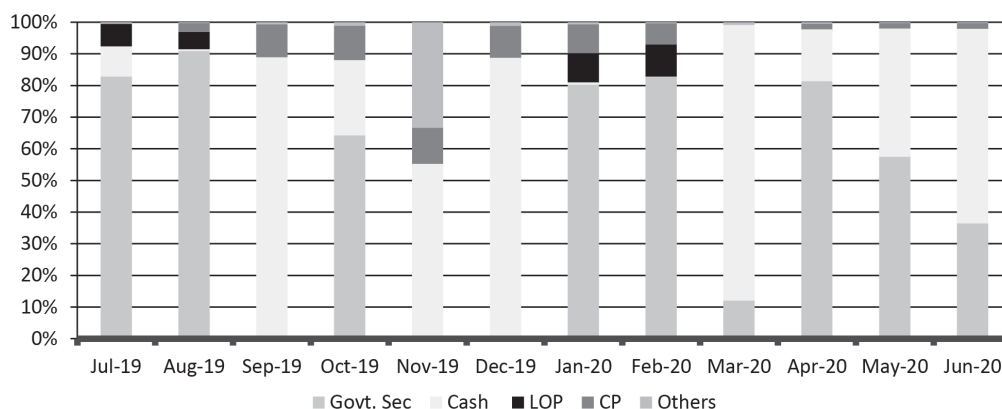
During FY20 NIT Money Market Fund yielded a return of 12.51% p.a. as compared to the benchmark return of 11.64% p.a. The Fund's annualized return since inception was 8.76% p.a while its benchmark return was 7.53% p.a. The Fund size as on June 30, 2020 was Rs. 4,824 million.

NIT - MONEY MARKET FUND

FUND MANAGER REPORT

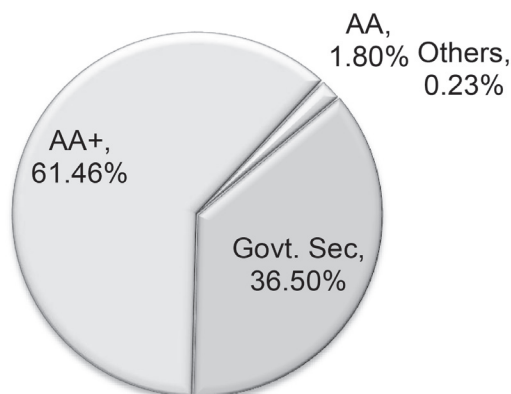
2019-2020

Asset Allocation During FY20



Asset allocation of NIT Money Market Fund at the period ended June 30, 2020 had about 2% of its total assets in Commercial Paper, 37% in Government Treasury Bills and the remaining 61% of total assets were in the form of cash and other assets. As of June 30, 2020 the weighted average time to maturity of the fund was around 35 days.

Credit quality of the portfolio reveals that the fund is invested around 37% of its total assets in Government Securities, 61% was placed in AA+ rated institution and around 2% in AA rated institution. The remaining exposure was in un-rated securities (accruals/receivables)



Dividend Declaration by the Fund for FY20

During FY20, the Fund earned a net income of Rs. 520 million. For NITMMF, NIT declared a per unit distribution of Rs. 1.2474 for the period ended FY20.

Pattern of Unit Holders

| Category | (Units in million) NIT-MMF | Percentage of Holding |
|-------------------------|----------------------------|-----------------------|
| Institutional Investors | 352 | 70.68% |
| Individuals | 146 | 29.32% |
| Total | 498 | 100.00% |

NIT - MONEY MARKET FUND

FUND MANAGER REPORT

2019-2020

Total Expense Ratio

Total expense ratio (all the expenses, including government levies, incurred during the year divided by average net asset value for the year) is 1.18% per annum. Total expense ratio (excluding government levies) is 0.83% per annum.

SWWF Disclosure

The Scheme has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs. 16.88 million upto 30 June, 2020. If the same were not made the NAV per unit/ year to date return of the Scheme would be higher by Rs. 0.0339/0.39%.

Money Market Review

In the first monetary policy announced during the fiscal year, the State Bank of Pakistan (SBP) raised interest rates by 100 bps to 13.75% citing inflationary pressures. However with the Covid-19 pandemic the economic impact of the virus changed global economies outlook. Oil prices plummeted to historical lows due to collapse in global demand during the pandemic. Therefore in order to boost economic activities SBP took anticipatory measures and started slashing interest rates while offering concessionary refinancing schemes to support fresh investments and combat the virus and its economic impact. As a result SBP reduced interest rates by a cumulative 625 bps on account of decline in inflation over the period and weak domestic economic activity. Interest rates now stand at 7.00% p.a. Average Consumer Price Index stood at 10.74% for FY20 as compared to 6.80% in FY19 while SBP sees inflation could fall below the announced range of 7% - 9% for next fiscal year. The country's FX reserves stood at about US\$ 19 billion as compared to US\$ 14 billion in the past year.

During FY20, SBP conducted a total of 27 T-bill auctions (two auctions per month and 3 auctions in Jul-19, Dec-19 and Jun-20). Treasury Bills auction cut off held in Jun-20 for the 3M, 6M and 12M tenors reduced to 6.85% p.a., 6.66% p.a. and 6.85% p.a. from 12.74% p.a., 12.70% p.a. and 13.15% p.a. respectively held in June-19. The cut-off yield on the 3 years, 5 years and 10 years PIB closed at 7.82% p.a., 8.21% p.a. and 8.86% p.a. decreasing from the previous year's closing rate of 13.67% p.a., 13.79% p.a. and 13.68% p.a. for the 3 years, 5 years and 10 years bond. Further, at the end of FY20 the 6-month KIBOR decreased by 587bps to 7.21% as compared to last year ending at 13.11%.

Economic Review

With the unprecedented onset of pandemic Covid-19 taking over the world in FY20, the global economy slid into recession with overall economic growth shrinking this year, Pakistan was no exception, with negative 0.38% GDP growth as compared to 1.9% growth recorded a year earlier. The slowdown was broadly attributed to contractionary economic policies and inflationary pressures in the aftermath of exchange rate depreciation. The second half of the fiscal year 2019- 20 is characterized by the COVID-19 inflicted economic slowdown. The pandemic caused multifaceted problems and its impact on economy is much broader in terms of magnitude, intensity and implications than any other shock in human history.

This will be the first time in 68 years since 1952 that Pakistan experiences negative GDP growth. The negative 0.38% GDP growth is mainly caused by the unprecedented losses faced by manufacturing, transport and trade sectors, as the government tightened containment measures to limit the spread. Agriculture remained somewhat insulated, as most of the important crops had already been harvested before disruptions began to surface.

Agriculture sector fell short of its targeted growth and showed mixed patterns in growth of its components. Its overall growth improved to 2.7 % in 2019-20 from 0.6 % last year. Within agriculture, the crop sector performance which registered average growth of 0.6 % during 2013-18, showed marked improvement as it registered positive growth of 3 %. Important crops depicted 2.9 % growth due to an increase in production of wheat, rice and maize by 2.5 %, 2.9 %, and 6 %, respectively. The cotton crop succumbed to unfavorable weather, low water availability, and pest attacks.

Industrial sector plays a significant role in the economic development of a country. It contributes almost 20 % to GDP and employs 24 % of total employed labor force. However, the industrial sector faced the major brunt of the COVID-19 related shutdown and depicted overall contraction of 2.6 %. The LSM sector witnessed contraction of 7.8 % as against contraction of 2.6 % in FY19. Major decline has been observed in textile, food, beverage & tobacco, coke & petroleum products, pharmaceuticals, chemicals and automobiles.

Services sector has been worst affected by falling tourism revenues, lower mobility in the transport sector (air, rail, ships and road), lockdown inflicted complete cessation of trading activities, closure of education, event management and community services, and major burden on financial sector

NIT - MONEY MARKET FUND

FUND MANAGER REPORT

2019-2020

because of falling interest rates and business financing. Overall services sector remained in negative zone and posted negative growth of 0.6 % as compared to positive growth of 3.8 % last year. However, there were some services which performed well like health services, CSO operations, online digital content and product delivery.

Average headline CPI inflation (national) stood at 10.7 % during 2019-20 as compared to 6.8 % during the same period last year. Main contributors to inflationary pressures were increase in food prices, electricity & gas prices, and impact of exchange rate movements.

The State Bank of Pakistan raised the policy rate by 100 bps to 13.25 % in July 2019 and maintained it at same level till Mar 2020. However, to stimulate economic activities and to support households and businesses, economic growth, and employment levels during challenging times of COVID 19, SBP reduced the policy rate by a cumulative 625 bps reducing the benchmark rate from 13.25% to 7.00% in Jun'20.

Significant improvement in Pakistan's external account continued in FY20, mainly on the back of contraction in imports. While demand for non-energy imports was already subdued, energy imports declined substantially due to COVID-19 related weakness in global oil prices and lower domestic demand. Nonetheless, the lower trade deficit, together with a decent growth in workers' remittances (specifically from the US and the GCC), and a significant reduction in the services deficit, lowered the FY20 current account deficit to US\$ 2.97 billion as compared to US\$ 13.43 billion in FY19.

Though the current account deficit (CAD) improved substantially year on year, however, it experienced reduction in both imports as well as exports. The country's exports which stood at US\$ 27.95 billion, recorded a decline of 7.5% in FY'20 versus FY'19's export figure of US\$ 30.22 billion, however, the import bill contracted by 19.3% over the same period with imports of US\$ 50.7 billion during FY20. The country's balance of trade recorded a deficit of USD 22.75 billion during FY'20, improving by 25.55% over FY'19.

