

NIT - EQUITY MARKET OPPORTUNITY FUND
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED
DECEMBER 31, 2019



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

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **NIT - Equity Market Opportunity Fund** (the Fund) as at December 31, 2019 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the half year then ended. The Management Company (National Investment Trust Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2019 and December 31, 2018 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2019.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Afferguson & Co

Chartered Accountants

Engagement Partner: **Shahbaz Akbar**

Dated: February 26, 2020

Karachi

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**NIT - EQUITY MARKET OPPORTUNITY FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2019**

	Note	December 31, 2019 (Unaudited)	June 30, 2019 (Audited)
-----Rupees in '000-----			
Assets			
Bank balances	4	274,118	263,487
Investments	5	7,273,339	6,077,705
Dividend, profit and other receivable		4,965	2,139
Deposit with National Clearing Company of Pakistan Limited		2,500	2,500
Total assets		7,554,922	6,345,831
Liabilities			
Payable to National Investment Trust Limited - Management Company	6	14,626	12,551
Payable to Central Depository Company of Pakistan Limited - Trustee	7	232	202
Annual fee payable to the Securities and Exchange Commission of Pakistan	8	613	7,112
Provision for taxation	9	3,108	3,108
Payable against purchase of investments		22,405	20,523
Accrued expenses and other liabilities	10	129,417	126,660
Total liabilities		170,401	170,156
Net assets		7,384,521	6,175,675
Unit holders' fund (as per statement attached)		7,384,521	6,175,675
Contingencies and commitments	11		
----- (Number of units) -----			
Number of units in issue		39,180,869	39,180,869
----- (Rupees) -----			
Net asset value per unit		188.47	157.62

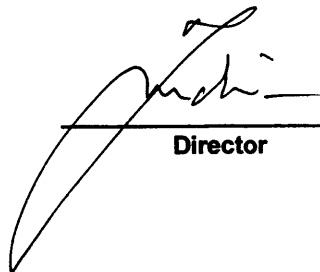
The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

Alfa

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



Managing Director



Director



Director

**NIT - EQUITY MARKET OPPORTUNITY FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2019**

Note	Six months period ended December 31		Quarter ended December 31	
	2019	2018 (Restated)	2019	2018 (Restated)
Rupees in '000				
Income				
Dividend income	183,069	185,312	97,939	110,229
Gain on sale of investments-net	290	-	-	-
Profit on bank deposits	8,592	21,079	6,520	11,003
Net unrealised appreciation / (diminution) on re-measurement of investments classified at 'fair value through profit or loss'	5.4	2,207 (365)	3,493	(611)
Total Income	194,158	206,026	107,952	120,621
Expenses				
Remuneration of National Investment Trust Limited - Management Company	6.1	61,318	79,872	33,709
Sindh sales tax on remuneration of Management Company	6.2	7,971	10,383	4,382
Remuneration of Central Depository Company of Pakistan Limited - Trustee		1,070	1,348	75
Sindh sales tax on remuneration of Trustee	7.1	139	175	337
Annual fee - Securities and Exchange Commission of Pakistan	8	613	3,789	1,829
Allocation of expenses related to registrar services, accounting, operation and valuation services	6.3	3,062	4,048	1,676
Custodian charges of Central Depository Company of Pakistan Limited		10	22	6
Settlement and bank charges		167	186	103
Auditors' remuneration		460	421	230
Total expenses		74,810	100,244	41,099
Net income from operating activities before taxation		119,348	105,782	66,853
Provision for Sindh Workers' Welfare Fund	10.1	(2,387)	(2,011)	(1,343)
Net income for the period before taxation		116,961	103,771	65,510
Taxation	12	-	-	-
Net income for the period after taxation		116,961	103,771	65,510
Allocation of net income for the period after taxation				
Net income for the period after taxation		116,961	103,771	
Income already paid on units redeemed		-	-	
		116,961	103,771	
Accounting income available for distribution:				
- Relating to capital gains		2,497	-	
- Excluding capital gains		114,464	103,771	
		116,961	103,771	

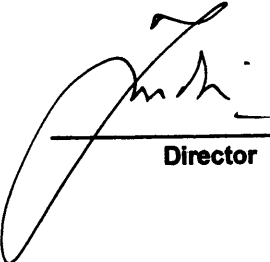
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Alfa

