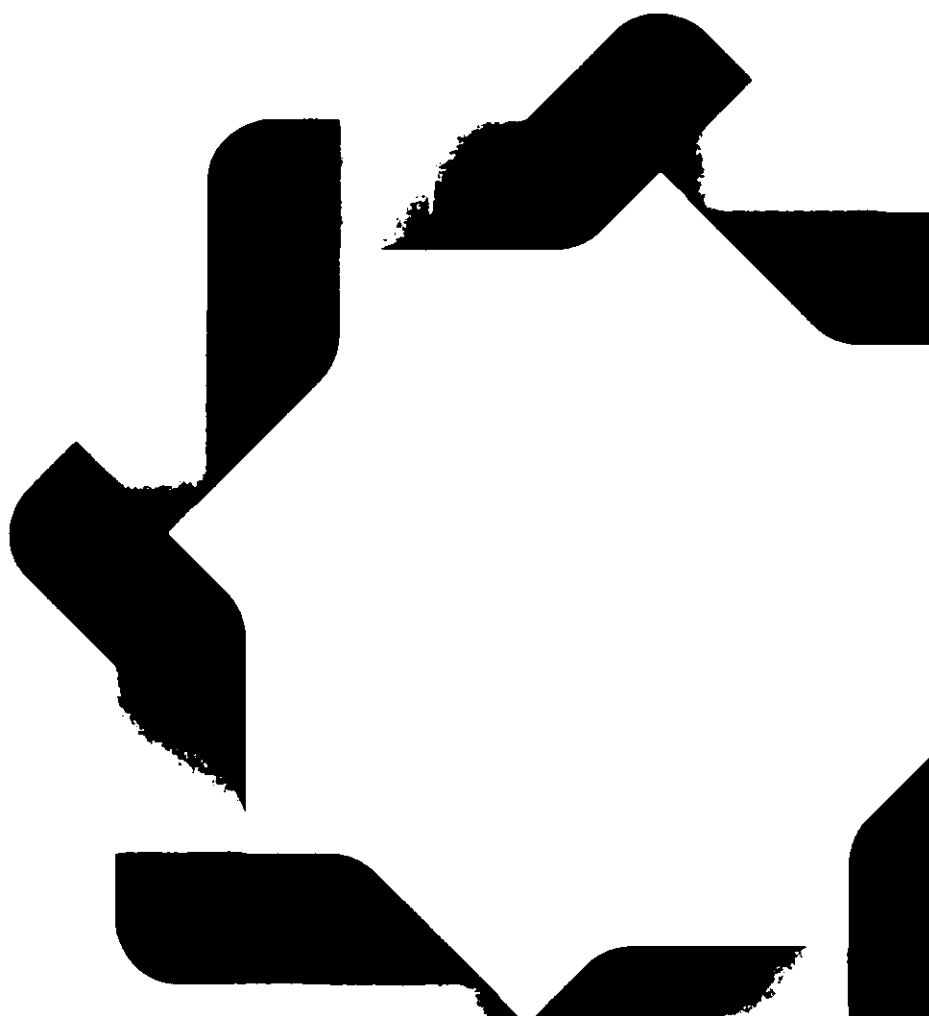


ANNUAL FINANCIAL STATEMENTS AND INDEPENDENT
AUDITOR'S REPORT TO THE PARTICIPANTS OF

NIT Pension Fund

For the year ended June 30, 2024



INDEPENDENT AUDITOR'S REPORT **To the participants of NIT Pension Fund**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **NIT Pension Fund** (the Fund), which comprise the statement of assets and liabilities as at **June 30, 2024**, and income statement, statement of comprehensive income, statement of movements in Participants' sub funds, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at **June 30, 2024**, and of its financial performance and its cash flows for the year then ended in accordance with approved 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 and the Management Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)* as adopted by the Institute of Chartered Accountants of Pakistan together with the ethical requirements that are relevant to our audit of the financial statements in Pakistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the Financial Statements and Auditor's Report Thereon

The pension fund manager 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 auditor's report thereon.

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

**Grant Thornton Anjum
Rahman**
1st & 3rd Floor,
Modern Motors House,
Beaumont Road,
Karachi, Pakistan.

T +92 21 35672951-56

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 Pension Fund Manager and Those Charged with Governance for the Financial Statements

The Pension Fund Manager is responsible for the preparation and fair presentation of the financial statements in accordance with the approved 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, the Pension Fund Manager 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 the Pension Fund Manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the Pension Fund Manager is 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 judgment and maintain professional skepticism throughout the audit. We also:

- 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 the management;

- Conclude on the appropriateness of the 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; and
- 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 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 to the Board 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, 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

Based on our audit, we further report that in our opinion:

- a) The financial statements prepared for the year ended **June 30, 2024**, have been properly drawn in accordance with the relevant provisions of the Trust Deed and the voluntary pension system rules, 2005;
- b) The allocation and reallocation of units of the sub funds for all the participants have been made according to voluntary pension system rules, 2005;
- c) The cost and expenses debited to the Fund and appointment of expenses between the sub funds are as specified in the constitutive documents of the fund;
- d) proper books and records have been kept by the Fund or the financial statements prepared are in agreement with the Fund's books and records;
- e) we were able to obtain all the information and explanations which, to the best of our knowledge and belief, are necessary for the purpose of the audit; and
- f) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

Other Matter

The engagement partner on the audit resulting in this independent auditor's report is **Muhammad Shaukat Naseeb**.



Grant Thornton Anjum Rahman
Chartered Accountants

Karachi

Date: September 16, 2024

UDIN: AR202410126oZsakUm2n

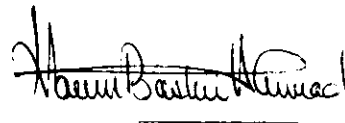
NIT PENSION FUND
STATEMENT OF ASSETS & LIABILITIES
AS AT JUNE 30, 2024

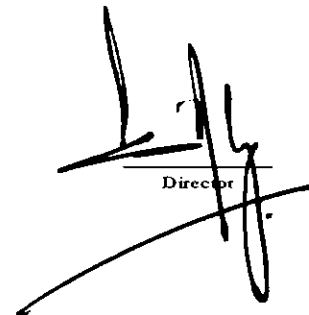
	Note	2024					2023				
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Commodities Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Commodities Sub-Fund	Total
Assets											
Bank balances	7	11,397	32,009	83,610	74,582	201,598	4,559	42,552	71,952	141,751	260,814
Investments	8	141,877	156,691	275,811	99,439	673,818	80,822	111,566	144,192	-	336,580
Advances and deposits	9	2,600	100	100	42,807	45,607	2,600	100	100	22,673	25,473
Dividend and profit receivable	10	11	7,154	-	-	7,165	303	3,346	2,766	1,124	7,539
Total assets		155,885	195,954	359,521	216,828	928,188	88,284	157,564	219,010	165,548	630,406
Liabilities											
Payable to National Investment Trust Limited - Pension Fund Manager	11	105	86	156	91	438	61	71	104	70	306
Payable to Central Depository Company of Pakistan Limited - Trustee	12	19	28	47	28	122	10	24	31	23	88
Payable to Securities and Exchange Commission of Pakistan	13	47	68	112	74	301	35	59	78	59	231
Financial liability at fair value through profit and loss	8.5	-	-	-	1,925	1,925	-	-	-	2,849	2,849
Accrued expenses and other liabilities	14	330	282	278	267	1,157	323	263	259	254	1,099
Total liabilities		501	464	593	2,385	3,943	429	417	472	3,255	4,573
Net assets		155,384	195,490	358,928	214,443	924,245	87,855	157,147	218,538	162,293	625,833
Participants' funds (as per statement attached)		155,384	195,490	358,928	214,443	924,245	87,855	157,147	218,538	162,293	625,833
Number of units in issue	15	9,430,968	8,382,066	15,444,789	7,632,828	40,890,651	10,292,831	8,125,645	11,479,454	7,646,947	37,544,877
Net assets value per unit (in Rupees)		16.4759	23.3224	23.2394	28.0948		8.5355	19.3397	19.0373	21.2232	

Contingencies & Commitments 16
The annexed notes from 1 to 29 form an integral part of the financial statements. *rim*

For National Investment Trust Limited
(Management Company)