Workers' remittances rose by 6.3 % YoY to US\$ 23.1 billion in FY20. The rise in workers' remittances this year was broad-based, particularly, inflows from the GCC countries and continuous efforts by the Govt. to increase remittances inflows through formal channels. Number of incentive schemes for remitters were introduced which yielded productive results

Foreign exchange inflows via FDI rebounded as the work on CPEC related projects gained traction. As a result, net FDI inflows in FY20 increased to US\$ 2.6 billion, up from 1.3 billion during the same period of FY19. FDI inflows from China witnessed a rebound, specifically in the last quarter of FY20, as the country continued to invest in CPEC projects. In the backdrop of this global investment scenario, the foreign portfolio investment in Pakistan in FY20 also came under strain. The foreign investment that started pouring in the domestic debt market (T-bills and PIBs) continued to gather pace till January 2020. However, with the unfolding of COVID-19 into a pandemic by March 2020, these portfolio inflows witnessed a trend reversal, with outflows of US\$ 241 million, in line with the global trend. Similarly, Pakistan's equity market came under severe pressure, as both local and foreign investors resorted to panic selling. Foreign portfolio investors pulled out US\$ 284.8mn on net basis in FY20 from the equity market.

The country's FX reserves stood at USD 18.9 billion at Jun'20, with flows from multilateral agencies providing support for external payments. The pandemic also caused significant pressure in the FX markets as the exchange rate, depreciated by 8.5% since Dec'19 to close at Rs. 168.05 at June 30, 2020.

Economic landscape in 2020-21 predominantly depends upon how the pandemic unfolds and effectiveness of the government efforts to control locust. Even after the lockdown is completely lifted, the second-round impact of COVID-19 may still affect the growth performance of the country. However, monetary easing and debt relief will also improve fiscal position and external account will improve due to resumption of remittance inflows and better exports performance.

(Economic data source: Economic Survey of Pakistan, PBS & SBP Website)

Other Disclosures under NBFC Regulations 2008:

The Fund Manager hereby makes the following disclosures as required under the NBFC Regulations 2008;

- a. The Management Company or any of its delegates did not receive any soft commission (goods & services) from any of its brokers / dealers by virtue of transactions conducted by the Fund.
- b. There was no unit split undertaken during the year.

TRUSTEE REPORT

TRUSTEE REPORT TO THE UNIT HOLDERS

Report of the Trustee pursuant to Regulation 41(h) and Clause 9 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of NIT Money Market Fund (the Fund) are of the opinion that National Investment Trust Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2020 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Sd/-

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 28, 2020

INDEPENDENT AUDITORS' REPORT

TO THE UNIT HOLDERS OF NIT – MONEY MARKET FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of NIT- Money Market Fund (the Fund), which comprise the statement of assets and liabilities as at 30 June 2020, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at 30 June 2020, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note 1.7 to the financial statements which describes the matter relating to distribution made by the Fund. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

| Key audit matter | How our audit addressed the key audit matter |
|---|--|
| 1. Existence and valuation of bank balances and investments | |
| <p>As disclosed in note 6 and 7 to the accompanying financial statements of the Fund for the year ended 30 June 2020, the bank balances and investments (comprised of debt instruments) held by the Fund represent 99.8% of the total assets of the Fund as at the year end.</p> <p>In view of the significance of bank balances and investment in relation to the total assets and the Net Assets Value (NAV) of the Fund, we have considered the existence and valuation of such bank balances and investments as a key audit matter.</p> | <p>We performed a combination of audit procedures focusing on the existence and valuation of bank balances and investments. Our key procedures included the following:</p> <ul style="list-style-type: none">• We obtained independent confirmations for verifying the existence of the bank balances as at 30 June 2020 and reconciled it with the books and records of the Fund.• We tested controls over acquisition, disposals and periodic valuation of investments portfolio.• We performed substantive audit procedures on year-end balance of investment portfolio including review of custodian's statement and related reconciliations and valuations on such investments in accordance with the accounting policy of the Fund as mentioned in note 5. |

INDEPENDENT AUDITORS' REPORT

| Key audit matter | How our audit addressed the key audit matter |
|--|---|
| 1. Existence and valuation of bank balances and investments | |
| | <ul style="list-style-type: none"> • We evaluated the appropriateness of the classification of the investments in accordance with the requirements of IFRS 9 and the valuations in accordance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations). • We assessed the Fund's compliance with the requirements of the Regulations in relation to the concentration of investments and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard. • We also evaluated the adequacy of the overall disclosures in the financial statements in respect of the investment portfolio in accordance with the requirements of the Regulations and applicable financial reporting standards. |

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

INDEPENDENT AUDITORS' REPORT

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

The engagement partner on the audit resulting in this independent auditor's report is Shaikh Ahmed Salman.

Sd/-

EY Ford Rhodes

Chartered Accountants

Date: 23 September 2020

Karachi

NIT - MONEY MARKET FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT 30 JUNE 2020

| | | June 30, 2020 | June 30, 2019 |
|--|------|---------------------------|--------------------|
| | Note | -----Rupees in '000----- | |
| ASSETS | | | |
| Bank balances | 6 | 2,979,279 | 3,360,422 |
| Investments | 7 | 1,856,585 | 128,127 |
| Profit receivable | 8 | 11,122 | 10,450 |
| Preliminary expenses and floatation costs | 9 | 126 | 351 |
| Security deposits with Central Depository Company of Pakistan Limited - Trustee | | 100 | 100 |
| Total assets | | 4,847,212 | 3,499,450 |
| LIABILITIES | | | |
| Payable to National Investment Trust Limited - Management Company | 10 | 3,503 | 3,637 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 11 | 286 | 324 |
| Payable to Securities and Exchange Commission of Pakistan | 12 | 885 | 1,397 |
| Dividend payable | | 2 | - |
| Accrued expenses and other liabilities | 13 | 18,196 | 9,899 |
| Total liabilities | | 22,872 | 15,257 |
| NET ASSETS | | 4,824,340 | 3,484,193 |
| Unit holders' fund (as per statement attached) | | 4,824,340 | 3,484,193 |
| Contingencies and commitments | 14 | | |
| | | -----Number of units----- | |
| Number of units in issue | 15 | 497,766,264 | 323,334,183 |
| | | -----Rupees----- | |
| Net asset value per unit | | 9.6920 | 10.7758 |

The annexed notes from 1 to 29 form an integral part of these financial statements.

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

Sd/-
Managing Director

Sd/-
Director

Sd/-
Director

Sd/-
Chief Financial Officer

NIT - MONEY MARKET FUND

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2020

| | | June 30, 2020 | June 30, 2019 |
|---|------|--------------------------|------------------|
| | Note | -----Rupees in '000----- | |
| INCOME | | | |
| Income from government securities | | 311,151 | 66,259 |
| Income from letter of placement | | 17,160 | 3,505 |
| Profit on bank deposits | | 228,915 | 124,784 |
| Gain / (loss) on sale of investments - net | | 10,196 | (2,731) |
| Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' | 7.4 | 5,067 | - |
| Total income | | 572,489 | 191,817 |
| EXPENSES | | | |
| Remuneration of National Investment Trust Limited - Management Company | 10.1 | 27,626 | 11,714 |
| Sindh Sales Tax on remuneration to Management Company | 10.2 | 3,591 | 1,523 |
| Remuneration of Central Depository Company of Pakistan Limited - Trustee | 11.1 | 2,876 | 2,148 |
| Sindh Sales Tax to remuneration of Trustee | 11.2 | 374 | 279 |
| Annual fee - Securities and Exchange Commission of Pakistan | | 885 | 1,397 |
| Allocation of expenses related to registrar services, accounting, operation and valuation services | 10.3 | 4,435 | 1,869 |
| Amortisation of preliminary expenses and floatation costs | | 225 | 225 |
| Securities transaction costs | | 151 | 5 |
| Auditors' remuneration | 16 | 302 | 263 |
| Legal and professional charges | | 210 | 173 |
| Settlement and bank charges | | 596 | 211 |
| Listing fee | | 28 | 153 |
| Trust deed registration fee | | - | 99 |
| Printing charges | | 131 | 52 |
| Mutual fund rating fee | | 248 | 225 |
| Total expenses | | 41,678 | 20,336 |
| Net income from operating activities | | 530,811 | 171,481 |
| Provision for Sindh Workers' Welfare Fund | 13.1 | (10,616) | (3,430) |
| Net income for the year before taxation | | 520,195 | 168,051 |
| Taxation | 17 | - | - |
| Net income for the year | | 520,195 | 168,051 |
| Allocation of net income for the year after taxation | | | |
| Net income for the year | | 520,195 | 168,051 |
| Income already paid on units redeemed | | (48,882) | (38,753) |
| | | 471,313 | 129,298 |
| Accounting income available for distribution: | | | |
| - Relating to capital gains | | 13,990 | - |
| - Excluding capital gains | | 457,323 | 129,298 |
| | | 471,313 | 129,298 |

The annexed notes from 1 to 29 form an integral part of these financial statements.

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

Sd/-
Managing Director

Sd/-
Director

Sd/-
Director

Sd/-
Chief Financial Officer

NIT - MONEY MARKET FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

| | June 30, 2020 | June 30, 2019 |
|--|--------------------------|------------------|
| | -----Rupees in '000----- | |
| Net income for the year after taxation | 520,195 | 168,051 |
| Other comprehensive income for the year | - | - |
| Total comprehensive income for the year | 520,195 | 168,051 |

The annexed notes from 1 to 29 form an integral part of these financial statements.