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



Managing Director



Director



Director

**NIT - EQUITY MARKET OPPORTUNITY FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX MONTHS PERIOD AND QUARTER ENDED DECEMBER 31, 2019**

Note	Six months period ended December 31		Quarter ended December 31	
	2019	2018 (Restated)	2019	2018 (Restated)
-----Rupees in '000-----				
Net income for the period after taxation	116,961	103,771	65,510	70,784
Other comprehensive income / (loss)				
Items that will not be reclassified to income statement				
Changes in the fair value of investments classified as financial assets at 'FVOCI'	5.5 1,286,222	(1,374,709)	1,719,175	(1,089,854)
Total comprehensive income / (loss) for the period	<u>1,403,183</u>	<u>(1,270,938)</u>	<u>1,784,685</u>	<u>(1,019,070)</u>

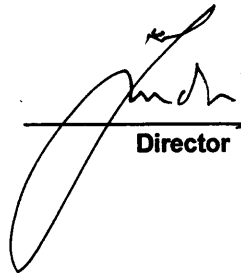
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After

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



Managing Director



Director



Director

**NIT - EQUITY MARKET OPPORTUNITY FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019**

Six months period ended December 31									
2019					2018				
Capital Value	Undistributed Income	Unrealised appreciation / (diminution) on 'at fair value through other comprehensive income' investments	Total		Capital Value	Undistributed Income	Unrealised appreciation / (diminution) on 'Available for Sale' investments	Unrealised appreciation / (diminution) on 'at fair value through other comprehensive income' investments	Total

Rupees in '000

Net assets at the beginning of the period	3,822,390	847,157	1,506,128	6,175,675	3,822,390	929,012	3,906,070	-	8,657,472
Change in accounting policy on adoption of IFRS 9	-	-	-	-	-	-	(3,906,070)	3,906,070	-
Net assets at the beginning of the period - restated	3,822,390	847,157	1,506,128	6,175,675	3,822,390	929,012	-	3,906,070	8,657,472
Final distribution for the year ended June 30, 2018: (Date: July 5, 2018 @ Rs 10 per unit)	-	-	-	-	-	(391,809)	-	-	(391,809)
Final distribution for the year ended June 30, 2019 (Date: July 5, 2019 @ Rs 4.96 per unit)	-	(194,337)	-	(194,337)	-	-	-	-	-
Transfer of gain on disposal of investments classified as 'at fair value through other comprehensive income' to undistributed income	-	104,291	(104,291)	-	-	97,598	-	(97,598)	-
Total comprehensive income / (loss) for the period	-	116,961	1,286,222	1,403,183	-	103,771	-	(1,374,709)	(1,270,938)
Net assets at the end of the period	3,822,390	874,072	2,688,059	7,384,521	3,822,390	738,572	-	2,433,763	6,994,725

	(Rupees in '000)	(Rupees in '000)
Undistributed income brought forward		
- Realized income	850,198	930,131
- Unrealized loss	(3,041)	(1,119)
	<u>847,157</u>	<u>929,012</u>
Accounting income available for distribution:		
- Relating to capital gains	2,497	-
- Excluding capital gains	114,464	103,771
	<u>116,961</u>	<u>103,771</u>
Transfer of gain on disposal of investments classified as 'at fair value through other comprehensive income' to undistributed income.	104,291	97,598
Final distribution for the year ended June 30, 2018 (Date: July 5, 2018 @ Re 10 per unit)	-	(391,809)
Final distribution for the year ended June 30, 2019 (Date: July 5, 2019 @ Re 4.96 per unit)	(194,337)	-
Undistributed income carried forward	<u>874,072</u>	<u>738,572</u>
Undistributed income carried forward		
- Realized income	871,865	738,937
- Unrealized income / (loss)	2,207	(365)
	<u>874,072</u>	<u>738,572</u>
	(Rupees)	(Rupees)
Net asset value per unit at beginning of the period	<u>157.62</u>	<u>220.96</u>
Net asset value per unit at end of the period	<u>188.47</u>	<u>178.52</u>

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

For National Investment Trust Limited
(Management Company)