Managing Director


Director



Director

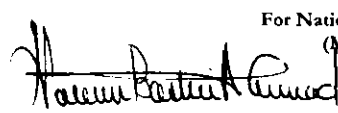

Chief Financial Officer

**NIT PENSION FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2024**

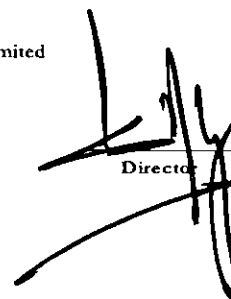
	2024					2023					
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Commodities Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Commodities Sub-Fund	Total	
	(Rupees in '000)										
Income											
From government securities	-	15,551	46,435	20,186	82,172	-	14,669	15,244	8,287	38,200	
From debt securities	-	1,611	1,237	-	2,848	-	1,275	1,875	-	3,150	
Profit on bank balances	1,428	15,384	10,537	12,961	40,310	759	7,336	15,080	13,707	36,882	
Dividend income	11,025	-	-	-	11,025	9,455	-	-	-	9,455	
Unrealised appreciation/(diminution) on remeasurement of investment through profit or loss	-	(5)	(49)	4	(50)	-	-	-	-	-	
Net unrealised loss on futures contracts of gold	8.5	-	-	(1,925)	(1,925)	-	-	-	(2,849)	(2,849)	
Realized gain on gold contracts	-	-	-	23,200	23,200	-	-	-	5,456	5,456	
Total income	12,453	32,541	58,160	54,426	157,580	10,214	23,280	32,199	24,601	90,294	
Expenses											
Remuneration of National Investment Trust Limited - Pension Fund Manager	11.1	877	851	1,401	930	4,059	666	742	969	739	3,116
Sindh Sales Tax on remuneration of Pension Fund Manager	11.2	114	111	182	121	528	87	96	126	96	405
Remuneration of Central Depository Company of Pakistan Limited - Trustee	12.1	175	255	420	279	1,129	133	222	291	222	868
Sindh Sales Tax on remuneration of Trustee	12.2	23	33	55	36	147	17	29	38	29	113
Annual fee to Securities and Exchange Commission of Pakistan	13	47	68	112	74	301	36	60	78	60	234
Custodian charges of Central Depository Company of Pakistan Limited		8	7	6	1	22	7	7	7	-	21
Auditors' remuneration	19	109	109	109	109	436	89	89	89	89	356
Securities transaction costs		-	-	-	200	200	-	-	-	167	167
Printing and related costs		6	6	5	6	23	7	7	7	7	28
Settlement and bank charges		427	53	36	70	586	381	14	6	2	403
Legal & professional charges		22	22	22	22	88	19	19	19	19	76
Total expenses		1,808	1,515	2,348	1,848	7,519	1,442	1,285	1,630	1,430	5,787
Net income for the year before taxation		10,645	31,026	55,812	52,578	150,061	8,772	21,995	30,569	23,171	84,507
Taxation		-	-	-	-	-	-	-	-	-	-
Net income for the year after taxation		10,645	31,026	55,812	52,578	150,061	8,772	21,995	30,569	23,171	84,507

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


Managing Director


Director

For National Investment Trust Limited
(Management Company)


Director



Chief Financial Officer

**NIT PENSION FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024**

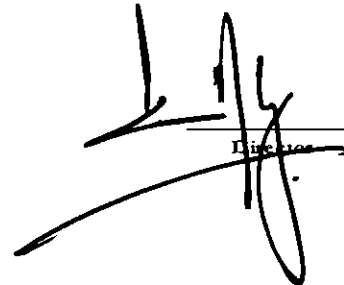
	2024				Total	2023				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Commodities Sub-Fund		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Commodities Sub-Fund	
	----- (Rupees in '000) -----									
Net income for the year	10,645	31,026	55,812	52,578	150,061	8,772	21,995	30,569	23,171	84,507
Other comprehensive income for the year										
<i>Items not to be reclassified to income statement in subsequent year:</i>										
Gain on sale of investments classified as 'fair value through other comprehensive income' (FVOCI)	(1,974)	-	-	-	(1,974)	-	-	-	-	-
Net unrealised (diminution) / appreciation on re-measurement of investments classified as fair value through other comprehensive income' (FVOCI)	8.4 66,682	848	66	-	67,596	(9,503)	(4,369)	187	-	(13,685)
Cummulative change in fair value through other comprehensive income (FVOCI)	64,708	848	66	-	65,622	(9,503)	(4,369)	187	-	(13,685)
Total comprehensive income /(loss) for the year	<u>75,353</u>	<u>31,874</u>	<u>55,878</u>	<u>52,578</u>	<u>215,683</u>	<u>(731)</u>	<u>17,626</u>	<u>30,756</u>	<u>23,171</u>	<u>70,822</u>

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

For National Investment Trust Limited
(Management Company)


Managing Director


Director


Director


Chief Financial Officer

**NIT PENSION FUND
STATEMENT OF MOVEMENT IN PARTICIPANTS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2024**

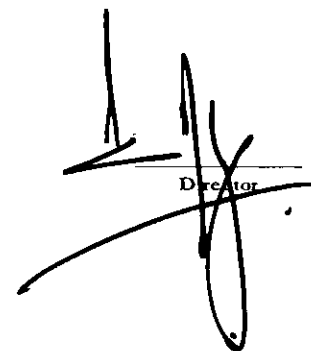
	2024					2023					
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Commodities Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Commodities Sub-Fund	Total	
Note	----- (Rupees in '000) -----										
Net assets at beginning of the year	87,855	157,147	218,538	162,293	625,833	90,741	141,352	176,270	137,428	545,791	
Amount received on issue of units	6,194	13,612	76,593	1,262	97,661	2,261	2,903	17,514	1,124	23,802	
Amount paid on redemption of units	(311)	(7,648)	(6,971)	(2)	(14,932)	(2,120)	(2,923)	(9,539)	-	(14,582)	
Reallocation among sub-funds	(13,707)	505	14,890	(1,688)	-	(2,296)	(1,811)	3,537	570	-	
Other comprehensive income	(7,824)	6,469	84,512	(428)	82,729	(2,155)	(1,831)	11,512	1,694	9,220	
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'fair value through other comprehensive income' (FVOCI)	8.4	66,682	848	66	-	67,596	(9,503)	(4,369)	187	-	(13,685)
Gain on sale of investments classified as 'fair value through other comprehensive income' (FVOCI)		(1,974)	-	-	-	(1,974)	-	-	-	-	-
Realized gain on gold contracts		-	-	-	23,200	23,200	-	-	5,456	5,456	
Net unrealised loss on futures contracts of gold		-	-	-	(1,925)	(1,925)	-	-	(2,849)	(2,849)	
Other net income for the year		10,645	31,026	55,812	31,303	128,786	8,772	21,995	30,569	20,564	81,900
Total comprehensive income / (loss) for the year	75,353	31,874	55,878	52,578	215,683	(731)	17,626	30,756	23,171	70,822	
Net assets at end of the year	155,384	195,490	358,928	214,443	924,245	87,855	157,147	218,538	162,293	625,833	

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

For National Investment Trust Limited
(Management Company)


Managing Director


Director


Director


Chief Financial Officer

**NIT PENSION FUND
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2024**

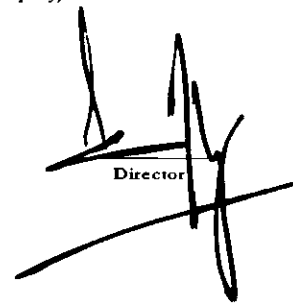
Note	2024					2023				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Commodities Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Commodities Sub-Fund	Total
(Rupees in '000)										
CASH FLOWS FROM OPERATING ACTIVITIES										
Net income for the year before taxation	10,645	31,026	55,812	52,578	150,061	8,772	21,995	30,569	23,171	84,507
Adjustments:										
Net unrealised loss on futures contracts of gold	-	-	-	1,925	1,925	-	-	-	2,849	2,849
	10,645	31,026	55,812	54,503	151,986	8,772	21,995	30,569	26,020	87,356
(Increase) / decrease in assets										
Investments-net	3,653	(44,277)	(131,553)	(99,439)	(271,616)	(9,597)	(35,865)	(80,921)	-	(126,383)
Dividend and profit receivable	292	(3,809)	2,766	1,124	373	(230)	(2,425)	(956)	547	(3,064)
Advances and deposits	-	-	-	(20,134)	(20,134)	-	-	-	(7,843)	(7,843)
	3,945	(48,086)	(128,787)	(118,449)	(291,377)	(9,827)	(38,290)	(81,877)	(7,296)	(137,290)
Increase / (decrease) in liabilities										
Payable to National Investment Trust Limited - Pension Fund Manager	44	15	52	21	132	-	5	24	12	41
Payable to Central Depository Company of Pakistan Limited - Trustee	9	4	16	5	34	(1)	5	7	5	16
Payable to Securities and Exchange Commission of Pakistan	12	9	34	15	70	-	7	18	8	33
Financial liabilities at fair value through profit and loss	-	-	-	(2,849)	(2,849)	-	-	-	(2,447)	(2,447)
Accrued expenses and other liabilities	7	19	19	11	56	6	9	6	5	26
	72	47	121	(2,797)	(2,557)	5	26	55	(2,417)	(2,331)
Net cash (used in) / generated from operating activities	14,662	(17,013)	(72,854)	(66,743)	(141,948)	(1,050)	(16,269)	(51,253)	16,307	(52,265)
CASH FLOWS FROM FINANCING ACTIVITIES										
Amount received on issue of units	6,194	13,612	76,593	1,262	97,661	2,261	2,903	17,514	1,124	23,802
Amount paid on redemption of units	(311)	(7,648)	(6,971)	-	(14,930)	(2,120)	(2,923)	(9,539)	-	(14,582)
Re allocation among sub funds	(13,707)	506	14,890	(1,688)	1	(2,296)	(1,811)	3,537	570	-
Net cash (used in) / generated from financing activities	(7,824)	6,470	84,512	(426)	82,732	(2,155)	(1,831)	11,512	1,694	9,220
Net (decrease) / increase in cash and cash equivalents during the year	6,838	(10,543)	11,658	(67,169)	(59,216)	(3,205)	(18,100)	(39,741)	18,001	(43,045)
Cash and cash equivalents at beginning of the year	4,559	42,552	71,952	141,751	260,814	7,764	60,652	111,693	123,750	303,859
Cash and cash equivalents at end of the year	11,397	32,009	83,610	74,582	201,598	4,559	42,552	71,952	141,751	260,814

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

For National Investment Trust Limited
(Management Company)