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

**Sd/-
Managing Director**

**Sd/-
Director**

**Sd/-
Director**

**Sd/-
Chief Financial Officer**

NIT - MONEY MARKET FUND

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND

FOR THE YEAR ENDED 30 JUNE 2020

| | June 30, 2020 | | | June 30, 2019 | | |
|---|---------------------|----------------------|---------------------|------------------|----------------------|------------------|
| | Value | Undistributed income | Total | Value | Undistributed income | Total |
| -----Rupees in '000----- | | | | | | |
| Net assets at the beginning of the year | 3,369,415 | 114,778 | 3,484,193 | 1,265,586 | 56,819 | 1,322,405 |
| Issue of 1,222,419,631 units (2019: 476,007,843 units) | | | | | | |
| Value | 11,953,308 | - | 11,953,308 | 4,707,513 | - | 4,707,513 |
| Element of income | 50,867 | - | 50,867 | 258,149 | - | 258,149 |
| Amount received on issuance of units | 12,004,175 | - | 12,004,175 | 4,969,716 | - | 4,969,716 |
| Issue of 20,344,226 units in lieu of refund of capital (2019: 1,253,317 units) | - | - | - | - | - | - |
| Redemption of 1,114,675,379 units (2019: 284,842,372 units) | | | | | | |
| Value | (10,899,742) | - | (10,899,742) | (2,819,426) | - | (2,819,426) |
| Element of income | | | | | | |
| - Income already paid | - | (48,882) | (48,882) | - | (38,753) | (38,753) |
| - Refund / adjustment on units | (9,468) | - | (9,468) | (103,687) | - | (103,687) |
| Amount paid / payable on redemption of units | (10,909,210) | (48,882) | (10,958,092) | (2,923,113) | (38,753) | (2,961,866) |
| Issue of 46,343,602 units under CIP (2019: 5,775,997 units) | 452,894 | - | 452,894 | 57,226 | - | 57,226 |
| Final distribution for the year ended June 30, 2019: Rs. 0.9974 per unit [Date of Distribution: 5 July 2019] (2018: Rs. 0.6693 per unit [Date of Distribution: 5 July 2018]) | - | (168,031) | (168,031) | - | (71,339) | (71,339) |
| Interim distribution for the year | | (510,994) | (510,994) | - | - | - |
| Total comprehensive income for the year | - | 520,195 | 520,195 | - | 168,051 | 168,051 |
| Net assets at the end of the year | 4,917,274 | (92,934) | 4,824,340 | 3,369,415 | 114,778 | 3,484,193 |
| Undistributed income brought forward | | | | | | |
| - Realized income | | 114,778 | | | 56,819 | |
| - Unrealized income | | - | | | - | |
| | | 114,778 | | | 56,819 | |
| Accounting income available for distribution | | | | | | |
| - Relating to capital gains | | 13,990 | | | - | |
| - Excluding capital gains | | 457,323 | | | 129,298 | |
| | | 471,313 | | | 129,298 | |
| Final distribution for the year ended June 30, 2019: Rs. 0.9974 per unit [Date of Distribution: 5 July 2019] (2018: Rs. 0.6693 per unit [Date of Distribution: 5 July 2018]) | | (168,031) | | | (71,339) | |
| Interim distribution for the year | | (510,994) | | | - | |
| Undistributed income carried forward | | (92,934) | | | 114,778 | |

NIT - MONEY MARKET FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE YEAR ENDED 30 JUNE 2020

| June 30, 2020 | | | June 30, 2019 | | |
|---------------|----------------------|-------|---------------|----------------------|-------|
| Value | Undistributed income | Total | Value | Undistributed income | Total |

-----Rupees in '000-----

Undistributed income carried forward comprising

- Realized income
- Unrealized income

| | |
|------------------------|-----------------------|
| (98,001) | 114,778 |
| <u>5,067</u> | <u>-</u> |
| <u><u>(92,934)</u></u> | <u><u>114,778</u></u> |

(Rupees)

(Rupees)

Net assets value per unit at beginning of the year

10.7758

10.5675

Net assets value per unit at end of the year

9.6920

10.7758

The annexed notes from 1 to 29 form an integral part of these financial statements.

For National Investment Trust Limited
(Management Company)

Sd/-
Managing Director

Sd/-
Director

Sd/-
Director

Sd/-
Chief Financial Officer

NIT - MONEY MARKET FUND
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2020

| Note | June 30, 2020 | June 30, 2019 |
|---|--------------------------|------------------|
| | -----Rupees in '000----- | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income for the year before taxation | 520,195 | 168,051 |
| (Increase) / decrease in assets | | |
| Investments | (1,728,458) | 469,532 |
| Accrued income | (672) | (10,366) |
| Advances, deposits, prepayments and other receivables | - | (100) |
| Amortisation of preliminary expenses and floatation costs | 225 | 225 |
| | (1,728,905) | 459,291 |
| Increase / (decrease) in liabilities | | |
| Payable to National Investment Trust Limited - Management Company | (134) | 1,766 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | (38) | 160 |
| Payable to Securities and Exchange Commission of Pakistan | (512) | 319 |
| Dividend payable | 2 | - |
| Payable against redemption of units | - | (518) |
| Accrued expenses and other liabilities | 8,297 | 5,748 |
| | 7,615 | 7,475 |
| Net cash (used in) / generated from operating activities | (1,201,095) | 634,817 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Amount received on issue of units-including CIP | 12,457,069 | 5,026,942 |
| Amount paid on redemption of units | (10,958,092) | (2,961,866) |
| Dividend paid | (679,025) | (71,339) |
| Net cash generated from financing activities | 819,952 | 1,993,737 |
| Net (decrease) / increase in cash and cash equivalents during the year | (381,143) | 2,628,554 |
| Cash and cash equivalents at the beginning of the year | 3,360,422 | 731,868 |
| Cash and cash equivalents at the end of the year | 6 <u>2,979,279</u> | <u>3,360,422</u> |

The annexed notes from 1 to 29 form an integral part of these financial statements.

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

Sd/-
Managing Director

Sd/-
Director

Sd/-
Director

Sd/-
Chief Financial Officer

NIT - MONEY MARKET FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 The NIT Money Market 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. SCD/AMCW/NITL/78/ 2015 dated September 02, 2015 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) and the Trust Deed was executed on September 09, 2015.

Subsequently, the first supplemental trust deed of NIT Money Market Fund was approved by SECP vide its letter no SCD/AMCW/NITL/NIT-GTF/319/2018 dated March 28, 2018 and registered on June 11, 2018 subject to the condition that the Management Company shall mention the former name (NIT-GTF) along with the new name NIT Money Market fund for a period of one year from the date of registration of the supplemental Trust Deed.

The Fund is categorised as Money Market Scheme as per criteria for categorisation of open end collective investment scheme as specified by 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 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 received Rs.759 million against IPO from various investors on January 22, 2016 and commenced its business activities from January 25, 2016.
- 1.4 The Fund is an open-ended mutual fund and units are offered for public subscription on a continuous basis. 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 22 January 2016. The objective of the Fund is to invest primarily in fixed income securities which are highly liquid and have low credit risk. After registration of first supplemental Trust Deed this has now been changed to invest in low risk, short tenor fixed income securities / money market instruments.
- 1.5 Pakistan Credit Rating Agency Limited (PACRA) has assigned "AAA(f)" rating to the Fund and has assigned an asset manager rating of "AM2++" to the Management Company.
- 1.6 Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as Trustee of the Fund.
- 1.7 During the year, the Fund has made a distribution of Rs. 168.031 million in respect of the year ended June 30, 2019 based on net income for the year after taxation (without taking into account the income already paid on units redeemed as envisaged in the NBFC Regulations). However, the undistributed income as at the beginning of the current year was Rs. 114.778 million. The distribution methodology adopted by the Fund has been made based on the advice of the tax and legal advisers in order to protect the interest of the existing unit holders. The same methodology has been used to determine the final distribution for the year ended June 30, 2020, which is consistent with the past practice of the Fund.

2 BASIS OF PRESENTATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- The NBFC rules, the Non-Banking Finance Companies, Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of Trust Deed.

NIT - MONEY MARKET FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

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 requirements of the Trust Deed differ from the IFRS Standards, 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 requirements of the Trust Deed have been followed.

3 BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention except for certain investments which are measured at fair value.

These financial statements are presented in Pakistani Rupee which is the Fund's functional and presentation currency.

4 ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis.

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are consistent with those of the previous financial years.

5.1 New / Revised Standards, Interpretations and Amendments

The Fund has adopted the following accounting standard and the amendments and interpretation of IFRSs which became effective for the current year:

IFRS 16 – Leases

IFRIC 23 – Uncertainty over Income Tax Treatments

IFRS 3 – Business Combinations – Previously held interests in a joint operation

IFRS 9 – Financial instruments – Prepayment Features with Negative Compensation (Amendments)

IAS 28 – Long-term Interests in Associates and Joint Ventures (Amendments)

IFRS 11 – Joint Arrangements – Previously held interests in a joint operation

IAS 12 Income Taxes – Income tax consequences of payments on financial instruments classified as equity

IAS 23 – Borrowing Costs - Borrowing costs eligible for capitalisation

IAS 19 – Employee Benefits – Plan Amendment, Curtailment or Settlement (Amendments)

IFRS 14 – Regulatory Deferral Accounts

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2017 which became effective in the current period.

The adoption of the above standards, amendments and improvements to accounting standards and interpretations did not have any material effect on the financial statements.