Managing Director


Director


Director

**NIT - EQUITY MARKET OPPORTUNITY FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019**

	Six months period ended December 31	
	2019	2018 (Restated)
Note	Rupees in '000	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	116,961	103,771
Adjustments for :		
Net unrealised (appreciation) / diminution on re-measurement of investments classified as financial assets at 'fair value through profit and loss'	(2,207)	365
	114,754	104,136
Decrease / (increase) in assets		
Investments - net	92,795	(59,767)
Dividend, profit and other receivable	(2,826)	21,075
	89,969	(38,692)
Increase / (decrease) in liabilities		
Payable to National Investment Trust Limited - Management Company	2,075	(2,388)
Payable to Central Depository Company of Pakistan Limited - Trustee	30	(35)
Annual fee payable to the Securities and Exchange Commission of Pakistan	(6,499)	(4,819)
Payable against purchase of investments	1,882	(16,164)
Accrued expenses and other liabilities	2757	1,414
	245	(21,992)
Net cash generated from operating activities	204,968	43,087
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(194,337)	(391,809)
Net cash used in financing activities	(194,337)	(391,809)
Net increase / (decrease) in cash and cash equivalents during the period	10,631	(348,722)
Cash and cash equivalents at the beginning of the period	263,487	853,180
Cash and cash equivalents at the end of the period	4 274,118	504,458

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

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



Managing Director



Director



Director

**NIT - EQUITY MARKET OPPORTUNITY FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019**

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 The NIT - Equity Market Opportunity Fund ('the Fund') was established under a Trust Deed executed between National Investment Trust Limited as 'the Management Company' and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) on March 18, 2009 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Trust Deed was executed on April 1, 2009. The Fund is categorized as an Equity Scheme as per the criteria for categorisation of open end collective investment scheme as specified by Securities and Exchange Commission of Pakistan (SECP) and other allied matters. The units of the Fund were initially issued at Rs. 100 per unit.

1.2 The Management Company of the Fund has been classified as a Non-Banking Finance Company (NBFC) under the NBFC Rules and has obtained the requisite license from the Securities and Exchange Commission of Pakistan (SECP) to undertake asset management services. The registered office of the Management Company is situated at 6th floor, National Bank of Pakistan Building I.I. Chundrigar Road, Karachi.

1.3 The Fund is an open-ended mutual fund. Units are offered for subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. Units of the Fund comprise of the following two types:

Class A: These units are not subject to any restrictions (i.e. units can be redeemed at the option of the unit holders).

Class B: These units are issued to unit holders with a firm commitment. The redemption option for these units rests with the Management Company and the unit holders may redeem their units subject to consent of the Management Company.

At present the Fund has only Class 'B' units that were issued to the initial participants.

1.4 The objective of the Fund is to invest in the equity market when there is an opportunity to invest the funds in a gainful manner and such investment is for the benefit of the Fund based on long term perspective.

1.5 Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of "AM2++" to the Management Company on November 5, 2019.

1.6 Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as Trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

2.2 The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the published audited annual financial statements of the Fund for the year ended June 30, 2019.

2.3 These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at December 31, 2019.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT POLICIES

3.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2019.

3.2 The preparation of the condensed interim financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgements made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the financial statements as at and for the year ended June 30, 2019. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2019.

3.3 IFRS 9: "Financial Instruments" has replaced IAS 39: "Financial Instruments: Recognition and Measurement" effective from July 1, 2018. IFRS-9 addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. IFRS-9 has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'expected credit losses' (ECL) approach rather than 'incurred credit losses' approach, as previously given under IAS 39.

Last year, the Securities and Exchange Commission of Pakistan (SECP) had extended the applicability of IFRS 9, for the periods ending on or after June 30, 2019 in order to provide sufficient time for the entities to fully comply with the requirements of IFRS 9. Accordingly, the condensed interim financial statements for the six months period ended December 31, 2018 did not require the adoption of IFRS 9 and hence were prepared in accordance with the requirements of IAS 39. However, IFRS 9 was adopted with effect from July 1, 2018 in the preparation of the annual financial statements of the Fund for the year ended June 30, 2019, as required by the SECP (as more fully explained in note 2.2 to the financial statements of the Fund for the year ended June 30, 2019). The Fund adopted modified retrospective restatement approach for adopting IFRS-9 and accordingly, all changes arising on adjustment of IFRS 9 were adjusted at the beginning of the year (i.e. July 1, 2018). Consequently, the figures stated in the condensed interim financial statements for the half year ended December 31, 2018 have been restated. The effects of restatements have been given below:

	For the six months period ended December 31, 2018 (Unaudited) (Rupees in '000)
Impact on condensed interim income statement	
Decrease in gain on sale of investments - net	(97,598)
Decrease in impairment loss on equity securities classified as 'at available of sale'	102,830
Increase in net income for the period after taxation	<u>5,232</u>
Impact on condensed interim statement of comprehensive income	
Decrease in net unrealised diminution on re-measurement of investments classified as 'available of sale'	1,369,477
Decrease in fair value of investments classified as financial assets at 'FVOCI'	<u>(1,374,709)</u>
Decrease in other comprehensive loss for the period	<u>(5,232)</u>
Impact on condensed interim statement of movement in unit holders' fund	
Decrease in unrealised appreciation of investments classified as 'available for sale'	(3,906,070)
Increase in unrealised appreciation of investments classified as at 'FVOCI'	<u>3,906,070</u>
	<u>-</u>

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2019. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

3.5 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

The following amendments would be effective from the dates mentioned below against the respective amendment:

Amendments	Effective date (accounting periods beginning on or after)
- IAS 1 - 'Presentation of financial statements' (amendment)	January 1, 2020
- IAS 8 - 'Accounting policies, change in accounting estimates and errors' (amendment)	January 1, 2020

These amendments may impact the financial statements of the Fund on adoption. The Management is currently in the process of assessing the full impact of these amendments on the financial statements of the Fund.

There are certain new standards and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2020. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

	Note	December 31, 2019 (Unaudited)	June 30, 2019 (Audited)
Rupees in '000			
4 BANK BALANCES			
In current accounts		8,387	580
In savings accounts	4.1	265,731	262,907
		<u>274,118</u>	<u>263,487</u>

4.1 These represent balances with banks in saving accounts carrying profit rates ranging from 10.25% to 14.50% per annum (June 30, 2019: 4% to 13.60% per annum).

	Note	December 31, 2019 (Unaudited)	June 30, 2019 (Audited)
Rupees in '000			
5 INVESTMENTS			
Financial assets at 'fair value through profit or loss'			
Listed equity securities	5.1	20,589	22,743
Financial assets at 'fair value through other comprehensive income'			
Listed equity securities	5.2	7,252,750	6,054,962
		<u>7,273,339</u>	<u>6,077,705</u>

5.1 Listed equity securities - 'at fair value through profit or loss'

Name of Investee Companies	As at 01 July 2019	Purchases during the period	Bonus shares received during the period	Right shares purchased/subscribed during the period	Sale during the period	As at December 31, 2019	Carrying value as at December 31, 2019	Market Value as at December 31, 2019	Market value as a percentage of net assets	Market Value as a percentage of total investment	Holding as a percentage of paid-up capital of the investee company
						(Number of Shares)	Rupees in '000		%		
Commercial Banks											
Allied Bank Limited	34,300	-	-	-	-	34,300	3,603	3,279	0.04	0.05	0.00
MCB Bank Limited	103,700	-	-	-	25,000	78,700	13,729	16,129	0.22	0.22	0.01
							<u>17,332</u>	<u>19,408</u>	<u>0.26</u>	<u>0.27</u>	
Power Generation and Distribution											
Hub Power Company Limited	6,165	-	-	-	-	6,165	485	576	0.01	0.01	0.00
							<u>485</u>	<u>576</u>	<u>0.01</u>	<u>0.01</u>	
Fertilizer											
Fauji Fertilizer Bin Qasim Limited	31,000	-	-	-	-	31,000	565	605	0.01	0.01	0.00
							<u>565</u>	<u>605</u>	<u>0.01</u>	<u>0.01</u>	
Total as at December 31, 2019							<u>18,382</u>	<u>20,589</u>			
Total as at June 30, 2019							<u>25,784</u>	<u>22,743</u>			

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5.2 Listed equity securities - 'at fair value through other comprehensive income'