Managing Director


Director


Director


Chief Financial Officer

NIT PENSION FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 NIT Pension Fund ("the Fund") was established under a Trust Deed executed between National Investment Trust Limited as Pension Fund Manager and Central Depository Company of Pakistan Limited (CDC) as trustee. The Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) on April 30, 2015 and the Trust Deed was executed on May 14, 2015.
- 1.2 National Investment Trust Limited has been licensed to act as a Pension Fund Manager under the Voluntary Pension Scheme Rules, 2005 through a certificate of registration issued by SECP. The registered office of the Pension Fund Manager is situated at 6th Floor, National Bank of Pakistan Building, I.I. Chundrigar Road, Karachi.
- 1.3 The Fund is an unlisted pension scheme and offers units for public subscription on a continuous basis. The units are non-transferable except in the circumstances mentioned in VPS Rules and can be redeemed by surrendering to the Fund. Further, as per the offering document, no distribution of income or dividend is allowed from any of the sub-funds.
- 1.4 The objective of the Fund is to provide individuals with a portable, individualised, funded (based on defined contribution), flexible pension scheme, assisting and facilitating them to plan and provide for their retirement. The Fund comprises of four sub-funds namely equity sub-fund, debt sub-fund, money market sub-fund & commodities sub-funds. Participants are offered various investment allocation schemes depending on their investment horizon, return requirements, risk tolerance and unique circumstances. Allocation schemes can be selected at the time of opening of account and subsequently at anniversary of the account. The contributions from participants are invested in various instruments belonging to different asset classes to get full benefits of risk minimisation through diversification.
- 1.5 The Fund received Seed Money from Pension Fund Manager amounting to Rs. 300 million (i.e. Rs. 75 million in each Sub-Fund) on June 12, 2015 against which 30 million units at the offer price of Rs. 10 each unit were issued (i.e. Rs. 75 million of each Sub-fund). Accordingly, the Fund commenced its operations from June 12, 2015.
- 1.6 VIS reaffirmed rating of "AM1" on December 28, 2023 to the Pension Fund Manager and PACRA has maintained as asset manager rating of "AM1" with stable outlook on May 24, 2024 to the Pension Fund Manager.
- 1.7 Title to the assets of the Fund are held in the name of CDC as the Trustee of the Fund.
- 1.8 The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Trusts Act, 2020" as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Sindh Trusts Act, 2020 have been introduced as part of this act. The Management Company after fulfilling the requirement for registration of Trust Deed under Sindh Trusts Act, 2020, has submitted Voluntary Pension Scheme Trust Deed to Registrar acting under Sindh Trusts Act, 2020 for registration on November 11, 2021.
- 1.9 The Fund consist of four sub funds namely, NIT Pension Fund Equity Sub-Fund ("Equity Sub-Fund") , NIT Pension Fund Debt sub-fund ("Debt Sub-Fund") , NIT Pension Fund Money Market Sub-Fund ("Money Market Sub-Fund") and NIT Pension Fund Commodity Sub-Fund ("Commodity Sub-Fund") (collectively the "Sub-Funds"). The investment policy for each of the sub-funds are as follows:
- The Equity Sub-fund consists of minimum (90%) of net assets invested in listed equity securities. Investment in single company is restricted to the lower of 10% of Net Assets Value (NAV) of equity sub-fund or paid-up capital of the investee company. Investment in single stock exchange sector is restricted to the higher of (30%) of NAV or index weight, subject to maximum of thirty five percent (35%) of NAV of Equity Sub-Fund. Remaining assets of the Equity Sub-Fund may be invested in any government treasury bills or government securities having less than one year time maturity or be deposited with scheduled commercial banks having atleast 'A' rating.

NIT PENSION FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

The Debt Sub-Fund consists of Shariah compliant tradeable securities with weighted average time to maturity of the investment portfolio of the Sub-Fund not exceeding five years. At least twenty five per cent (25%) net assets of the debt sub fund shall be invested in debt securities issued by the Federal Government. Up to twenty five per cent (25%) may be deposited with scheduled commercial banks having not less than 'A +' rating. Investment in securities issued by companies of a single sector shall not exceed twenty percent (20%) except for banking sector for which the exposure limit shall be up to thirty percent (30%) of net assets of a debt sub-fund.

The money market sub fund consists of short term debt instruments with weighted average time to maturity not exceeding ninety days. There is not restriction on the amount of investment in securities issued by the Federal Government and deposit with commercial bank having 'A Plus' or higher rating. Investment in securities issued by provincial or city government, government corporate entities with 'A' or higher rating or a government corporations with 'A Plus' or higher rating shall be in proportion as defined in offering documents.

A Commodity Sub-fund of a Pension Fund shall invest only in those commodity futures contracts that are traded at the Pakistan Mercantile Exchange in which At least seventy percent (70%) of Net Assets of a Commodity Sub-fund shall remain invested in commodity futures contracts during the year based on quarterly average investment calculated on daily basis and At least 10% of the net assets of the Commodity Sub-fund shall remain invested in government treasury bills or government securities having less than 90 days' time to maturity or kept as deposits with scheduled commercial banks which are rated not less than AA (Double A) by a rating agency registered with the Commission.

2 BASIS FOR PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards

- 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
- Voluntary Pension Rules, 2005 (the VPS Rules).

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the VPS Rules 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 VPS Rules 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 carried at fair value.

3.1 Functional and presentation currency

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

NIT PENSION FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

4 STANDARDS, AMENDMENTS AND INTERPRETATIONS TO THE PUBLISHED STANDARDS THAT MAY BE RELEVANT TO THE FUND AND ADOPTED IN THE CURRENT YEAR

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's accounting period beginning on July 1, 2023. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these financial statements

Standards, amendments and interpretations to the published standards that may be relevant but not yet effective and not early adopted by the Company

There are certain other standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2024 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are, therefore, not disclosed in these financial statements.

However, these are not expected to have any significant effects on the fund's operation and are, therefore, not detailed in these financial statements.

5 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.

The preparation of financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make estimates, assumptions and use judgments that affect the application of policies and the 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 results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. In the process of applying the Fund's accounting policies, management has made the following accounting estimates and judgments which are significant to the financial statements and estimates with a significant risk of material adjustment in future years:

- a) Classification and valuation of financial instruments (notes and 6.1);
- b) Impairment of financial instruments (note 6.1); and
- c) Provision (note 6.3).

NIT PENSION FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

6 MATERIAL ACCOUNTING POLICY INFORMATION

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

6.1 Financial assets

Classification

There are three principal classification categories for financial assets:

- Measured at Amortized cost ("AC")
- Fair value through other comprehensive income (FVTOCI)
- Fair value through profit and loss (FVTPL)

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 FVTOCI 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
- 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 and 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;

NIT PENSION FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

- 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.

Equity Instruments

On initial recognition of an equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

An equity instrument held for trading purposes is classified and 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.

Subsequent Measurement

Debt instruments at amortised cost (FVTAC)

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.

NIT PENSION FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

Debt instruments at fair value through profit or loss (FVTPL)

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 (FVTOCI)

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.

Equity instruments at fair value through other comprehensive income

Upon initial recognition, the Fund occasionally elects to classify irrevocably some of its equity investments as equity instruments at FVOCI when they meet the definition of definition of Equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The Fund's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on these equity instruments are never recycled to profit. Dividends are recognised in profit or loss as other operating income when the right of the payment has been established, except when the Fund benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

Financial assets at fair value through profit and 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. Dividend income from equity instruments measured at FVTPL is recorded in profit or loss when the right to the payment has been established.

Impairment of financial asset

The fund assesses on a forward looking basis the expected credit loss (ECL) associated with its financial assets (other than debt instruments) carried at amortised cost and FVOCI. The fund recognises loss allowances for such losses at each reporting date. The measurement of ECL reflects:

- an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Impairment loss on debt securities

Provision for non-performing debt securities is made on the basis of time-based criteria as prescribed by the SECP and based on management's assessment made in line with its provisioning policy approved by the Board of Directors of the Management Company in accordance with the guidelines issued by the SECP. Impairment losses recognised on debt securities can be reversed through the Income Statement.

NIT PENSION FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

As allowed by the SECP, the Management Company may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, in accordance with the provisioning policy duly approved by the Board of Directors of the Management Company. The provisioning policy approved by the Board of Directors has been placed on the Management Company's website as required under the SECP's circular.

Financial Liabilities

Recognition

The Fund classifies its financial liabilities in the following categories.

- Measured at amortized cost (AC); or
- Measured at Fair value through profit and loss (FVTPL)

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the fund has opted to measure them at FVTPL.

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.

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 recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

6.2 Regular way contract

All purchase and sale of securities that require delivery within the time frame established or market convention are recognised at the trade date. Trade date is the date on which the fund commits the purchase or sets of assets.

6.3 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund and include underwriting commission, commission to the bankers to the issue, brokerage paid to the members of the stock exchanges and other expenses. These costs have been amortised over a period of three years commencing from the date of complete receipt of proceeds against Seed Capital Units subscribed by the Seed Investor as per the requirements set out in the Trust Deed of the Fund.

NIT PENSION FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

6.4 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 amount of obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

6.5 Taxation

The income of the Fund is exempt from Income Tax under clause 57 (3) (viii) of Part I of the Second Schedule to the Income Tax Ordinance, 2001.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A(i) of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

Deferred Tax

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on enacted tax rates.

6.6 Expenses

All expenses, including remuneration of the Pension Fund Manager, Trustee and annual fee to the Securities and Exchange Commission of Pakistan fee are recognised in the income statement on accrual basis.

6.7 Issue, allocation, reallocation and redemption of units

Contribution received in the individual pension account after deduction of applicable front end fee is used to purchase the units of sub-funds of the pension fund according to the Allocation Scheme selected by the participant. The units are allotted at the net assets value notified by the Pension Fund Manager at the close of the business day for each sub-fund on the date on which funds are actually realized against application after deduction of front end fee. The front end fee, if any, is payable to the distributors and the Pension Fund Manager.

The Pension Fund Manager makes reallocation of the sub-fund units between the sub-funds at least once a year to ensure that the allocation of the sub-fund units of all the Participants are according to the allocation schemes selected by the Participants. In case of withdrawal before retirement, units are redeemed at the net assets value of each of the Sub- Fund as of the close of the business day on which such request is received by the distributor before the cut off time

Redemption of units is recorded on acceptance of application for redemption.