5.2 Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

NIT - MONEY MARKET FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

| Standard or Interpretation | Effective date (annual periods beginning on or after) |
|--|--|
| Definition of a Business - Amendments to IFRS 3 | January 01, 2020 |
| Interest rate benchmark reform - Amendment to IFRS 9, IAS 39 and IFRS 7 | January 01, 2020 |
| Definition of Material – Amendments to IAS 1 and IAS 8 | January 01, 2020 |
| Covid-19-Related Rent Concessions – Amendment to IFRS 16 | June 01, 2020 |
| Property, Plant and Equipment: Proceeds before Intended Use – - Amendments to IAS 16 | January 01, 2022 |
| Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37 | January 01, 2022 |
| Classification of liabilities as current or non-current - Amendment to IAS 1 | January 01, 2022 |
| Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28 | Not yet finalized |

The above standards and amendments are not expected to have any material impact on the Fund's financial statements in the period of initial application.

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after January 01, 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

| Standards | IASB Effective date (annual periods beginning on or after) |
|---|---|
| IFRS 1 - First-time Adoption of International Financial Reporting Standards | July 01, 2009 |
| IFRS 17 – Insurance Contracts | January 01, 2023 |

5.3 Financial assets

Classification

Debt instruments

A debt instrument is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
 - the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:
- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

NIT - MONEY MARKET FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument held for trading purposes is classified as measured at FVTPL.

In addition, on initial recognition, the Fund may irrevocably designate a debt instrument that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Fund determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Fund's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- the objectives for the portfolio, in particular, whether management's strategy focuses on earning contractual revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel

- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed

- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Fund's original expectations, the Fund does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Assessments whether contractual cash flows are solely payments of principal and interest (SPPI)

As a second step of its classification process the Fund assesses the contractual terms of financial to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium / discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Fund applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Initial Measurement

Investments are initially measured at their fair value except in the case of financial assets recorded at FVTPL, transaction costs are added to, or subtracted from, this amount.

NIT - MONEY MARKET FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

Subsequent Measurement

Debt instruments at amortised cost

After initial measurement, such debt instruments are subsequently measured at amortised cost.

Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the effective interest rate.

Debt instruments at fair value through profit or loss

Financial assets at FVTPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit and loss.

Debt instruments at fair value through other comprehensive income

Financial assets at FVOCI are recorded in the statement of financial position at fair value. Changes in fair value are recorded in other comprehensive income.

5.4 Impairment

IFRS 9 requires an expected credit loss model which requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

However, SECP through its SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 have deferred the applicability of above impairment requirements in relation to debt securities for mutual funds and accordingly, basis defined in Circular No. 33 of 2012 dated, October 24, 2012 have been followed.

5.5 Derecognition

The Fund derecognises a financial asset when the contractual right to the cash flows from the financial asset expires or it transfers the right to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

5.6 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

5.7 Expenses

All expenses, including management fee and trustee fee, are recognized in the income statement on accrual basis.

5.8 Preliminary expenses and flotation costs

Preliminary expenses and flotation costs (formation costs) represent expenditure incurred prior to the commencement of operations of the Fund and include underwriting commission, commission to bankers to the issue, brokerage paid to the members of stock exchanges and other expenses. These costs are being amortised over a period of five years starting from the end of the initial offering period as per the requirement set out in the Trust Deed of the Fund and NBFC regulations.

5.9 Provisions

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

NIT - MONEY MARKET FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

5.10 Taxation

The Fund's income is exempt from Income Tax as per Clause 99 of Part I of the Second Schedule of 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. The Fund is also exempt from the provision of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

5.11 Earnings per unit

Earnings per unit (EPU) has not been disclosed as in the opinion of the management determination of weighted average units for calculating EPU is not practicable.

5.12 Net asset value per unit

The net asset value (NAV) per unit, as disclosed on the Statement of Assets and Liabilities, is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

5.13 Unit holders' fund

Unit holders' fund representing the units issued by the Fund, is carried at the net asset value representing the investors' right to a residual interest in the Fund assets.

5.14 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours, as of the close of the previous day on which the applications were received. The offer price represents the net asset value per unit as of the close of the previous day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable.

Units redeemed are recorded at the redemption price, applicable to units as of the close of the previous day. The redemption price represents the net asset value per unit as of the close of the previous day on which applications were received less any back-end load, any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

5.15 Revenue recognition

- Gains / (losses) arising on sale of investments are included in the Income Statement on the date at which the transaction takes
- Income on government securities is recognised on a time proportion basis using effective interest rate method.
- Income on commercial papers is recognised on a time proportion basis.
- Unrealised gains / (losses) arising on remeasurement of investments classified as 'at fair value through profit or loss' are included in the Income Statement in the period in which they arise.
- Profit on bank deposits and certificate of investments is recognised on time proportion basis.

5.16 Distributions

Distributions declared subsequent to year end reporting date are considered as non adjusting events and are recognized in the financial statements of the period in which such distributions are declared. Based on MUFAP's guidelines (duly condensed upon SECP) distribution for the year is deemed to comprise of the portion of amount of income of units already paid on units redeemed and the amount of cash distribution for the year.

The distribution per unit is announced based on units that were held for the entire period. The rate of distribution is adjusted with effect of refund of capital if any based on the period of investment made during the year. Resultantly, the rate of distribution per unit may vary depending on the period of investment.

NIT - MONEY MARKET FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

5.17 Cash and cash equivalents

Cash and cash equivalents comprise of saving accounts maintained with banks. Cash equivalents are short term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

| 6 | BANK BALANCES | Note | June 30, | June 30, |
|---|--------------------|------|------------------------------|------------------|
| | | | 2020 | 2019 |
| | | | ----- (Rupees in '000) ----- | |
| | In saving accounts | 6.1 | <u>2,979,279</u> | <u>3,360,422</u> |

6.1 These represent balances with banks in savings accounts carrying mark-up rates ranging from 6.50% to 7.80% per annum (June 30, 2019: 4.00% to 13.55% per annum).

| 7 | INVESTMENTS | Note | June 30, | June 30, |
|--|-------------------------|------|------------------------------|----------------|
| | | | 2020 | 2019 |
| | | | ----- (Rupees in '000) ----- | |
| Fair value through profit or loss | | | | |
| | - Market Treasury Bills | 7.1 | 1,769,331 | - |
| | - Letter of placement | 7.3 | - | - |
| | | | <u>1,769,331</u> | <u>-</u> |
| At amortised cost | | | | |
| | - Commercial papers | 7.2 | 87,254 | 128,127 |
| | | | <u>1,856,585</u> | <u>128,127</u> |

7.1 Market Treasury Bills

Fair value through profit or loss

| Issue date | Tenor | Face value | | | | Balance as at 30 June 2020 | | Market value as a percentage of net assets | Market value as a percentage of total investments |
|-------------------|----------|------------------------------|---------------------------|---------------------------------|---------------------|----------------------------|--------------|--|---|
| | | As at July 01, 2019 | Purchases during the year | Sales / matured during the year | As at June 30, 2020 | Carrying value | Market value | | |
| | | ----- (Rupees in '000) ----- | | | | | | | |
| May 23, 2019 | 3 Months | - | 1,050,000 | 1,050,000 | - | - | - | - | |
| July 18, 2019 | 3 Months | - | 3,130,000 | 3,130,000 | - | - | - | - | |
| August 1, 2019 | 3 Months | - | 2,505,000 | 2,505,000 | - | - | - | - | |
| August 16, 2019 | 3 Months | - | 3,230,000 | 3,230,000 | - | - | - | - | |
| August 29, 2019 | 3 Months | - | 1,000,000 | 1,000,000 | - | - | - | - | |
| October 10, 2019 | 3 Months | - | 500,000 | 500,000 | - | - | - | - | |
| October 24, 2019 | 3 Months | - | 500,000 | 500,000 | - | - | - | - | |
| November 7, 2019 | 3 Months | - | 900,000 | 900,000 | - | - | - | - | |
| December 19, 2019 | 3 Months | - | 650,000 | 650,000 | - | - | - | - | |
| January 2, 2020 | 3 Months | - | 4,375,000 | 4,375,000 | - | - | - | - | |
| January 30, 2020 | 3 Months | - | 750,000 | 750,000 | - | - | - | - | |
| February 13, 2020 | 3 Months | - | 89,000 | 89,000 | - | - | - | - | |
| March 12, 2020 | 3 Months | - | 70,000 | 70,000 | - | - | - | - | |
| March 26, 2020 | 3 Months | - | 1,350,000 | 1,350,000 | - | - | - | - | |
| April 9, 2020 | 3 Months | - | 1,500,000 | 1,500,000 | - | - | - | - | |
| April 23, 2020 | 3 Months | - | 300,000 | - | 300,000 | 299,006 | 299,127 | 6.20 | 16.11 |
| August 1, 2019 | 6 Months | - | 425,000 | 425,000 | - | - | - | - | |
| October 10, 2019 | 6 Months | - | 500,000 | 500,000 | - | - | - | - | |
| October 24, 2019 | 6 Months | - | 500,000 | 500,000 | - | - | - | - | |
| November 7, 2019 | 6 Months | - | 200,000 | 200,000 | - | - | - | - | |
| November 21, 2019 | 6 Months | - | 480,000 | 480,000 | - | - | - | - | |
| December 19, 2019 | 6 Months | - | 500,000 | 500,000 | - | - | - | - | |
| January 2, 2020 | 6 Months | - | 650,000 | 650,000 | - | - | - | - | |
| April 9, 2020 | 6 Months | - | 375,000 | - | 375,000 | 365,075 | 367,936 | 7.63 | 19.82 |
| April 23, 2020 | 6 Months | - | 375,000 | - | 375,000 | 366,194 | 366,980 | 7.61 | 19.77 |
| May 7, 2020 | 6 Months | - | 500,000 | - | 500,000 | 487,019 | 488,029 | 10.12 | 26.29 |