Name of Investee Companies	As at 01 July 2019	Purchases during the period	Bonus shares received during the period	Right shares purchased/ subscribed during the period	Sale during the period	As at December 31, 2019	Carrying value as at December 31, 2019	Market Value as at December 31, 2019	Market value as a percentage of net assets	Market Value as a percentage of total investment	Holding as a percentage of paid-up capital of the investee company held
Investment Banks / Investment Companies / Securities Companies											
Next Capital Limited	375,250	-	-	-	-	375,250	2,516	4,803	0.07	0.07	0.83
Jahangir Siddiqui And Company Limited	840,000	-	-	-	-	840,000	7,235	9,610	0.13	0.13	0.09
Pakistan Stock Exchange Limited	1,090,000	256,500	-	-	-	1,346,500	26,259	16,804	0.23	0.23	0.17
MCB-Arif Habib Saving Investments Limited	900,000	-	-	-	-	900,000	15,171	19,791	0.27	0.27	1.25
							<u>51,181</u>	<u>51,008</u>	<u>0.70</u>	<u>0.70</u>	
Commercial Banks											
Allied Bank Limited	1,033,314	-	-	-	-	1,033,314	91,166	98,785	1.34	1.36	0.09
Askari Bank Limited	4,323,442	-	-	-	-	4,323,442	52,759	80,157	1.09	1.10	0.34
Bank Alfalah Limited	5,143,924	-	-	-	200,000	4,943,924	85,621	225,937	3.06	3.11	0.28
Bank Al-Habib Limited	684,489	-	-	-	-	684,489	33,073	52,131	0.71	0.72	0.06
Bank Of Punjab Limited	1,207,500	150,000	-	-	100,000	1,257,500	14,911	14,247	0.19	0.20	0.24
Faysal Bank Limited	500,079	-	-	-	-	500,079	2,953	9,512	0.13	0.13	0.03
Habib Bank Limited	2,271,148	154,100	-	-	132,500	2,292,748	260,380	360,924	4.89	4.96	0.16
Habib Metropolitan Bank Limited	406,000	-	-	-	-	406,000	12,318	14,758	0.20	0.20	0.04
JS Bank Limited	253,000	-	-	-	-	253,000	1,712	1,366	0.02	0.02	0.02
MCB Bank Limited	1,064,476	-	-	-	-	1,064,476	178,913	218,154	2.95	3.00	0.10
National Bank Of Pakistan	3,780,731	-	-	-	-	3,780,731	150,573	163,706	2.22	2.25	0.18
Soneri Bank Limited	699,000	-	-	-	-	699,000	8,906	6,885	0.09	0.09	0.06
United Bank Limited	2,335,202	134,700	-	-	117,500	2,352,402	243,248	386,970	5.24	5.32	0.19
							<u>1,136,533</u>	<u>1,633,532</u>	<u>22.13</u>	<u>22.46</u>	
Insurances											
Adamjee Insurance Company Limited	899,580	-	-	-	-	899,580	14,788	37,863	0.51	0.52	0.73
							<u>14,788</u>	<u>37,863</u>	<u>0.51</u>	<u>0.52</u>	
Textile Spinning											
Armtex Limited	389,121	-	-	-	-	389,121	467	319	0.00	0.00	0.15
							<u>467</u>	<u>319</u>	<u>0.00</u>	<u>0.00</u>	
Textile Composite											
Nishat Chunian Limited	1,536,758	-	-	-	-	1,536,758	53,692	65,543	0.89	0.90	0.64
Gul Ahmed Textile Mills Limited	150,000	-	30,000	-	-	180,000	8,118	7,760	0.11	0.11	0.06
Nishat Mills Limited	2,503,341	-	-	-	100,500	2,402,841	140,664	255,038	3.45	3.51	0.68
							<u>202,474</u>	<u>328,341</u>	<u>4.45</u>	<u>4.51</u>	
Cement											
Cherat Cement Company Limited	695,076	-	69,507	-	35,000	729,583	40,939	38,704	0.52	0.53	0.41
D. G. Khan Cement Company Limited	3,369,932	25,000	-	-	100,000	3,294,932	163,049	244,715	3.31	3.36	0.75
Fauji Cement Company Limited	3,663,000	-	-	-	-	3,663,000	82,024	56,996	0.77	0.78	0.28
Kohat Cement Limited	124,800	-	-	-	-	124,800	7,563	9,660	0.13	0.13	0.06
Bestway Cement Limited	7,260	-	-	-	-	7,260	136	824	0.01	0.01	-
Lucky Cement Limited	1,071,118	10,000	-	-	45,200	1,035,918	177,550	443,787	6.01	6.10	0.32
Thatta Cement Limited	1,503,000	-	-	-	-	1,503,000	26,550	17,059	0.23	0.23	1.51
							<u>497,811</u>	<u>811,745</u>	<u>10.98</u>	<u>11.16</u>	
Refinery											
Attock Refinery Limited	468,827	-	-	-	-	468,827	43,283	52,363	0.71	0.72	0.44
National Refinery Limited	455,055	-	-	-	-	455,055	87,127	64,199	0.87	0.88	0.57
Pakistan Refinery Limited	322,931	-	-	-	-	322,931	4,932	6,756	0.09	0.09	0.10
							<u>135,342</u>	<u>123,318</u>	<u>1.67</u>	<u>1.70</u>	
Power Generation and Distribution											
Hub Power Company Limited	636,048	60,000	-	-	-	696,048	37,784	64,976	0.88	0.89	0.06
Lalpir Power Limited	914,055	-	-	-	-	914,055	15,675	13,263	0.18	0.18	0.24
							<u>53,459</u>	<u>78,239</u>	<u>1.06</u>	<u>1.08</u>	
Oil and Gas Marketing Companies											
Attock Petroleum Limited	27,777	-	-	-	-	27,777	6,840	10,272	0.14	0.14	0.03
Pakistan State Oil Company Limited	2,247,686	10,000	449,537	-	15,000	2,692,223	314,530	515,938	6.99	7.09	0.80
Sui Northern Gas Pipelines Limited	1,710,449	-	-	-	-	1,710,449	128,941	130,285	1.76	1.79	0.27
Sui Southern Gas Company Limited	1,839,437	-	-	-	-	1,839,437	49,617	39,585	0.54	0.54	0.21
							<u>499,928</u>	<u>696,080</u>	<u>9.43</u>	<u>9.57</u>	