In case of retirement of the participant, units are redeemed at the net assets value of each of the Sub-Fund as of the close of the business day on which retirement age is reached.

NIT PENSION FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

In case of change of Pension Fund Manager, units are redeemed at the net assets value of each of the Sub-Fund as of the close of the business day corresponding to the date of change specified by the participant.

6.8 Net Assets Value per unit

The Net Assets Value (NAV) per unit, as disclosed on the Statement of Assets and Liabilities, is calculated by dividing the net assets of each of the Sub-Fund by the number of units in circulation of that Sub-Fund at the end of the reporting period.

6.9 Revenue recognition

- Realised gains / (losses) arising on sale of debt instruments are included in the income statement on the date at which the transaction takes place.
Realised gains / (losses) arising on sale of equity instruments classified at Fair value through other comprehensive income are included in the statement of comprehensive income on the date at which the transaction takes place.
- Unrealised appreciation / (diminution) arising on re-measurement of investments classified as fair value through other comprehensive income are included in the statement of comprehensive income in the period in which they arise.
- Dividend income is recognised when the right to receive dividend is established i.e. on the date of book closure of the investee company / institution declaring the dividend.
- Unrealised gains/(losses) arising on revaluation of investments classified as financial assets at fair value through profit or loss' are included in the income statement in the period in which they arise.
- Mark-up on bank deposits and mark-up / return on debt and government securities is recognised on time proportion basis using effective yield method.
- Income on commercial papers is recognised on an time proportion basis using effective yield method.

6.10 Distributions to the unit holders

Distribution of dividend or bonus units are not allowed under VPS rules 2005.

6.11 Earnings per unit (EPU)

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.

6.12 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.

6.13 Derivatives

Derivative instruments are initially recognized at Fair value and subsequent to the initial measurement each derivative instrument is premeasured to its fair value and the resultant gain or loss is recognized in the income statement.

NIT PENSION FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

7 BANKS BALANCES

	Note	2024					2023				
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Commodities Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Commodities Sub-Fund	Total
(Rupees in '000)											
Current account		-	-	80	1	81	-	-	80	1	81
Savings accounts	7.1	11,397	32,009	83,530	74,581	201,517	4,559	42,552	71,872	141,750	260,733
Total		11,397	32,009	83,610	74,582	201,598	4,559	42,552	71,952	141,751	260,814

7.1 The balances in saving accounts carry profit rates ranging from 20.50% to 20.75% per annum (2023: 5.50% to 20.00% per annum).

8 INVESTMENTS

Investment by category	Note	2024					2023				
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Commodities Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Commodities Sub-Fund	Total
(Rupees in '000)											
Fair value through other comprehensive income (FVOCI)											
Listed equity securities	8.1	141,877	-	-	-	141,877	80,822	-	-	-	80,822
Government securities - Market Treasury Bills	8.2.6	-	-	24,667	-	24,667	-	39,421	123,192	-	162,613
Government securities - Pakistan Investment Bonds	8.2.2	-	55,221	-	-	55,221	-	53,488	-	-	53,488
Sukuk	8.2.3	-	2,030	-	-	2,030	-	18,657	21,000	-	39,657
Fair value through Profit or Loss (FVPL)											
Government securities - Market Treasury Bills	8.3.1, 8.3.2 & 8.3.3	-	99,440	251,144	99,439	450,023	-	-	-	-	-
Total		141,877	156,691	275,811	99,439	673,818	80,822	111,566	144,192	-	336,580

NIT PENSION FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

8.1 Listed equity securities

8.1.1 Held by Equity Sub-Fund (FVTOCI)

Shares of listed companies - fully paid up ordinary shares of Rs. 10 each unless stated otherwise

Name of the Investee Company	As at July 1, 2023	Purchased during the year	Bonus / rights issue	Sale during the year	As at June 30, 2024	Carrying cost as at June 30, 2024	Market value as at June 30, 2024	Market value as at June 30, 2023	Market value as a percentage of net assets of sub-fund	Market value as a percentage of total investment of sub-fund	Par value as a percentage of issued capital of the investee company held
	----- (Number of shares) -----				--- (Rupees in '000) ---			----- (%) -----			
COMMERCIAL BANKS											
Habib Bank Limited	59,500	-	-	20,000	39,500	5,281	4,899	4,357	3.15	3.45	0.03
MCB Bank Limited	26,000	10,000	-	-	36,000	6,499	8,173	2,976	5.26	5.76	0.07
Meezan Bank Limited	35,000	10,000	-	10,000	35,000	4,173	8,379	3,023	5.39	5.91	0.06
Bank of punjab	13,750	-	-	-	13,750	95	67	48	0.04	0.05	0.001
Bank Al Habib Limited	20,000	20,000	-	-	40,000	2,178	4,487	864	2.89	3.16	0.04
Bank Alfalah Limited	18,500	25,000	-	-	43,500	2,185	2,959	563	1.90	2.09	0.02
United Bank Limited	51,000	-	-	10,000	41,000	7,119	10,506	5,995	6.76	7.40	0.09
	<u>223,750</u>	<u>65,000</u>	<u>-</u>	<u>40,000</u>	<u>248,750</u>	<u>27,530</u>	<u>39,470</u>	<u>17,826</u>	<u>25.39</u>	<u>27.82</u>	
TEXTILE COMPOSITE											
Nishat Mills Limited	14,500	-	-	5,000	9,500	1,355	673	823	0.43	0.47	0.02
	<u>14,500</u>	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>9,500</u>	<u>1,355</u>	<u>673</u>	<u>823</u>	<u>0.43</u>	<u>0.47</u>	
CEMENT											
D. G. Khan Cement Company	69,000	-	-	19,000	50,000	3,895	4,514	3,540	2.90	3.18	0.10
Charat Cement Limited	-	10,000	-	-	10,000	1,553	1,631	-	1.05	1.15	0.09
Lucky Cement Limited	10,500	-	-	3,000	7,500	3,888	6,800	5,482	4.38	4.79	0.21
	<u>79,500</u>	<u>10,000</u>	<u>-</u>	<u>22,000</u>	<u>67,500</u>	<u>9,336</u>	<u>12,945</u>	<u>9,022</u>	<u>8.33</u>	<u>9.12</u>	
POWER GENERATION & DISTRIBUTION											
Hub Power Company	104,154	10,000	-	30,000	84,154	7,355	13,724	7,247	8.83	9.67	0.11
	<u>104,154</u>	<u>10,000</u>	<u>-</u>	<u>30,000</u>	<u>84,154</u>	<u>7,355</u>	<u>13,724</u>	<u>7,247</u>	<u>8.83</u>	<u>9.67</u>	
OIL AND GAS MARKETING COMPANIES											
Pakistan State Oil Company Limited	38,564	-	-	-	38,564	6,938	6,410	4,281	4.13	4.52	0.14
Sui Northern Gas Pipeline Limited	28,500	-	-	-	28,500	1,892	1,809	1,122	1.16	1.27	0.03
	<u>67,064</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>67,064</u>	<u>8,830</u>	<u>8,219</u>	<u>5,403</u>	<u>5.29</u>	<u>5.79</u>	
OIL AND GAS EXPLORATION COMPANIES											
Pakistan Oil Field	1,400	2,500	-	-	3,900	1,534	1,911	562	1.23	1.35	0.07
Oil & Gas Development Company	56,500	-	-	10,000	46,500	6,207	6,295	4,407	4.05	4.44	0.01
Mari Petroleum Limited	1,826	-	-	-	1,826	2,392	4,953	2,766	3.19	3.49	0.37
Pakistan Petroleum Limited	49,490	-	-	-	49,490	4,516	5,796	2,927	3.73	4.09	0.02
	<u>109,216</u>	<u>2,500</u>	<u>-</u>	<u>10,000</u>	<u>101,716</u>	<u>14,649</u>	<u>18,955</u>	<u>10,662</u>	<u>12.20</u>	<u>13.37</u>	
AUTOMOBILE ASSEMBLER											
Indus Motor Company Limited	1,500	-	-	-	1,500	1,409	2,370	1,415	1.53	1.67	0.30
	<u>1,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,500</u>	<u>1,409</u>	<u>2,370</u>	<u>1,415</u>	<u>1.53</u>	<u>1.67</u>	

NIT PENSION FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

Name of the Investee Company	As at July 1, 2023	Purchased during the year	Bonus / rights issue	Sale during the year	As at June 30, 2024	Carrying cost as at June 30, 2024	Market value as at June 30, 2024	Market value as at June 30, 2023	Market value as a percentage of net assets of sub-fund	Market value as a percentage of total investment of sub-fund	Par value as a percentage of issued capital of the investee company held
ENGINEERING											
International Steel Limited	30,000	5,000	-	15,000	20,000	1,838	1,691	1,216	1.09	1.19	0.04
International Industries Limited	11,050	-	-	2,500	8,550	1,501	1,673	809	1.08	1.18	0.13
	41,050	5,000	-	17,500	28,550	3,339	3,364	2,025	2.17	2.37	
TECHNOLOGY & COMMUNICATION											
Avanceon Limited	43,125	-	4,312	-	47,437	3,764	2,563	1,899	1.65	1.81	0.25
Octopus Digital Limited	103,500	-	-	-	103,500	6,556	8,991	3,870	5.79	6.34	4.38
System Limited	14,000	2,500	-	-	16,500	5,234	6,902	5,647	4.44	4.86	0.69
	160,625	2,500	4,312	-	167,437	15,554	18,456	11,416	11.88	13.01	
FERTILIZER											
Engro Corporation Limited	24,100	-	-	-	24,100	6,796	8,018	6,263	5.16	5.65	0.14
Fauji Fertilizer Limited	27,500	-	-	-	27,500	2,780	4,493	2,707	2.89	3.17	0.04
Engro Fertilizer Limited	50,000	-	-	-	50,000	3,253	8,311	4,127	5.35	5.86	0.06
	101,600	-	-	-	101,600	12,829	20,822	13,097	13.40	14.68	
PHARMACEUTICALS											
The Searl Company Limited	218	-	-	-	218	33	12	8	0.01	0.01	-
	218	-	-	-	218	33	12	8	0.01	0.01	
FOOD & PERSONAL CARE PRODUCTS											
Unity Foods Limited	120,119	-	-	25,000	95,119	3,075	2,867	1,877	1.85	2.02	0.17
	120,119	-	-	25,000	95,119	3,075	2,867	1,877	1.85	2.02	
Total- June 30, 2024	1,023,296	95,000	4,312	149,500	973,108	105,294	141,877	80,822			
Total- June 30, 2023	897,378	103,000	22,918	-	1,023,296	110,922	80,822				

8.1.2 Investments include shares with market value of Rs.3.063 million (2023: Rs 1.848 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23 2007 issued by the Securities and Exchange Commission of Pakistan.