NIT - MONEY MARKET FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

Fair value through profit or loss

| Issue date | Tenor | Face value | | | | Balance as at 30 June 2020 | | Market value as a percentage of net assets | Market value as a percentage of total investments |
|------------------------------|-----------|---------------------|---------------------------|---------------------------------|---------------------|----------------------------|------------------|--|---|
| | | As at July 01, 2019 | Purchases during the year | Sales / matured during the year | As at June 30, 2020 | Carrying value | Market value | | |
| (Rupees in '000) | | | | | | | | | |
| May 21, 2020 | 6 Months | - | 750,000 | 750,000 | - | - | - | - | |
| August 29, 2019 | 12 Months | - | 250,000 | - | 250,000 | 246,969 | 247,259 | 5.13 | |
| Total - June 30, 2020 | | - | 27,404,000 | 25,604,000 | 1,800,000 | 1,764,263 | 1,769,331 | 36.69 | |
| Total June 30, 2019 | | 600,000 | 8,250,000 | 8,850,000 | - | - | - | - | |

7.1.1 These treasury bills carry effective yield ranging from 7.7% to 10.26% (June 30, 2019: Nil) per annum and will mature by November 21, 2020.

7.2 Commercial paper- at amortised cost

| Name of Investee Company | Face value | | | | Balance as at 30 June 2020 | | Market value as a percentage of net assets | Market value as a percentage of total investments |
|-------------------------------|---------------------|---------------------------|---------------------------------|---------------------|----------------------------|----------------|--|---|
| | As at July 01, 2019 | Purchases during the year | Sales / matured during the year | As at June 30, 2020 | Carrying value | Market value | | |
| (Rupees in '000) | | | | | | | | |
| The Hub Power Company Limited | 129,000 | - | 129,000 | - | - | - | - | - |
| The Hub Power Company Limited | - | 300,000 | 300,000 | - | - | - | - | - |
| K-Electric Limited | - | 150,000 | 150,000 | - | - | - | - | - |
| K-Electric Limited | - | 90,000 | - | 90,000 | 87,254 | 87,254 | 1.81 | 4.70 |
| Total - June 30, 2020 | 129,000 | 540,000 | 579,000 | 90,000 | 87,254 | 87,254 | 1.81 | 4.70 |
| Total - June 30, 2019 | - | 129,000 | - | 129,000 | 128,127 | 128,127 | 3.68 | 6.90 |

7.2.1 Significant terms and conditions of commercial papers outstanding at the year end are as follows:

| Name of security | Interest / mark-up rates | Issue Date | Maturity Date | Carrying value as at June 30, 2020 | Carrying value as a %age of net assets |
|--------------------|--------------------------|----------------|---------------|------------------------------------|--|
| (Rupees in '000) | | | | | |
| K-Electric Limited | 12.18% | April 06, 2020 | Oct 08, 2020 | 87,254 | 1.81% |

7.3 Letter of placement

| Name of Investee Company | Face value | | | | Balance as at June 30, 2020 | | Market value as a percentage of net assets | Market value as a percentage of total investments |
|-------------------------------------|---------------------|---------------------------|---------------------------------|---------------------|-----------------------------|--------------|--|---|
| | As at July 01, 2019 | Purchases during the year | Sales / matured during the year | As at June 30, 2020 | Carrying value | Market value | | |
| (Rupees in '000) | | | | | | | | |
| Pak Oman Investment Company Limited | - | 1,025,000 | 1,025,000 | - | - | - | - | - |
| Total - June 30, 2020 | - | 1,025,000 | 1,025,000 | - | - | - | - | - |
| Total - June 30, 2019 | - | 375,000 | 375,000 | - | - | - | - | - |

7.4 Net unrealised appreciation on re-measurement of investments classified as 'fair value through profit or loss'

| | June 30, 2020 | June 30, 2019 |
|-------------------------------------|------------------|---------------|
| | (Rupees in '000) | |
| Market value of investments | 1,856,585 | - |
| Less: Carrying value of investments | (1,851,518) | - |
| | 5,067 | - |

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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| | | | | |
|----------|----------------------------|--|--------------------------------|--------------------------------|
| 8 | PROFIT RECEIVABLE | | June 30, 2020 | June 30, 2019 |
| | | | ----- (Rupees in '000) ----- | |
| | Profit on savings accounts | | <u>11,122</u> | <u>10,450</u> |

9 PRELIMINARY EXPENSES AND FLOTATION COSTS

| | | | | |
|--|---------------------------------|-----|--------------|--------------|
| | Opening formation cost | | 351 | 576 |
| | Less: Amortised during the year | 9.1 | <u>(225)</u> | <u>(225)</u> |
| | Balance at end of the year | | <u>126</u> | <u>351</u> |

9.1 These expenses are being amortised over a period of five years commencing from January 22, 2016 in accordance with the requirement of clause 14.3.1 of the Trust Deed of the Fund.

| | | | | |
|-----------|--|------|--------------------------------|--------------------------------|
| 10 | PAYABLE TO NATIONAL INVESTMENT TRUST LIMITED - MANAGEMENT COMPANY | | June 30, 2020 | June 30, 2019 |
| | | | ----- (Rupees in '000) ----- | |
| - | Management remuneration | 10.1 | 1,641 | 1,839 |
| - | Sindh Sales Tax | 10.2 | 213 | 239 |
| - | Preliminary expenses and floatation costs | | 1,125 | 1,125 |
| - | Allocation of expenses related to registrar services, accounting, operation and valuation services | 10.3 | 390 | 300 |
| - | Trust Deed registration fee and others | | 134 | 134 |
| | | | <u>3,503</u> | <u>3,637</u> |

10.1 Under the revised Non-Banking Finance Companies & Notified Entities Regulations 2008, notified on November 25, 2015, the Management Company of the Fund is entitled to a remuneration of an amount not exceeding 2 percent of average annual net assets. The Management Company has charged its remuneration at the rate of 5 percent of gross earnings subject to a minimum fee of 0.25 percent per annum of average net assets, and a maximum fee of 1 percent per annum of average annual net assets.

10.2 Sindh Sales Tax at the rate of 13% (2019: 13%) has been charged on the management remuneration.

10.3 In accordance with Regulation 60(3)(s) of the NBFC Regulations, the Management Company is entitled to charge actual fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS). However, the Management Company based on its own discretion has currently fixed a maximum capping of 0.1 percent of the average annual net assets of the Fund for allocation of such expenses to the Fund.

| | | | | |
|-----------|--|------|--------------------------------|--------------------------------|
| 11 | PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE | | June 30, 2020 | June 30, 2019 |
| | | | ----- (Rupees in '000) ----- | |
| | Trustee remuneration | 11.1 | 253 | 287 |
| | Sales tax payable on trustee remuneration | 11.2 | 33 | 37 |
| | | | <u>286</u> | <u>324</u> |

11.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. During the year, the tariff has been revised to a flat rate of 0.065% of net assets.

11.2 Sindh Sales Tax at the rate of 13% (30 June 2019: 13%) has been charged on Trustee's remuneration.

12 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

SECP vide S.R.O 685(1)/2019 dated 28 June 2019 has revised rate of annual fee at 0.02% of net assets (2019: 0.075% of average annual net assets) and is applicable on all categories of Collective Investment Schemes, accordingly in the current year, the Fund has charged SECP fee as per the revised rates.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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| 13 ACCRUED EXPENSES AND OTHER LIABILITIES | | June 30, 2020 | June 30, 2019 |
|---|------|------------------------------|------------------|
| | | ----- (Rupees in '000) ----- | |
| Provision for Sindh Workers' Welfare Fund | 13.1 | 16,878 | 6,262 |
| Capital gain tax payable | | 594 | 3,114 |
| Federal Excise Duty | 13.2 | 291 | 291 |
| Auditors' remuneration | | 218 | 156 |
| Legal and professional charges | | 80 | - |
| Printing charges | | 33 | 6 |
| Brokerage | | 72 | 59 |
| Withholding tax payable | | 29 | 11 |
| Zakat payable | | 1 | - |
| | | 18,196 | 9,899 |

- 13.1** 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 December 31, 2013. MUFAP reviewed the issue and based on an opinion obtained in 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. May 21, 2015. Accordingly, on January 12, 2017, MUFAP as an abundant caution, has decided to provide for SWWF with effect from May 21, 2015, while the efforts to exclude mutual funds from SWWF continue. The provision for SWWF is being made on a daily basis. Had the SWWF not been provided, the NAV per unit of the Fund would have been higher by Rs.0.0339 (June 30, 2019: Rs.0.0194).

- 13.2** 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 June 13, 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, hence a petition was collectively filed by the Mutual Fund Association of Pakistan with the Honorable Sindh High Court (SHC) on September 04, 2013.

The Honorable Sindh High Court (SHC) through its order dated June 02, 2016, in CPD-3184 of 2014 (and others) filed by various taxpayers, has interalia 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 July 01, 2011. However, the declaration made by the Honorable Court, as directed, will have affect in the manner prescribed in the judgment. The Sindh High Court in its decision dated July 16, 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 Honourable Supreme Court against the Sindh High Court's decision dated June 02, 2016, which is pending for the decision. However, after the exclusion of the mutual funds from federal statute on FED from July 01, 2016, the Fund has discontinued making the provision in this regard.