Name of Investee Companies	As at 01 July 2019	Purchases during the period	Bonus shares received during the period	Right shares purchased/ subscribed during the period	Sale during the period	As at December 31, 2019	Cost/ Carrying value as at December 31, 2019	Market Value as at December 31, 2019	Market value as a percentage of net assets	Market Value as a percentage of total investment	Holding as a percentage of paid-up capital of the investee company held
	(Number of Shares)				Rupees in '000			%			
Oil and Gas Exploration Companies											
Mari Petroleum Company Limited	417,025	-	41,702	-	10,000	448,727	37,603	587,877	7.96	8.08	0.37
Oil And Gas Development Company	1,982,501	20,000	-	-	30,000	1,972,501	252,910	280,726	3.80	3.86	0.05
Pakistan Oilfields Limited	577,042	12,500	-	-	20,000	569,542	144,449	254,426	3.45	3.50	0.20
Pakistan Petroleum Limited	2,308,948	30,000	461,789	-	50,000	2,750,737	235,470	377,236	5.11	5.19	0.14
							670,432	1,500,265	20.32	20.63	
Engineering											
Aisha Steel Mills Limited	121,000	-	-	-	-	121,000	855	1,160	0.02	0.02	0.04
Amreli Steel Limited	425,500	-	-	-	-	425,500	21,701	15,369	0.21	0.21	0.14
Crescent Steel And Allied Products Limited	408,452	-	-	-	25,000	383,452	21,976	21,251	0.29	0.29	0.49
International Industries Limited	88,100	-	8,810	-	-	96,910	14,928	10,742	0.15	0.15	0.08
International Steels Limited	1,978,100	-	-	-	75,000	1,903,100	45,393	110,170	1.49	1.51	0.44
KSB Pumps Company Limited	2,000	-	-	-	-	2,000	489	340	0.00	0.00	0.02
							105,342	159,032	2.16	2.19	
Automobile Assembler											
Millat Tractors Limited	82,533	-	10,316	-	-	92,849	48,928	65,404	0.89	0.90	0.21
Indus Motor Company Limited	51,720	-	-	-	-	51,720	56,036	60,081	0.81	0.83	0.07
Honda Atlas Cars Limited	50,350	-	-	-	-	50,350	15,930	11,024	0.15	0.15	0.04
Pak Suzuki Motor Company Limited	558,123	75,000	-	-	96,700	536,423	74,469	123,753	1.68	1.70	0.65
							195,363	260,262	3.53	3.58	
Automobile Parts and Accessories											
Thal Limited	45,900	-	-	-	-	45,900	15,340	15,524	0.21	0.21	0.11
Exide Pakistan Limited	7,300	-	-	-	-	7,300	2,920	1,804	0.02	0.02	0.09
Agriauto Industries Limited	2,500	-	-	-	-	2,500	751	500	0.01	0.01	0.02
Baluchistan Wheels Limited	4,000	-	-	-	-	4,000	538	265	0.00	0.00	0.03
The General Tyre and Rubber Company Limited	347,840	-	69,568	-	-	417,408	30,467	23,275	0.32	0.32	0.39
							50,016	41,368	0.56	0.57	
Cable and Electric Goods											
Pakistan Cables Limited	14,500	-	-	-	-	14,500	2,596	1,885	0.03	0.03	0.05
Pak Elektron Limited	875,000	-	-	-	-	875,000	27,239	23,686	0.32	0.33	0.18
Siemens Pakistan Engineering Company Limited	47,880	2,450	-	-	-	50,330	39,981	41,034	0.56	0.56	0.61
							69,816	66,605	0.91	0.92	
Technology and Communication											
Pakistan Telecommunication Company	3,384,139	-	-	-	-	3,384,139	36,938	31,676	0.43	0.44	0.09
							36,938	31,676	0.43	0.44	
Fertilizer											
Engro Corporation Limited	1,904,436	50,000	-	-	142,500	1,811,936	196,418	625,571	8.47	8.60	0.35
Dawood Hercules Corporation Limited	10,000	-	-	-	-	10,000	1,119	1,542	0.02	0.02	-
Engro Fertilizer Limited	992,114	-	-	-	-	992,114	58,332	72,851	0.99	1.00	0.07
Fatima Fertilizer Company	980,000	-	-	-	-	980,000	23,344	26,058	0.35	0.36	0.05
Fauji Fertilizer Bin Qasim Limited	1,400,189	-	-	-	-	1,400,189	43,431	27,332	0.37	0.38	0.15
Fauji Fertilizer Company Limited	2,384,287	5,000	-	-	200,000	2,189,287	170,642	222,147	3.01	3.05	0.17
							493,286	975,501	13.21	13.41	
Pharmaceuticals											
Abbot Laboratories (Pakistan) Limited	41,350	-	-	-	-	41,350	34,111	18,474	0.25	0.25	0.04
AGP Limited	100,000	-	-	-	-	100,000	8,000	9,935	0.13	0.14	0.04
Ferozsons Laboratories Limited	61,500	-	-	-	-	61,500	11,976	12,892	0.17	0.18	0.20
Glaxosmithkline (Pak) Limited	208,000	-	-	-	-	208,000	34,007	33,399	0.45	0.46	0.07
Glaxosmithkline Consumer Health Pakistan Limited	11,000	-	-	-	-	11,000	1,932	2,821	0.04	0.04	0.01
Searle Pakistan Limited	157,727	-	-	-	-	157,727	43,870	29,769	0.40	0.41	0.09
							133,896	107,290	1.44	1.48	
Chemical											
Agritech Limited	1,475,333	-	-	-	-	1,475,333	6,830	6,241	0.08	0.09	0.38
Archroma Pakistan	22,800	-	-	-	-	22,800	10,851	14,022	0.19	0.19	0.07
Alkzo Noble Pakistan Limited	191,796	-	-	-	-	191,796	11,533	51,568	0.70	0.71	0.41
ICI Pakistan Limited	33,569	-	-	-	-	33,569	4,062	22,654	0.31	0.31	0.04
							33,276	94,485	1.28	1.30	
Paper and Board											
Packages Limited	141,882	10,000	-	-	-	151,882	72,309	60,561	0.82	0.83	0.17
							72,309	60,561	0.82	0.83	