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

NIT PENSION FUND
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2024

8.2.5 Sukuks held by Money Market Sub Fund

Name of the investee companies	Number of certificates			As at June 30, 2024		As at June 30, 2023	Market value / Carrying value as a percentage of net assets of sub fund	Market value / Carrying value as a percentage of total
	As at July 1, 2023	Purchases during the year	Disposals during the year	As at June 30, 2024	Carrying cost	Market value / Carrying value		
	Rupees in '000							(%)
Sukuk-Unlisted								
K Electric Limited	3	-	3	-	-	3,000	-	-
K Electric Limited	6	-	6	-	-	6,000	-	-
Hub Power Company Limited	10	-	10	-	-	10,000	-	-
Lucky Electric Power Company Limited	2	-	2	-	-	2,000	-	-
	<u>21</u>	<u>-</u>	<u>21</u>	<u>-</u>	<u>-</u>	<u>21,000</u>	<u>-</u>	<u>-</u>
Total- June 30, 2024	<u>21</u>	<u>-</u>	<u>21</u>	<u>-</u>	<u>-</u>	<u>21,000</u>	<u>-</u>	<u>-</u>
Total- June 30, 2023	15	21	15	21	21,000	21,000		

8.2.6 Government securities - Market Treasury Bills held by Money Market Sub Fund

Issue date	Tenor	Face value			As at June 30, 2024		As at June 30, 2023	Market value as a percentage of total investments	Market value as a percentage of net assets of sub fund
		As at July 1, 2023	Purchased during the year	Matured during the year	As at June 30, 2024	Carrying cost	Market value		
		(Rupees in '000)							(%)
4-May-23	3 Months	125,000	-	125,000	-	-	123,192	-	-
15-Jun-23	3 Months	-	160,000	160,000	-	-	-	-	-
15-Jun-23	3 Months	-	35,000	35,000	-	-	-	-	-
10-Aug-23	3 Months	-	200,000	200,000	-	-	-	-	-
2-Nov-23	3 Months	-	200,000	200,000	-	-	-	-	-
21-Sep-23	3 Months	-	75,000	75,000	-	-	-	-	-
14-Dec-23	3 Months	-	75,000	75,000	-	-	-	-	-
25-Jan-24	3 Months	-	175,000	175,000	-	-	-	-	-
25-Jan-24	6 Months	-	25,000	-	25,000	24,695	24,667	8.94	6.87
		<u>125,000</u>	<u>945,000</u>	<u>1,045,000</u>	<u>25,000</u>	<u>24,695</u>	<u>24,667</u>	<u>8.94</u>	<u>6.87</u>
Total- June 30, 2024		<u>125,000</u>	<u>945,000</u>	<u>1,045,000</u>	<u>25,000</u>	<u>24,695</u>	<u>24,667</u>	<u>8.94</u>	<u>6.87</u>
Total- June 30, 2023		50,000	810,000	735,000	125,000	123,287	123,192		

8.2.7 Government securities - Market Treasury Bills held by Commodity Sub Fund

Issue date	Tenor	Face value			As at June 30, 2024		As at June 30, 2023	Market value as a percentage of total investments	Market value as a percentage of net assets of sub fund
		As at July 1, 2023	Purchased during the year	Matured during the year	As at June 30, 2024	Carrying cost	Market value		
		(Rupees in '000)							(%)
10-Aug-23	03 Months	-	100,000	100,000	-	-	-	-	-
10-Aug-23	03 Months	-	100,000	100,000	-	-	-	-	-
2-Nov-23	03 Months	-	100,000	100,000	-	-	-	-	-
25-Jan-24	03 Months	-	100,000	100,000	-	-	-	-	-
		<u>-</u>	<u>400,000</u>	<u>400,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

NIT PENSION FUND
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2024

8.3 Investment through fair value through other comprehensive income (FVTPL)

8.3.1 Government securities - Market Treasury Bills held by Debt Sub Fund

Issue date	Tenor	Face value			As at June 30, 2024		As at June 30, 2023	Market value as a percentage of total investments	Market value as a percentage of net assets of sub fund	
		As at July 1, 2023	Purchased during the year	Sales / matured during the year	As at June 30, 2024	Carrying cost	Market value			Market value
		(Rupees in '000)						(%)		
July 13, 2023	1 Year	-	50,000	-	50,000	49,717	49,720	-	31.73	25.43
January 25, 2024	3 Month	-	50,000	50,000	-	-	-	-	-	-
April 18, 2024	3 Month	-	50,000	-	50,000	49,726	49,720	-	31.73	25.43
		-	150,000	50,000	100,000	99,443	99,440	-	63.46	50.86

8.3.2 Government securities - Market Treasury Bills held by Money Market Sub Fund

Issue date	Tenor	Face value			As at June 30, 2024		As at June 30, 2023	Market value as a percentage of total investments	Market value as a percentage of net assets of sub fund	
		As at July 1, 2023	Purchased during the year	Matured during the year	As at June 30, 2024	Carrying cost	Market value			Market value
		(Rupees in '000)						(%)		
16-Nov-23	06 Month	-	30,000	30,000	-	-	-	-	-	-
7-Mar-24	03 Month	-	30,000	30,000	-	-	-	-	-	-
16-May-24	03 Month	-	20,000	-	20,000	19,572	19,584	-	7.10	5.46
16-May-24	06 Month	-	10,000	-	10,000	9,283	9,302	-	3.37	2.59
7-Mar-24	06 Month	-	50,000	-	50,000	48,326	48,239	-	17.49	13.44
18-Apr-24	03 Month	-	175,000	-	175,000	174,012	174,019	-	63.09	48.48
		-	315,000	60,000	255,000	251,193	251,144	-	91.05	69.97

8.3.3 Government securities - Market Treasury Bills held by Commodity Sub Fund

Issue date	Tenor	Face value			As at June 30, 2024		As at June 30, 2023	Market value as a percentage of total investments	Market value as a percentage of net assets of sub fund	
		As at July 1, 2023	Purchased during the year	Matured during the year	As at June 30, 2024	Carrying cost	Market value			Market value
		(Rupees in '000)						(%)		
7-Mar-24	06 Month	-	40,000	40,000	-	-	-	-	-	-
18-Apr-24	03 Month	-	100,000	-	100,000	99,435	99,439	-	100	46.37
		-	140,000	40,000	100,000	99,435	99,439	-	100	46.37

NIT PENSION FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

8.4 Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'fair value through other comprehensive income' (FVOCI)

	2024					2023				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Commodities Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Commodities Sub-Fund	Total
	(Rupees in '000)									
Market value of investments	141,877	57,252	24,667	-	223,796	80,822	111,567	144,192	-	336,581
Less: Carrying cost	(105,295)	(61,159)	(24,696)	-	(191,150)	(110,922)	(116,322)	(144,287)	-	(371,531)
	36,582	(3,907)	(29)	-	32,646	(30,100)	(4,755)	(95)	-	(34,950)
Less / Add: Net unrealised (appreciation) and diminution on re-measurement of investments at beginning of the year	30,100	4,755	95	-	34,950	(20,597)	(386)	(282)	-	(21,265)
	66,682	848	66	-	67,596	(9,503)	(4,369)	187	-	(13,685)

8.5. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

This represents net fair value of gold future contracts entered into by the Fund at the Pakistan Mercantile Exchange. The details of contracts are given below:

Commodities contracts - matured	Note	Maturity date	Quantity ounces	Value of Gold in futures market US \$	2024	2023	Market value as a percentage of net assets of sub fund (%)
					Value of Gold in futures market equivalent (Pak Rupees in '000)	Value of Gold in futures market equivalent (Pak Rupees in '000)	
Gold 10 oz - AUG 23		July 27, 2023	230	-	-	125,880	-
Gold 10 oz - DEC 23		November 28, 2023	280	-	-	-	-
Gold 10 oz - FEB 24		January 27, 2024	220	-	-	-	-
Gold 10 oz - APRIL 24		March 29, 2024	240	-	-	-	-
Gold 10 oz - JUN 24		May 29, 2024	240	-	-	-	-
Commodities contracts - outstanding							
Gold 10 oz - AUG 24	8.5.1	July 27, 2024	240	2,337	156,042	125,880	72.77
Liabilities against gold futures at contracted rates - USD\$					157,967	128,729	
Unrealised gain on future contracts of gold					(1,925)	(2,849)	

8.5.1 The fund has a commitment to settle the transaction as on July 27, 2024.

8.5.2 At the inception date of the contract, the gold rate was US \$2337 and subsequent to the year the gold rates increased to US \$2429.