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.0.291 million. Had the provision not been made, the Net Asset Value per unit of the Fund would have been higher by Rs.0.0006 (June 30, 2019: Rs.0.0009) per unit.

14 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2020 (June 30, 2019: Nil).

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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| 15 NUMBER OF UNITS IN ISSUE | June 30, 2020 | June 30, 2019 |
|---|------------------------|----------------------|
| | (Number of units) | |
| Total units in issue at beginning of the year | 323,334,183 | 125,139,398 |
| Units issued during the year | 1,242,763,858 | 477,261,160 |
| Units issued under Cumulative Investment Plan | 46,343,602 | 5,775,997 |
| Units redeemed during the year | <u>(1,114,675,379)</u> | <u>(284,842,372)</u> |
| Total units in issue at end of the year | <u>497,766,264</u> | <u>323,334,183</u> |

| 16 AUDITORS' REMUNERATION | June 30, 2020 | June 30, 2019 |
|--|------------------------------|------------------|
| | ----- (Rupees in '000) ----- | |
| Statutory audit fee | 132 | 125 |
| Interim review fee | 79 | 75 |
| Other certification | 50 | - |
| Out of pocket expenses including government levy | <u>41</u> | <u>63</u> |
| | <u>302</u> | <u>263</u> |

17 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 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 year 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 2020 as reduced by capital gains (whether realised or unrealised) to its unit holders in the form of cash.

18 TOTAL EXPENSE RATIO

Total expense ratio (all the expenses, including government levies, incurred during the year divided by average net asset value for the year) is 1.18% per annum. Total expense ratio (excluding government levies) is 0.83% per annum. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulation 60(5) for a collective investment scheme categorised as an money

19 TRANSACTIONS WITH CONNECTED PERSONS

- 19.1** 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.
- 19.2** The transactions with connected persons are in the normal course of business, at contracted terms determined in accordance with the market rates.
- 19.3** Remuneration to the Management Company and the trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.

NIT - MONEY MARKET FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

19.4 The details of significant transactions carried out by the Fund with connected persons and balances with them at the year end are as follows:

Details of the transactions with connected persons are as follows:

| | June 30, 2020 | June 30, 2019 |
|---|--------------------------|------------------|
| | -----Rupees in '000----- | |
| Transactions during the year | | |
| National Investment Trust Limited - Management Company | | |
| Issue of 10,174,136 units (2019: nil units) | 100,013 | - |
| Issue of 15,397,909 units under CIP (2019: 4,721,937 units) | 150,601 | 46,783 |
| 44,361,331 units redeemed (2019: 9,893,937 units) | 435,000 | 100,000 |
| Additional 70,537 units issued as refund of capital (2019: 97,553 units) | - | - |
| Remuneration of the Management Company | 27,626 | 11,714 |
| Sindh Sales Tax on Management remuneration | 3,591 | 1,523 |
| Allocation of expenses related to registrar services, accounting, operation and valuation services | 4,435 | 1,869 |
| Central Depository Company of Pakistan Limited - Trustee | | |
| Remuneration of the Trustee | 2,876 | 2,148 |
| Sindh Sales Tax on Trustee Remuneration | 374 | 279 |
| Engro Corporation Limited | | |
| Issue of Nil units (2019: 94,066,298 units) | - | 1,000,000 |
| Issue of 13,943,317 units under CIP (2019: nil units) | 136,217 | - |
| Additional 7,038,697 units issued as refund of capital (2019: nil units) | - | - |
| Mari Petroleum Company Limited | | |
| Issue of 81,577,281 units (2019: 18,624,922 units) | 800,661 | 200,000 |
| Additional 1,900,607 units issued as refund of capital | - | - |
| Redemption of 50,902,052 units | 502,968 | - |
| 19.5 Amounts outstanding as at year end: | | |
| National Investment Trust Limited - Management Company | | |
| 59,883,549 units held (June 30, 2019: 78,602,298 units) | 580,391 | 847,003 |
| Management remuneration | 1,641 | 1,839 |
| Sindh Sales Tax | 213 | 239 |
| Preliminary expenses & floatation costs | 1,125 | 1,125 |
| Allocation of expenses related to registrar services, accounting, operation and valuation services | 390 | 300 |
| Others | 134 | 134 |
| Central Depository Company of Pakistan Limited - Trustee | | |
| Trustee fee payable | 253 | 287 |
| Sindh Sales Tax on Trustee remuneration of Trustee | 33 | 37 |
| Engro Corporation Limited | | |
| 115,048,312 units held (June 30, 2019: 94,066,298 units) | 1,115,048 | 1,013,640 |
| Mari Petroleum Company Limited | | |
| 51,200,758 units held (June 30, 2019: 18,624,922 units) | 496,238 | 200,767 |

20 FINANCIAL RISK MANAGEMENT

The Fund's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Fund's financial performance.

The Fund's activities expose it to a variety of financial risks: market risk (including currency risk, profit rate and other price risk), credit risk and liquidity risk. Risk of the Fund is being managed by the Management Company in accordance with the approved policies of the investment committee which provide broad guidelines for management of above mention risks. The Board of Directors of Management Company has overall responsibility for the establishment and oversight of the Fund's risk management framework.

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The Fund primarily invests in a mix of short term corporate debt and government securities, term deposit and money market placements with scheduled banks.

20.1 Market risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Board and regulations laid down by the SECP, the NBFC Regulations and the NBFC Rules.

Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

20.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund, at present is not exposed to currency risk as all transactions were carried out in Pak Rupee.

20.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

a) Sensitivity analysis for variable rate instruments

Presently, the Fund does not hold any variable profit based investment except balances with banks in deposit account exposing the Fund to cash flow profit rate risk. The Fund is also exposed to mark-up rate risk on bank deposits. In case of 100 basis points increase / decrease in KIBOR at year end, the net assets attributable to unit holders of the Fund and net income for the year would be higher / lower by Rs.29.79 (2019: Rs.33.60) million.

b) Sensitivity analysis for fixed rate instruments

As at June 30, 2020, the Fund holds commercial paper, exposing the Fund to mark-up interest rate risk. In case of 100 basis points increase / decrease in rates on June 30, 2020, with all other variables held constant, total comprehensive income for the year and net assets would be lower / higher by Rs.0.87 (2019: Rs.1.28) million.

Yield / interest rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet instruments is based on the settlement date.

| June 30, 2020 | | | | | |
|-------------------------------------|---------------------------------------|--|--------------------|---------------------------------|-------|
| Yield / effective interest rate (%) | Exposed to yield / interest rate risk | | | Not exposed to profit rate risk | Total |
| | Upto three months | More than three months and upto one year | More than one year | | |
| ----- (Rupees in '000) ----- | | | | | |

On-balance sheet financial instruments

Financial assets

| | | | | | | |
|---|--------------|------------------|------------------|---|---------------|------------------|
| Bank balances | 6.5 to 14.5 | 2,979,279 | - | - | - | 2,979,279 |
| Investments classified as: | | | | | | |
| - Market Treasury Bills | 7.7 to 10.26 | 546,386 | 1,222,945 | - | - | 1,769,331 |
| - Commercial paper | 12.18 | - | 87,254 | - | - | 87,254 |
| Profit receivable | | - | - | - | 11,122 | 11,122 |
| Security deposits with Central Depository Company of Pakistan Limited - Trustee | | - | - | - | 100 | 100 |
| | | 3,525,665 | 1,310,199 | - | 11,222 | 4,847,086 |

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| June 30, 2020 | | | | | |
|-------------------------------------|---------------------------------------|--|--------------------|---------------------------------|-------|
| Yield / effective interest rate (%) | Exposed to yield / interest rate risk | | | Not exposed to profit rate risk | Total |
| | Upto three months | More than three months and upto one year | More than one year | | |

----- (Rupees in '000) -----

Financial liabilities

| | | | | | |
|---|---|---|---|--------------|--------------|
| Payable to National Investment Trust Limited - Management Company | - | - | - | 3,290 | 3,290 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | - | - | - | 253 | 253 |
| Dividend payable | - | - | - | 2 | |
| Accrued expenses and other liabilities | - | - | - | 397 | 397 |
| | - | - | - | <u>3,940</u> | <u>3,940</u> |

On-balance sheet gap

| | | | | | |
|--|------------------|------------------|---|--------------|------------------|
| | <u>3,525,665</u> | <u>1,310,199</u> | - | <u>7,282</u> | <u>4,843,146</u> |
|--|------------------|------------------|---|--------------|------------------|

Off balance sheet financial instruments

| | | | | | |
|-----------------------|---|---|---|---|---|
| Off balance sheet gap | - | - | - | - | - |
|-----------------------|---|---|---|---|---|

Total interest rate sensitivity gap

| | | | | | |
|--|------------------|---|---|--------------|------------------|
| | <u>2,979,316</u> | - | - | <u>7,282</u> | <u>4,843,146</u> |
|--|------------------|---|---|--------------|------------------|

Cumulative interest rate sensitivity gap

| | | | | | |
|--|------------------|---|------------------|--|--|
| | <u>2,979,316</u> | - | <u>2,979,316</u> | | |
|--|------------------|---|------------------|--|--|

| June 30, 2019 | | | | | |
|-------------------------------------|---------------------------------------|--|--------------------|---------------------------------|-------|
| Yield / effective interest rate (%) | Exposed to yield / interest rate risk | | | Not exposed to profit rate risk | Total |
| | Upto three months | More than three months and upto one year | More than one year | | |