Name of Investee Companies	As at 01 July 2019	Purchases during the period	Bonus shares received during the period	Right shares purchased/subscribed during the period	Sale during the period	As at December 31, 2019	Cost/ Carrying value as at December 31, 2019	Market Value as at December 31, 2019	Market value as a percentage of net assets	Market Value as a percentage of total investment	Holding as a percentage of paid-up capital of the investee company held
	(Number of Shares)				Rupees in '000			%			
Leather and Tanneries											
Bata Pakistan Limited	3,620	1,060	-	-	-	4,680	8,395	9,327	0.13	0.13	0.06
Service Industries Limited	137,662	5,000	34,415	-	-	177,077	60,937	137,557	1.86	1.89	1.41
							<u>69,332</u>	<u>146,884</u>	<u>1.99</u>	<u>2.02</u>	
Foods and Personal Care Products											
Al-Tahir Limited	458,326	-	45,832	-	-	504,158	9,624	10,561	0.14	0.15	0.34
Engro Foods Limited	54,900	-	-	-	-	54,900	4,408	4,354	0.06	0.06	0.01
MATCO Foods Limited	259,663	-	-	-	-	259,663	6,430	6,671	0.09	0.09	0.21
Mitchell's Fruit Farms Limited	11,800	-	-	-	-	11,800	3,127	3,722	0.05	0.05	0.15
Shezan International Limited	11,770	2,400	-	-	-	14,170	6,149	7,091	0.10	0.10	0.16
Nestle Pakistan Limited	-	720	-	-	-	720	5,226	5,796	0.08	0.08	0.00
							<u>34,964</u>	<u>38,195</u>	<u>0.52</u>	<u>0.53</u>	
Miscellaneous											
Synthetic Product Enterprise Limited	280,500	-	11,220	-	-	291,720	7,738	10,181	0.14	0.14	0.34
							<u>7,738</u>	<u>10,181</u>	<u>0.14</u>	<u>0.14</u>	
Total as at December 31, 2019							<u>4,564,691</u>	<u>7,252,750</u>			
Total as at June 30, 2019							<u>4,548,834</u>	<u>6,054,962</u>			