9. ADVANCES AND DEPOSITS

	2024					2023				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Commodities Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Commodities Sub-Fund	Total
	(Rupees in '000)									
National Clearing Company of Pakistan Limited	2,500	-	-	-	2,500	2,500	-	-	-	2,500
Central Depository Company of Pakistan Limited	100	100	100	-	300	100	100	100	-	300
Pakistan Mercantile Exchange	-	-	-	42,807	42,807	-	-	-	22,673	22,673
	2,600	100	100	42,807	45,607	2,600	100	100	22,673	25,473

NIT PENSION FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

10 DIVIDEND AND PROFIT RECEIVABLE

	2024					2023				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Commodities Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Commodities Sub-Fund	Total
(Rupees in '000)										
Dividend and profit receivables on:										
- Sukuks	-	57	-	-	57	-	836	1,148	-	1,984
- Pakistan Investment Bonds (PIBs)	-	1,757	-	-	1,757	-	1,756	-	-	1,756
- Savings Accounts	-	5,340	-	-	5,340	72	754	1,618	1,124	3,568
- Dividend	11	-	-	-	11	231	-	-	-	231
	11	7,154	-	-	7,165	303	3,346	2,766	1,124	7,539

11 PAYABLE TO NATIONAL INVESTMENT TRUST LIMITED - PENSION FUND MANAGER

Note	2024					2023				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Commodities Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Commodities Sub-Fund	Total
(Rupees in '000)										
Remuneration of Pension Fund Manager	85	76	132	80	373	54	63	86	61	264
Sindh Sales Tax	20	10	24	11	65	7	8	18	9	42
	105	86	156	91	438	61	71	104	70	306

11.1 As per regulation 67F of NBFC Regulation, 2008, the Pension Fund Manager has charged its remuneration at the rate of 0.75% per annum of the of equity sub-fund and 0.5% p.a for other sub fund of the average annual net assets for the current year. The remuneration is paid on monthly basis in arrears.

11.2 The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% on the remuneration of the Pension Fund Manager through Sindh Sales Tax on Services Act, 2011 (June 30 2023: 13%).

12 PAYABLE TO CENTRAL DEPOSITORY PAKISTAN LIMITED - TRUSTEE

Note	2024					2023				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Commodities Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Commodities Sub-Fund	Total
(Rupees in '000)										
Trustee remuneration	17	23	40	25	105	9	19	26	20	74
Sindh Sales Tax on Trustee remuneration	2	5	7	3	17	1	5	5	3	14
	19	28	47	28	122	10	24	31	23	88

12.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the daily net assets of the Fund. Based on the Trust Deed, the tariff structure applicable to the Fund as at June 30, 2024 is as follows:

Net assets	Tariff
Upto Rs.1,000 million	Rs.0.3 million or 0.15% p.a of net assets, whichever is higher
Exceeding Rs.1,000 million upto Rs.3,000 million	Rs.1.5 million plus 0.10% p.a of net assets exceeding Rs.1,000 million
Exceeding Rs.3,000 million upto Rs.6,000 million	Rs.3.5 million plus 0.08% p.a of net assets exceeding Rs.3,000 million
Exceeding Rs.6,000 million	Rs.5.9 million plus 0.06% p.a of net assets exceeding Rs.6,000 million

The remuneration is paid to the Trustee monthly in arrears.

12.2 The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% on the remuneration of the Trustee through Sindh Sales Tax on Services Act, 2011 (30 June 2023: 13%).

NIT PENSION FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

13 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

This represents annual fee payable to Securities and Exchange Commission of Pakistan (SECP) in accordance with rule 36 of Voluntary Pension Fund System Rules, 2005 where by the fund is required to pay SECP an amount 25th of 1% of average annual net asset value of each of the pension sub fund.

14 ACCRUED EXPENSES AND OTHER LIABILITIES

Note	2024					2023				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Commodities Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Commodities Sub-Fund	Total
	(Rupees in '000)									
Federal Excise Duty on remuneration to Pension Fund Manager	187	198	198	195	778	187	198	198	195	778
Auditors' remuneration	71	71	71	71	284	59	59	59	59	236
Payable against bonus shares	68	-	-	-	68	68	-	-	-	68
Brokerage payable & others	4	13	9	1	27	9	6	2	-	17
	330	282	278	267	1,157	323	263	259	254	1,099

14.1 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from June 13, 2013. As the asset management services rendered by the Management Company of the Fund were already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund, the Management Company was of the view that further levy of FED was not justified.

On September 04, 2013, a Constitutional Petition was filed in the Honourable Sindh High Court (SHC) jointly by various Asset Management Companies, together with their representatives of Collective Investment Schemes through their trustees, challenging the levy of FED.

During the year 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication. With effect from July 01, 2016, FED on services provided or rendered by Non-Banking Financial Institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 01, 2016. Had the provision for FED not been recorded in the financial statements of the Fund, the NAV per unit of the Fund as at June 30, 2024 would have been higher by Rs.0.01983, Rs.0.02362, Rs.0.01282, Rs.0.02555 for Equity sub-fund, Debt sub-fund, Money Market sub-fund and Commodities sub-fund respectively (30 June 2023: Rs.0.0182, Rs.0.0244, Rs.0.0172 and Rs.0.0255).

15 NUMBER OF UNITS IN ISSUE

	2024					2023				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Commodities Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Commodities Sub-Fund	Total
	(Numbers of units)									
Total units in issue at beginning of the year	10,292,831	8,125,645	11,479,454	7,646,947	37,544,877	10,542,128	8,228,540	10,838,998	7,558,930	37,168,596
Units issued during the year	517,826	618,170	3,557,270	45,582	4,738,848	264,035	160,606	965,020	55,634	1,445,295
Units redeemed during the year	(20,450)	(376,841)	(350,216)	(74)	(747,581)	(256,810)	(161,618)	(534,676)	-	(953,104)
Reallocation during the year	(1,359,239)	15,092	758,281	(59,627)	(645,493)	(256,522)	(101,883)	210,112	32,383	(115,910)
Total units in issue at end of the year	9,430,968	8,382,066	15,444,789	7,632,828	40,890,651	10,292,831	8,125,645	11,479,454	7,646,947	37,544,877

16 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2024 (2023: Nil).

NIT PENSION FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

17 TOTAL EXPENSE RATIO (TER)

The total expense ratio in equity sub-fund, debt sub-fund, money market sub-fund and commodity sub-fund (all the expenses, including government levies, incurred during the year divided by average net asset value for the year) is 1.55%, 0.89%, 0.84%, 0.99% per annum respectively. Total expense ratio (excluding government levies) in these sub-funds are 1.39%, 0.77%, 0.71%, 0.87% per annum. These ratios are within the maximum limit of 4.5% for equity sub-fund, 2.5% for debt sub-fund & commodity sub-fund and 2% for money market sub-fund prescribed under 67(g) of NBFC Regulation 2008.

18 CONTRIBUTION TABLE

	2024									
	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Commodities Sub-Fund		Total	
	(Units)	(Rs. '000)	(Units)	(Rs. '000)	(Units)	(Rs. '000)	(Units)	(Rs. '000)	(Units)	(Rs. '000)
Individuals	517,826	6,194	618,170	13,612	3,557,270	76,593	45,582	1,262	4,738,848	97,661

	2023									
	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Commodities Sub-Fund		Total	
	(Units)	(Rs. '000)	(Units)	(Rs. '000)	(Units)	(Rs. '000)	(Units)	(Rs. '000)	(Units)	(Rs. '000)
Individuals	264,035	2,261	160,606	2,903	965,020	17,514	55,634	1,124	1,445,295	23,802

19 AUDITORS' REMUNERATION

	2024					2023				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Commodities Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Commodities Sub-Fund	Total
	(Rupees in '000)									
Statutory audit fee	60	60	60	60	240	51	51	51	48	201
Half yearly review	30	30	30	30	120	25	25	25	24	99
Out of pocket expenses including government levy	19	19	19	19	76	13	13	13	17	56
	109	109	109	109	436	89	89	89	89	356

NIT PENSION FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

21 TRANSACTIONS AND DISCLOSURE OF BALANCES WITH CONNECTED PERSONS

21.1 Connected persons include National Investment Trust Limited being the Pension Fund Manager, Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes managed by the Pension Fund Manager, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Pension Fund Manager or the net assets of the Fund and directors and officers of the Pension Fund Manager and unit holders holding 10 percent or more units of the Fund.

21.2 Transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

21.3 Remuneration payable to Pension Fund Manager and the Trustee is determined in accordance with the provisions of the Voluntary Pension System Rules and the Trust Deed respectively.