----- (Rupees in '000) -----

On-balance sheet financial instruments

Financial assets

| | | | | | | |
|---|------------|------------------|---|---|---------------|------------------|
| Bank balances | 4 to 13.55 | 3,360,422 | - | - | - | 3,360,422 |
| Investments | 12.11 | 128,127 | - | - | - | 128,127 |
| Profit receivable | | - | - | - | 10,450 | 10,450 |
| Security deposits with Central Depository Company of Pakistan Limited - Trustee | | - | - | - | 100 | 100 |
| | | <u>3,488,549</u> | - | - | <u>10,550</u> | <u>3,499,099</u> |

Financial liabilities

| | | | | | | |
|---|--|---|---|---|--------------|--------------|
| Payable to National Investment Trust Limited - Management Company | | - | - | - | 3,398 | 3,398 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | - | - | - | 287 | 287 |
| Accrued expenses and other liabilities | | - | - | - | 221 | 221 |
| | | - | - | - | <u>3,906</u> | <u>3,906</u> |

On-balance sheet gap

| | | | | | |
|--|------------------|---|---|--------------|------------------|
| | <u>3,488,549</u> | - | - | <u>6,644</u> | <u>3,495,193</u> |
|--|------------------|---|---|--------------|------------------|

Off balance sheet financial instruments

| | | | | | |
|-----------------------|---|---|---|---|---|
| Off balance sheet gap | - | - | - | - | - |
|-----------------------|---|---|---|---|---|

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| June 30, 2019 | | | | | |
|--|---------------------------------------|--|--------------------|---------------------------------|-----------|
| Yield / effective interest rate (%) | Exposed to yield / interest rate risk | | | Not exposed to profit rate risk | Total |
| | Upto three months | More than three months and upto one year | More than one year | | |
| ----- (Rupees in '000) ----- | | | | | |
| Total interest rate sensitivity gap | 3,488,549 | - | - | 6,644 | 3,495,193 |
| Cumulative interest rate sensitivity gap | 3,488,549 | - | 3,488,549 | | |

20.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Fund does not hold any security which exposes the Fund to price risk.

20.2 Credit risk

Credit risk represents the risk of loss if counterparties fail to perform as contracted. The Fund is exposed to counter party credit risks on bank balances, investments and profit receivable.

The Fund's maximum exposure to credit risk related to receivables at June 30, 2020 and June 30, 2019 is the carrying amounts of following financial assets.

| | June 30, 2020 | June 30, 2019 |
|-------------------|------------------------------|------------------|
| | ----- (Rupees in '000) ----- | |
| Bank balances | 2,979,279 | 3,360,422 |
| Investments | 1,856,585 | 128,127 |
| Profit receivable | 11,122 | 10,450 |
| | <u>4,846,986</u> | <u>3,498,999</u> |

The analysis below summaries the credit rating quality of the Fund's financial assets as at June 30, 2020 and June 30, 2019.

| 2020 | | | | |
|-----------------------------------|-----------------------------------|---------------|---------------------|---|
| Bank balances Name of the bank | Balance as at June 30, 2020 | Rating agency | Published rating | Percentage of total bank balances |
| (Rupees in '000) | | | | |
| Habib Bank Limited | 618 | VIS | AAA | 0.02% |
| Allied Bank Limited | 615 | PACRA | AAA | 0.02% |
| Bank Alhabib Limited | 2,971,715 | PACRA | AA+ | 99.75% |
| Bank Alfalah Limited | 16 | PACRA | AA+ | 0.00% |
| Dubai Islamic Bank Limited | 114 | VIS | AA | 0.00% |
| Habib Metropolitan Bank Limited | 9 | PACRA | AA+ | 0.00% |
| United Bank Limited | 24 | VIS | AAA | 0.00% |
| MCB Bank Limited | 6,168 | PACRA | AAA | 0.21% |
| | <u>2,979,279</u> | | | <u>100.00%</u> |

NIT - MONEY MARKET FUND
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| 2020 | | | |
|-----------------------------|---------------|------------------|-----------------------------------|
| Balance as at June 30, 2020 | Rating agency | Published rating | Percentage of total bank balances |

(Rupees in '000)

Commercial paper

Name of the investee company

K-Electric Limited

1,856,585

PACRA

A1+

| 2019 | | | |
|-----------------------------|---------------|------------------|-----------------------------------|
| Balance as at June 30, 2019 | Rating agency | Published rating | Percentage of total bank balances |

(Rupees in '000)

%

Bank balances

Name of the bank

Habib Bank Limited

2,001,308

VIS

AAA

59.56%

Allied Bank Limited

1,343,873

PACRA

AAA

39.99%

Bank Alhabib Limited

14,876

PACRA

AA+

0.44%

Bank Alfalah Limited

210

PACRA

AA+

0.01%

Habib Metropolitan Bank Limited

116

PACRA

AA+

0.00%

United Bank Limited

39

VIS

AAA

0.00%

MCB Bank Limited

2

PACRA

AAA

0.00%

3,360,422

100.00%

Commercial paper

Name of the investee company

The Hub Power Company Limited

128,127

PACRA

A1+

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is mostly concentrated in government sector and deposits held with commercial banks.

20.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Fund is exposed to daily cash redemptions, if any, at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation. Its policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

The Fund has the ability to borrow in the short-term to ensure settlement. During the current year, the Fund did not avail any borrowing. As per the NBFC Regulations the maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund and bear interest at commercial rates.

In order to manage the Fund's overall liquidity, the Fund also has the ability to withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

NIT - MONEY MARKET FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the statement of assets and liabilities date to the contractual maturity date. The amounts in the table are the contractual undiscounted

| As at June 30, 2020 | | | |
|---|-------------------------------------|---------------|------------------|
| Upto three months | Over three months and upto one year | Over one year | Total |
| ----- (Rupees in '000) ----- | | | |
| Financial liabilities | | | |
| Payable to National Investment Trust Limited - Management Company | 3,290 | - | 3,290 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 253 | - | 253 |
| Dividend payable | 2 | - | 2 |
| Accrued expenses and other liabilities | 397 | - | 397 |
| | 3,942 | - | 3,942 |
| Unit holders' fund | 4,824,340 | - | 4,824,340 |

| As at June 30, 2019 | | | |
|---|-------------------------------------|---------------|------------------|
| Upto three months | Over three months and upto one year | Over one year | Total |
| ----- (Rupees in '000) ----- | | | |
| Financial liabilities | | | |
| Payable to National Investment Trust Limited - Management Company | 3,398 | - | 3,398 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 287 | - | 287 |
| Accrued expenses and other liabilities | 221 | - | 221 |
| | 3,906 | - | 3,906 |
| Unit holders' fund | 3,484,193 | - | 3,484,193 |

21 Financial instruments by category

| June 30, 2020 | | | |
|---|--------------------------------------|------------------|------------------|
| At fair value through OCI | At fair value through profit or loss | Amortised cost | Total |
| ----- (Rupees in '000) ----- | | | |
| Assets | | | |
| Bank balances | - | 2,979,279 | 2,979,279 |
| Investments | - | 1,856,585 | 1,856,585 |
| Profit receivables | - | 11,122 | 11,122 |
| Security deposits with Central Depository Company of Pakistan Limited - Trustee | - | 100 | 100 |
| | - | 4,847,086 | 4,847,086 |

| June 30, 2020 | | |
|---|----------------|-------|
| At fair value through profit or loss | Amortised cost | Total |
| ----- (Rupees in '000) ----- | | |
| Liabilities | | |
| Payable to National Investment Trust Limited - Management Company | - | 3,290 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | - | 253 |

NIT - MONEY MARKET FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

| June 30, 2020 | | |
|--|----------------|--------------|
| At fair value through profit or loss | Amortised cost | Total |
| ----- (Rupees in '000) ----- | | |
| Dividend payable | 2 | 2 |
| Accrued expenses and other liabilities | 397 | 397 |
| | 3,942 | 3,942 |

| June 30, 2019 | | | |
|---|--------------------------------------|------------------|------------------|
| At fair value through OCI | At fair value through profit or loss | Amortised cost | Total |
| ----- (Rupees in '000) ----- | | | |
| Assets | | | |
| Bank balances | - | 3,360,422 | 3,360,422 |
| Investments | - | 128,127 | 128,127 |
| Profit receivables | - | 10,450 | 10,450 |
| Security deposits with Central Depository Company of Pakistan Limited - Trustee | - | 100 | 100 |
| | - | 3,499,099 | 3,499,099 |

| As at June 30, 2019 | | |
|---|-------------------|--------------|
| Liabilities at fair value through profit or loss | At amortised cost | Total |
| ----- (Rupees in '000) ----- | | |
| Liabilities | | |
| Payable to National Investment Trust Limited - Management Company | - | 3,398 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | - | 324 |
| Accrued expenses and other liabilities | - | 221 |
| | - | 3,943 |

21 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by redeemable units. These units are entitled to dividends and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown in the 'Statement of Movement in Unit Holders' Fund'.

The Fund has no restrictions on the subscription and redemption of units.

The Fund's objectives when managing unit holders' funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to the unit holders and to maintain a strong base of assets to meet unexpected losses or opportunities.

In accordance with the risk management policies as stated in note 20, the Fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by short term borrowings or disposal of investments, where necessary.

As required under the NBFC Regulations, every open end scheme shall maintain minimum fund size (i.e. net assets of the Fund) of Rs.100 million at all times during the life of scheme. The Fund has maintained and complied with the requirements of minimum fund size during the year.