5.2.1 All shares are fully paid up ordinary shares of Rs.10 each except Agriauto Industries Limited and Thal Limited which have fully paid up ordinary shares of Rs 5 each.

5.3 Investments include shares with market value of Rs 1,046.040 million (June 30, 2019: 926.445 million) which have been pledged with National Clearing Company of Pakistan 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.

5.4 Net unrealised appreciation / (diminution) on re-measurement of investments classified at 'fair value through profit or loss'	Note	December 31	
		2019	2018
		(Unaudited)	
		Rupees in '000	
Market value of investments	5.1	20,589	25,386
Less: Carrying value of investments	5.1	18,382	25,751
		<u>2,207</u>	<u>(365)</u>

5.5 Appreciation / (diminution) on re-measurement of investments classified as 'at fair value through other comprehensive income'	Note	December 31	
		2019	2018
		(Unaudited)	
		Rupees in '000	
Market value of investments	5.2	7,252,750	6,604,360
Less: Carrying cost of Investments	5.2	4,564,691	4,170,597
		2,688,059	2,433,763
Add: Changes in fair value of investments disposed of during the period		30,849	192,994
Less: Net unrealised appreciation in the fair value of investments at the beginning of the period		1,506,128	3,906,070
Amount of unrealised (appreciation) / diminution pertaining to disposed of securities		(73,442)	95,396
		1,432,686	4,001,466
		<u>1,286,222</u>	<u>(1,374,709)</u>

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

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

During the year ended June 30, 2018, the Supreme Court of Pakistan passed a judgement on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically. The CISs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019 and on July 15, 2019, the Honourable High Court of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication and the Funds have included these shares in their portfolio, as the management is confident that the decision of the constitutional petition will be in favour of the CISs.

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

As an abundant caution, the Fund has made payment which is equivalent to 5% value of the bonus shares, determined on the basis of day-end price on the first day of book closure. The payment has been recorded as part of cost of respective investment. Detail is as follows:

Name of Security	December 31, 2019 (Unaudited)			June 30, 2019 (Audited)		
	Number of bonus shares	Market value	Payment made to the investee company	Number of bonus shares	Market value	Payment made to the investee company
	—(Rupees in '000)—			—(Rupees in '000)—		
Faysal Bank Limited*	2,682	51	42	2,682	58	42
Faysal Bank Limited***	1,977	38	42	1,977	43	42
Mari Petroleum Company Limited **	4,887	6,403	-	4,887	4,933	-
The Searle Company Limited***	223	42	122	223	33	122
Synthetic Product Enterprise Limited ****	1,275	45	-	1,275	28	-
Pakistan State Oil Company Limited ****	16,307	3,125	-	16,307	2,766	-
The Searle Company Limited ****	768	145	-	768	113	-
Faysal Bank Limited ****	3,261	62	-	3,261	70	-
		9,911	206		8,044	206

* Faysal Bank Limited has released the above mentioned bonus shares and has retained the payments.

** Mari Petroleum Company Limited has returned the payment on January 14, 2015 and has not released the shares due to court order and recorded as liability.

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

**** Synthetic Product Enterprise Limited, Pakistan State Oil Company Limited, The Searle Company Limited and Faysal Bank Limited have not released the bonus shares due to court order and recorded as liability. (refer note 10)

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