21.4 Details of the transactions with connected persons and balances with them, if not disclosed elsewhere in these financial statements, are as follows:

21.5 Transactions during the year:

	2024					2023				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Commodities Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Commodities Sub-Fund	Total
----- (Rupees in '000) -----										
National Investment Trust Limited - Pension Fund Manager										
Remuneration of Pension Fund Manager	877	851	1401	930	4,059	666	742	969	739	3,116
Sindh Sales Tax on Pension Fund Manager's remuneration	114	111	182	121	528	87	96	126	96	405
Central Depository Company of Pakistan Limited - Trustee										
Trustee remuneration	175	255	420	279	1129	133	222	291	222	868
Sindh Sales Tax on remuneration of Trustee	23	33	55	36	147	17	29	38	29	113
Custodian charges of Central Depository Company of Pakistan Limited	8	7	6	1	22	7	7	7	-	21
----- (Number of Units) -----										
Director and key management personnel										
Issue of units	199,553	110,033	1,850,834	-	2,160,420	12,024	5,158	42,246	-	59,428
Reallocation of units	(1,359,144)	1,441	736,468	-	(621,235)	(2,286)	-	5,211	-	2,925
----- (Rupees in '000) -----										
Issue of units	2,000	2,200	39,970	-	44,170	100	100	800	-	1,000
Reallocation of units	(14,477)	30	14,447	-	-	(100)	-	100	-	-

NIT PENSION FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

21.6 Amount outstanding as at year end:

	June 30, 2024					June 30, 2023				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Commodities Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Commodities Sub-Fund	Total
----- (Number of Units) -----										
National Investment Trust Limited - Pension Fund Manager										
Units held	<u>7,500,000</u>	<u>7,500,000</u>	<u>7,500,000</u>	<u>7,500,000</u>	<u>30,000,000</u>	<u>7,500,000</u>	<u>7,500,000</u>	<u>7,500,000</u>	<u>7,500,000</u>	<u>30,000,000</u>
----- (Rupees in '000) -----										
Amount of units held	123,569	174,918	174,296	210,711	683,494	64,016	145,048	142,780	159,174	511,018
Pension Fund Manager's Remuneration	85	76	132	80	373	54	63	86	61	264
Sindh Sales Tax payable	20	10	24	11	65	7	8	18	9	42
Central Depository Company of Pakistan Limited - Trustee										
Remuneration payable	17	23	40	25	105	9	19	26	20	74
Sindh Sales Tax on Trustee remuneration	2	5	7	3	17	1	5	5	3	14
----- (Number of Units) -----										
Director and key management personnel										
Units held	<u>-</u>	<u>116,632</u>	<u>4,192,493</u>	<u>-</u>	<u>4,309,125</u>	<u>1,159,591</u>	<u>5,158</u>	<u>1,605,191</u>	<u>-</u>	<u>2,769,940</u>
----- (Rupees in '000) -----										
Amount of units held	<u>-</u>	<u>2,720</u>	<u>97,431</u>	<u>-</u>	<u>100,151</u>	<u>9,898</u>	<u>100</u>	<u>30,559</u>	<u>-</u>	<u>40,557</u>

NIT PENSION FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

22 FINANCIAL RISK MANAGEMENT

The Fund primarily invests in a portfolio of equity and money market investments such as shares of listed companies, investment-grade debt securities, government securities and other money market instruments. These activities are exposed to a variety of financial risks i.e. market risk (refer note:22.1) (which includes currency risk, interest rate risk and price risk), credit risk (refer note: 22.2) and liquidity risk(refer note: 22.3) arising from the financial instruments it holds.

22.1 Market risk

Market risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in market prices.

The Pension Fund Manager manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and regulations laid down by the Securities and Exchange Commission of Pakistan. The maximum risk resulting from financial instruments equals their fair values.

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

22.1.1 Currency risk

Currency risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund, at present, is not exposed to any significant currency risk as its operations are geographically restricted to Pakistan and all major transactions are carried out in Pak Rupees.

22.1.2 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.

Sensitivity analysis for variable rate instruments

- a) Debt Sub-Fund holds KIBOR based profit bearing TFCs and Sukuks exposing the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in KIBOR, with all other variables held constant, the net assets of the Fund as on June 30, 2024 and net income for the year then ended would have been higher / lower by Rs.1.567million (June 30, 2023: Rs.0.801) million.
- b) The Fund holds balances with banks in PLS savings accounts, exposing the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in KIBOR, with all other variables held constant, the net assets of the Fund as on June 30, 2024 and net income for the year then ended would have been higher / lower by 1.992 million(June 30, 2023: Rs. 3.04) million.

Sensitivity analysis of fixed rate instruments

- c) Money Market Sub-Fund, Debt Sub-Fund and Commodity Sub-Fund hold Government Securities which are classified as 'Fair value through Other Comprehensive Income', exposing the Sub-Funds to interest rate risk. In case of 100 basis points increase / decrease in rates announced by MUFAP (Mutual Funds Association of Pakistan) on June 30, 2024, with all other variables held constant, the net assets of the Fund and net income for the year would have been lower / higher by Rs.0.95 (June 30, 2023: Rs.0.95) million.

The composition of the Fund's investment portfolio, KIBOR rates, rates announced by Reuters and MUFAP are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2024 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

NIT PENSION FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

22.1.3 Price risk

Price risk is the risk of volatility in prices of financial instruments resulting from their dependence on market sentiments, speculative activities, supply and demand for financial instruments and liquidity in the market. The value of investments may fluctuate due to change in business cycles affecting the business of the company in which the investment is made, change in business circumstances of the company, industry environment and / or the economy in general.

The Pension Fund Manager's strategy on the management of investment risk is driven by the Fund's investment objective. The primary objective of the Fund is to provide the maximum return to the participants from investment in Shariah compliant investments for the given level of risks. The Fund's market risk is managed on a daily basis by the Pension Fund Manager in accordance with the policies and procedures laid down by the SECP. The funds are allocated among various asset classes based on the attractiveness of the particular asset class. The allocation among these is dependent on the time horizon for investments and liquidity requirements of the portfolio. The market risk is managed by monitoring exposure to marketable securities, and by complying with the internal risk management policies and regulations laid down in VPS Rules and directives issued by the SECP.

The Fund's overall market positions are monitored on a quarterly basis by the Board of Directors of the Pension Fund Manager.

Details of the Fund's investment portfolio exposed to price risk, at the balance sheet date are disclosed in note 8 to these financial statements. At June 30, 2024 the Fund's overall exposure to price risk is limited to the fair value of those positions. The Fund also manages its exposure to price risk by analysing the investment portfolio by industrial sector and benchmarking the sector weighting to that of the Pakistan Stock Exchange Index - 100 (PSX 100). The Fund's policy is to concentrate the investment portfolio in sectors where management believes that the Fund can maximise the returns derived for the level of risk to which the Fund is exposed.

In case of 5% increase / decrease in PSX 100 index on June 30, 2024, the net assets relating to the Equity Sub-Fund and total net assets of the Fund would increase / decrease by Rs.7.093 (June 30, 2023: Rs.Rs.4.04) million as a result of gains / losses on equity securities classified as at fair value through other comprehensive income.

The Pension Fund Manager uses the PSX 100 index as a reference point in making investment decisions. However, the Pension Fund Manager does not manage the Fund's investment strategy to track the PSX 100 index or any other index or external benchmark. The sensitivity analysis presented is based upon the portfolio composition as at June 30, 2024 and the historical correlation of the securities comprising the portfolio of the PSX 100 index. The composition of the Fund's investment portfolio and the correlation thereof to the PSX 100 Index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2024 is not necessarily indicative of the effect on the Fund's net assets attributed to units of future movements in the level of the PSX 100 Index.

22.2 Credit risk

The Fund is exposed to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when they fall due. Credit risk arises from the inability of the relevant brokerage house or the counter party to fulfil their obligations. There is a possibility of default by participants or failure of the financial markets / stock exchanges, the depositories, the settlements or clearing system, etc.

The Fund's credit risk is primarily attributable to its investment in debt securities and government securities, balances with banks and advances, deposits and other receivables. The credit risk of the Fund is limited as the investments are made and balances are maintained with counter parties that are financial institutions with reasonably high credit rating. Risk attributable to investment in government securities is limited as these are guaranties by the Federal Government.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. In addition, the risk is managed through the assignment of credit limits and by following strict credit evaluation criteria laid down by the Pension Fund Manager.

The maximum exposure to credit risk is as follows:

	As at June 30, 2024					Rating agency	Published rating	Percentage of total bank %
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Commodities Sub-Fund	Total			
Bank balances	(Rupees in '000)							
Name of the bank								
Bank Al Habib Limited	11,364	14,398	83,344	74,337	183,443	PACRA	AAA	91.03
United Bank Limited	14	-	39	9	62	VIS	AAA	0.03
National Bank of Pakistan	13	2	22	121	158	PACRA	AAA	0.08
Bank Alfalah Limited	6	-	8	-	14	PACRA	AA+	0.01
Allied Bank Limited	-	14	14	14	42	PACRA	AAA	0.02
Habib Bank Limited	-	63	9	-	72	VIS	AAA	0.04
Soneri Bank Limited	-	17,532	93	100	17,725	PACRA	AA-	8.80
	<u>11,397</u>	<u>32,009</u>	<u>83,529</u>	<u>74,581</u>	<u>201,516</u>			<u>100</u>
Dividend and profit receivable	11	7,154	-	-	7,165			
Security deposits	2,600	100	100	42,807	45,607			

NIT PENSION FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

Name of the investee company	As at June 30, 2024					Rating agency	Published rating	Percentage of total investments %
	Equity	Debt	Money		Total			
	Sub-Fund	Sub-Fund	Market Sub-Fund	Commodities Sub-Fund				
(Rupees in '000)								
Sukuk								
K -Electric Company Limited	-	2,030	-	-	2,030	PACRA	AA	100.00
	-	2,030	-	-	2,030			100

Name of the investee company	As at June 30, 2023					Rating agency	Published rating	Percentage of total bank balances %
	Equity	Debt	Money		Total			
	Sub-Fund	Sub-Fund	Market Sub-Fund	Commodities Sub-Fund				
(Rupees in '000)								
Bank balances								
Habib Bank Limited	-	58	8	7	73	PACRA	AAA	0.03
United Bank Limited	12	8	32	8	60	PACRA	AAA	0.02
Bank AL Habib Limited	4,520	42,453	71,693	141,581	260,247	PACRA	AAA	99.81
Bank Alfalah Limited	6	-	7	84	97	PACRA	AA+	0.04
Allied Bank Limited	-	8	7	8	23	PACRA	AAA	0.01
Habib Metropolitan Bank	-	11	-	10	21	PACRA	AA+	0.01
MIB Bank Limited	7	10	10	48	75	PACRA	A	0.03
Dubai Islamic Bank Limited	5	-	5	-	10	PACRA	AA	-
Sindh Bank Limited	5	-	5	-	10	PACRA	A+	-
Soneri Bank Limited	-	-	93	-	93	PACRA	AA-	0.04
JS Bank Limited	-	-	8	-	8	PACRA	AA-	-
National Bank of Pakistan	4	4	4	4	16	PACRA	AAA	0.01
	4,559	42,552	71,872	141,750	260,733			100

Dividend and profit receivable	303	3,346	2,766	1,124	7,539
Security deposits	2,600	100	100	22,673	25,473

Name of the investee company	As at June 30, 2023					Rating agency	Published rating	Percentage of total investments %
	Equity	Debt	Money		Total			
	Sub-Fund	Sub-Fund	Market Sub-Fund	Commodities Sub-Fund				
(Rupees in '000)								
Sukuk								
K -Electric Company Limited	-	7,657	9,000	-	16,657	PACRA	AA	41.04
The Hub Power Company Limited	-	10,000	10,000	-	20,000	PACRA	AA	53.60
Lucky Electric Power Company	-	1,000	2,000	-	3,000	PACRA	AA	5.36
	-	18,657	21,000	-	39,657			100.00

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 broadly diversified and transactions are entered into with diverse creditworthy counterparties thereby mitigating any significant concentrations of credit risk.