22 FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value

NIT - MONEY MARKET FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

as 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 (i.e. an exit price).

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the balance sheet date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from book value.

The following table shows financial instruments recognized at fair value, analyzed between those whose fair value is based on:

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

Level 2: those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Fund has not disclosed the fair values of its financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are a reasonable approximation of their fair values.

During the year ended June 30, 2020, there were no transfers between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

23 TRANSACTIONS WITH BROKERS / DEALERS

List of brokers by percentage of commission paid for the year ended June 30, 2020:

| Particulars | Percentage (%) |
|--------------------------------|----------------|
| Arif Habib Limited | 40.34 |
| BIPL Securities Limited | 17.42 |
| Summit Capital (Pvt) Limited | 15.07 |
| Icon Management (Pvt) Limited | 11.46 |
| BMA Capital Management Limited | 10.65 |
| JS Global Capital Limited | 5.06 |
| | <u>100.00</u> |

List of brokers by percentage of commission paid for the year ended June 30, 2019:

| Particulars | Percentage (%) |
|--------------------------------|----------------|
| BIPL Securities Limited | 39.12 |
| Arif Habib Limited | 35.35 |
| BMA Capital Management Limited | 10.28 |
| JS Global Capital Limited | 7.60 |
| Icon Management (Pvt) Limited | 6.68 |
| EFG Hermes Pakistan Limited | 0.97 |
| | <u>100.00</u> |

NIT - MONEY MARKET FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

24 PARTICULARS OF INVESTMENT COMMITTEE AND FUND MANAGER

Details of members of the investment committee of the Fund are as follows:

| S.No. | Name | Designation | Qualification | Experience in years |
|-------|------------------------------|-------------------------------------|---|---------------------|
| 1 | Mr. Adnan Afridi | Managing Director | Economics (A,B, Magna Cum Laude, 1992), from Harvard University & Corporate Law (JD, Magna Cum Laude, 1995) from Harvard Law School | 25 |
| 2 | Mr. Manzoor Ahmed | Chief Operating Officer | MBA, DAIBP, CFA Level-III | 31 |
| 3 | Mr. Shoaib Ahmed Khan * | Head of Fixed Income / Fund Manager | MBA / DAIBP | 24 |
| 4 | Mr. Aamir Amin | Head of Finance | FCA, CISA | 22 |
| 5 | Mr. Faisal Aslam | Head of Compliance | MBA (Finance), BBA (Hons), CIM-ADIMA (UK) | 15 |
| 6 | Mr. Ali Kamal | Head of Research | MBA, CFA Level-II | 12 |
| 7 | Mr. Attique Ur Rehman Sheikh | Manager - Risk Management | MBA | 14 |

* He is also Fund Manager of NIT Income Fund.

25 ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 342th, 343th, 344th, 345th and 346st Board meetings were held on July 05, 2019, September 25, 2019, October 19, 2019, February 24, 2020, April 29, 2020 respectively. Information in respect of attendance by the Directors in the meetings is given below:

| S. No. | Name of Director | Number of meetings | | | Meetings not attended |
|--------|----------------------------|-----------------------------------|----------|---------------|-----------------------|
| | | Held during tenor of directorship | Attended | Leave granted | |
| 1 | Mr. Adnan Afridi | 5 | 5 | - | |
| 2 | Mr. Jamal Nasim | 5 | 5 | - | |
| 3 | Mian Nusrat-Ud-Din | 5 | 5 | - | |
| 4 | Mr. Muhtashim Ahmad Ashai | 4 | 4 | - | |
| 5 | Mr. Iqbal Adamjee | 5 | 5 | - | |
| 6 | Mr. Khalid Mohsin Shaikh | 5 | 3 | 2 | 342,346th meeting |
| 7 | Mr. Ahmad Ageel | 5 | 5 | - | |
| 8 | Mr. Saeed Iqbal | 5 | 4 | 1 | 342th meeting |
| 9 | Mr. Shakeel Ahmad Mangnejo | 1 | 1 | - | |
| 10 | Mr. Amir Mohyuddin | 5 | 5 | - | |
| 11 | Mr. Arif Usmani | 5 | 4 | 1 | 343th meeting |
| 12 | Mr. Nauman Zafar | 1 | - | 1 | 344th meeting |
| 13 | Mr. Aftab Ahmad Khan | 1 | 1 | - | |

26 PATTERN OF UNIT HOLDING

| Category | As at June 30, 2020 | | |
|---------------------|------------------------|---------------------------------------|---|
| | Number of unit holders | Investment amount (Rupees in '000) | Percentage of total investment ----- (%) ----- |
| Individuals | 769 | 1,415,164 | 29.33 |
| Insurance companies | 2 | 250,461 | 5.19 |
| Bank / DFIs | 1 | 48,371 | 1.01 |
| NBFCs | 1 | 580,390 | 12.03 |
| Retirements Funds | 17 | 489,230 | 10.14 |
| Others | 22 | 2,040,724 | 42.30 |
| | 812 | 4,824,340 | 100.00 |

NIT - MONEY MARKET FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

| As at June 30, 2019 | | |
|--------------------------|-------------------|--------------------------------|
| Number of unit holders | Investment amount | Percentage of total investment |
| | (Rupees in '000) | ----- (%) ----- |
| Individuals | 582 | 21.49 |
| Insurance companies | 1 | 2.89 |
| Bank / DFIs | 1 | 1.54 |
| NBFCs | 1 | 24.31 |
| Retirements Funds | 8 | 1.21 |
| Public Limited Companies | 5 | 43.89 |
| Others | 14 | 4.68 |
| | 612 | 100.00 |

27 INTERIM DISTRIBUTION DURING THE PERIOD

| | Declaration Date | Rs. Per Unit | June 30, 2020 Rupees in '000 |
|---|--------------------|--------------|---------------------------------|
| For the month ended July 31, 2019 | July 31, 2019 | 0.0967 | 35,227 |
| For the month ended August 31, 2019 | August 31, 2019 | 0.104 | 45,548 |
| For the month ended September 30, 2019 | September 30, 2019 | 0.1029 | 38,026 |
| For the month ended October 31, 2019 | October 31, 2019 | 0.1089 | 42,237 |
| For the month ended November 30, 2019 | November 30, 2019 | 0.0931 | 34,168 |
| For the month ended December 31, 2019 | December 31, 2019 | 0.1076 | 40,415 |
| For the month ended January 31, 2020 | January 31, 2020 | 0.1016 | 47,989 |
| For the month ended February 29, 2020 | February 29, 2020 | 0.0937 | 40,218 |
| For the month ended March 31, 2020 | March 31, 2020 | 0.1102 | 49,394 |
| For the month ended April 30, 2020 | April 30, 2020 | 0.1117 | 42,963 |
| For the month ended May 31, 2020 | May 31, 2020 | 0.0614 | 24,795 |
| For the period from June 1, 2020 to June 25, 2020 | June 25, 2020 | 0.1556 | 70,014 |
| | | | 510,994 |

28 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 11, 2020 by the Board of Directors of the Management Company.

29 GENERAL

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

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

Sd/-
Managing Director

Sd/-
Director

Sd/-
Director

Sd/-
Chief Financial Officer

NIT - MONEY MARKET FUND

PERFORMANCE TABLE

LAST 3 YEARS

| | | JUNE 20 | JUNE 19 | JUNE 18 |
|--|----------------|---------------------------|--------------------|--------------------|
| Total Net Asset Value Ex-Dividend | (Rs. In 000's) | 4,824,340 | 3,161,699 | 1,238,649 |
| Net Asset Value per Unit Ex-dividend | (Rs./unit) | 9.6920 | 9.7784 | 9.8982 |
| Last Issue Price per Unit * | (Rs./unit) | 9.6920 | 10.7758 | 10.5675 |
| Last Repurchase Price per Unit * | (Rs./unit) | 9.6920 | 10.7758 | 10.5675 |
| Highest Issue Price During the year | (Rs./unit) | 9.8901 | 10.7757 | 10.5675 |
| Lowest Issue Price During the year | (Rs./unit) | 9.6812 | 9.9131 | 10.0526 |
| Highest Repurchase Price During the year | (Rs./unit) | 9.8901 | 10.7757 | 10.5675 |
| Lowest Repurchase Price During the year | (Rs./unit) | 9.6812 | 9.9131 | 10.0526 |
| Total Return of the Fund | % | 12.51 | 8.87 | 5.18 |
| Capital Growth | % | (0.25) | (1.21) | (1.48) |
| Income Distribution | % | 12.76 | 10.08 | 6.66 |
| Distribution per Unit | (Rs./unit) | 1.2474** | 0.9974 | 0.6693 |
| Distribution Date | | End of month** Monthly | 5-Jul-19 Yearly | 5-Jul-18 Yearly |
| Average Annual Return | | | | |
| One Year | % | 12.51 | 8.87 | 5.18 |
| Two Years | % | 10.69 | 7.03 | 5.07 |
| Three Years | % | 8.85 | 6.33 | 5.05 |

Note: All investments in Mutual Funds and securities are subject to Market Risk. Our target return/dividend range can not be guaranteed. NIT's unit price is neither guaranteed nor administered/managed. It is based on Net Asset Value (NAV) and the NAV of NIT units may go up or down depending upon the factors and forces affecting the market. Past performance is not indicative of future returns.

* These are cum-dividend prices of 30th June.

** Cumulative distribution per unit during the year (Refer Note 27 of the financial statements)