22.3 Liquidity risk

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

The Fund is exposed to cash redemptions of its units on a regular basis. Units are redeemable at the holder's option based on the Fund's net asset value per unit at the time of redemption calculated in accordance with the Fund's constitutive document and guidelines laid down by Securities and Exchange Commission of Pakistan.

22.4 Settlement risk

Settlement Risk is the risk that Fund in a financial transaction will fail to deliver the agreed-upon terms of a contract with another party at the time of settlement. Settlement risk arises on the fair value or future cash flows of a commodity which will fluctuate because of the decrease / increase in the price of the gold contract quoted on Pakistan Mercantile Exchange Limited (PMEX)

NIT PENSION FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the SOFP date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.
As at June 30, 2024

	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund			Commodities Sub-Fund			Total				
	Upto three months	More than three months and upto one year	More than one year	Total	Upto three months	More than three months and upto one year	More than one year	Total	Upto three months	More than three months and upto one year	More than one year	Total					
(Rupees in 000)																	
As at June 30, 2024																	
Financial Liabilities (excluding participants' funds)																	
Payable to National Investment Trust Limited - Pension Fund Limited	105	-	-	105	86	-	-	86	156	-	-	156	91	-	-	91	438
Payable to Central Depository Company of Pakistan Limited - Trustee	19	-	-	19	28	-	-	28	47	-	-	47	28	-	-	28	122
Accrued expenses and other liabilities	143	-	-	143	84	-	-	84	80	-	-	80	72	-	-	72	379
	<u>267</u>	<u>-</u>	<u>-</u>	<u>267</u>	<u>198</u>	<u>-</u>	<u>-</u>	<u>198</u>	<u>283</u>	<u>-</u>	<u>-</u>	<u>283</u>	<u>191</u>	<u>-</u>	<u>-</u>	<u>191</u>	<u>939</u>
Participants' funds	155,384	-	-	155,384	195,490	-	-	195,490	358,928	-	-	358,928	214,443	-	-	214,443	924,245
As at June 30, 2023																	
Financial Liabilities (excluding participants' funds)																	
Payable to National Investment Trust Limited - Pension Fund Limited	61	-	-	61	71	-	-	71	104	-	-	104	70	-	-	70	306
Payable to Central Depository Company of Pakistan Limited - Trustee	10	-	-	10	24	-	-	24	31	-	-	31	23	-	-	23	88
Accrued expenses and other liabilities	136	-	-	136	65	-	-	65	61	-	-	61	59	-	-	59	321
	<u>207</u>	<u>-</u>	<u>-</u>	<u>207</u>	<u>160</u>	<u>-</u>	<u>-</u>	<u>160</u>	<u>196</u>	<u>-</u>	<u>-</u>	<u>196</u>	<u>152</u>	<u>-</u>	<u>-</u>	<u>152</u>	<u>715</u>
Participants' funds	87,855	-	-	87,855	157,147	-	-	157,147	218,538	-	-	218,538	162,293	-	-	162,293	625,833

The above mentioned financial liabilities do not carry any mark-up.

Units of the Fund are redeemable on demand at the participants' option. However, participants typically retain them from medium to long term.

23 TOP TEN BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID BY THE FUND

Name of Broker	2024	2023
AKD Securities Limited	14.39%	30.99%
Arif Habib Ltd.	12.86%	16.12%
Js Global Capital Limited	12.73%	12.34%
Taurus Securities Ltd.	9.87%	10.70%
Al-Habib Capital Markets (Pvt) Ltd	8.84%	0.00%
Topline Securities (Pvt) Ltd.	5.46%	0.00%
Ghani Osman Securities (Pvt) Ltd.	5.36%	0.00%
Intermarket Securities (Pvt) Ltd	4.80%	13.59%
Aba Abi Habib Securities (Pvt) Ltd.	4.49%	0.00%
D.J.M Securities (Pvt.) Limited	4.33%	8.97%
Habib Metro Financial Services Ltd.	0.00%	7.28%

24 PARTICIPANTS' FUNDS RISK MANAGEMENT

The participants' fund is represented by redeemable units. These units are entitled to payment of a proportionate share, based on the Fund's net asset value per unit on the redemption date.

The Fund has no restrictions on the subscription and redemption of units. There is no specific capital requirement which is applicable to the Fund.

The Fund's objectives when managing participants' funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to participants and to maintain a strong base of assets under management.

In accordance with the risk management policies stated in note 23, the Fund endeavors to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption. Since the participants of the Fund have invested with a long term objective, the possibility of a significant redemption pressure is limited, such liquidity being augmented by borrowing arrangements (which can be entered if necessary) or disposal of investments where necessary.

All units, including the core units, and fractions thereof represent an undivided share in the permanent sub-funds of the fund and rank pari passu as their rights in the net assets and earning of the sub-funds are not tradeable or transferable. Each participant has a beneficial interest in the sub-fund proportionate to the units held by such participant in such sub-fund.

NIT PENSION FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

25 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 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 statement of assets and liabilities date. The estimated fair value of all other financial assets and financial 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).

As at June 30, 2024 and June 30, 2023, the Fund held the following instruments measured at fair values:

	Total	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund			Commodity Sub-Fund		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
June 30, 2024													
Financial assets													
		(Rupees'000)											
Listed equity securities	141,877	141,877	-	-	-	-	-	-	-	-	-	-	-
Government Securities - Treasury Bills	474,690	-	-	-	-	99,440	-	-	275,811	-	-	99,439	-
Government Securities - Pakistan Investment Bonds	55,221	-	-	-	-	55,221	-	-	-	-	-	-	-
Listed Sukuks	2,030	-	-	-	-	2,030	-	-	-	-	-	-	-
Unlisted / Privately Placed Sukuk	-	-	-	-	-	-	-	-	-	-	-	-	-
	673,818	141,877	-	-	-	156,691	-	-	275,811	-	-	99,439	-
June 30, 2023													
Financial assets													
Listed equity securities	80,822	80,822	-	-	-	-	-	-	-	-	-	-	-
Government Securities - Treasury Bills	162,613	-	-	-	-	39,421	-	-	123,192	-	-	-	-
Government Securities - Pakistan Investment Bonds	53,488	-	-	-	-	53,488	-	-	-	-	-	-	-
Listed Sukuks	2,657	-	-	-	-	2,657	-	-	-	-	-	-	-
Unlisted / Privately Placed Sukuk	37,000	-	-	-	-	-	16,000	-	-	21,000	-	-	-
	336,580	80,822	-	-	-	95,566	16,000	-	123,192	21,000	-	-	-

During the year ended June 30, 2024, 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.

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

**NIT PENSION FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

26 PERFORMANCE TABLE

26.1 Net assets value and net assets per unit

	2024				2023			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Commodities Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Commodities Sub-Fund
Net assets value (Rupees in '000)	155,384	195,490	358,928	214,443	87,855	157,147	218,538	162,293
Net assets value per unit (Rupees)	16.4759	23.3224	23.2394	28.0948	8.5355	19.3397	19.0373	21.2232

26.2 Highest and lowest issue price of units during the year

	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Commodities Sub-Fund	
	Lowest issue price	Highest issue price	Lowest issue price	Highest issue price	Lowest issue price	Highest issue price	Lowest issue price	Highest issue price
For the year June 30, 2024	8.5350	23.1278	18.3893	28.3025	13.3713	23.2394	15.0879	28.5999
For the year June 30, 2023	7.8010	9.0967	17.2071	19.4074	16.2894	19.0373	17.2066	21.8715

27 SUBSEQUENT EVENT

No adjusting or non-adjusting events have occurred between the reporting date and date of authorization.

28 GENERAL

Figures have been rounded off to the nearest thousand rupees unless otherwise specified. For better presentation certain prior year's figures have been reclassified consequent to certain changes in the current year's presentation.

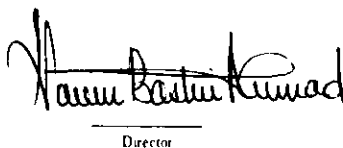
29 DATE OF AUTHORIZATION FOR ISSUE

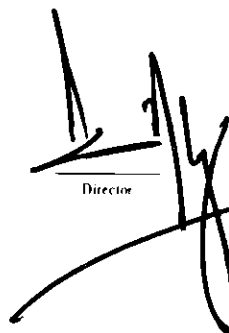
These financial statements were authorised for issue by the Board of Directors in their meeting held on 12 AUG 2024

CM

For National Investment Trust Limited
(Management Company)


Managing Director


Director


Director


Chief Financial Officer