

NIT - ISLAMIC EQUITY 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 - ISLAMIC EQUITY FUND

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **NIT - Islamic Equity 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.

Chartered Accountants

Engagement Partner: **Shahbaz Akbar**

Dated: February 26, 2020

Karachi

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**NIT - ISLAMIC EQUITY 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	5	219,823	180,232
Investments	6	3,327,647	2,922,233
Dividend and profit receivable	7	15,557	3,101
Preliminary expenses and floatation costs		378	877
Security deposits		2,600	2,600
Total assets		3,566,005	3,109,043
Liabilities			
Payable to National Investment Trust Limited - Management Company	8	17,438	16,821
Payable to Central Depository Company of Pakistan Limited - Trustee	9	425	378
Annual fee payable to Securities and Exchange Commission of Pakistan	10	290	3,454
Payable against redemption of units		33	-
Accrued expenses and other liabilities	11	40,001	42,437
Dividend payable		329	127
Total liabilities		58,516	63,217
Net assets		3,507,489	3,045,826
Unit holders' fund (as per statement attached)		3,507,489	3,045,826
Contingencies and commitments	12		
		----- (Number of units) -----	
Number of units in issue		405,053,119	412,041,898
		----- (Rupees) -----	
Net asset value per unit		8.66	7.39

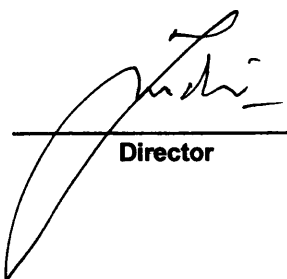
The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

Attest

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



Managing Director



Director



Director



Chief Financial Officer

NIT - ISLAMIC EQUITY 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	2019	2018
	(Restated)		(Restated)	
	Rupees in '000			
Income				
Dividend income	89,538	97,791	48,729	59,242
Gain / (loss) on sale of investments - net	1,500	291	1,500	155
Profit on bank deposits	9,353	13,578	6,556	6,841
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'at fair value through profit or loss'	6.3 2,446	(4,884)	5,129	(2,471)
	102,837	106,776	61,914	63,767
Expenses				
Remuneration of National Investment Trust Limited - Management Company	8.1 29,720	38,988	16,193	18,594
Sindh sales tax on remuneration of Management Company	8.2 3,864	5,068	2,106	2,417
Allocation of expenses related to registrar services, accounting, operation and valuation services	8.3 1,497	1,933	818	911
Selling and marketing expenses	8.4 2,844	1,178	1,921	1,178
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1 1,989	2,453	1,061	1,181
Sindh sales tax on remuneration of Trustee	9.1 259	319	138	154
Annual fee - Securities and Exchange Commission of Pakistan	10 297	1,850	162	882
Custodian charges of Central Depository Company of Pakistan Limited	19	52	16	44
Securities transaction costs	-	142	-	7
Settlement and bank charges	366	180	366	156
Auditors' remuneration	363	282	184	132
Amortization of preliminary expenses and floatation costs	499	499	252	252
Shariah advisory fee	326	331	165	169
Charity expenses	1,943	1,875	(903)	1,398
Annual listing fees	28	-	-	-
Printing and related costs	38	15	38	10
Total expenses	44,052	55,165	22,517	27,485
Net income from operating activities	58,785	51,611	39,397	36,282
Provision for Sindh Workers' Welfare Fund	11.1 (1,176)	-	(788)	-
Net income for the period before taxation	57,609	51,611	38,609	36,282
Taxation	13 -	-	-	(298)
Net income for the period after taxation	57,609	51,611	38,609	36,580
Allocation of net income for the period after taxation				
Net income for the period after taxation	57,609	51,611		
Income already paid on units redeemed	(256)	-		
	57,353	51,611		
Accounting income available for distribution:				
- Relating to capital gains	3,928	-		
- Excluding capital gains	53,425	51,611		
	57,353	51,611		

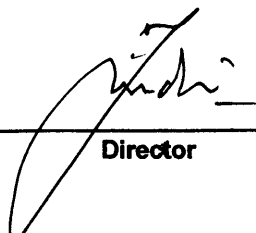
The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

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



 Managing Director



 Director



 Director



 Chief Financial Officer

**NIT - ISLAMIC EQUITY 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	57,609	51,611	38,609	36,580
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'	6.4 537,357	(698,139)	770,993	(527,412)
Total comprehensive income / (loss) for the period	<u>594,966</u>	<u>(646,528)</u>	<u>809,602</u>	<u>(490,832)</u>

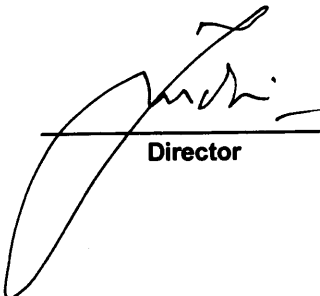
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**For National Investment Trust Limited
(Management Company)**



Managing Director



Director



Director



Chief Financial Officer

NIT - ISLAMIC EQUITY 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				Six months period ended December 31, 2018				
	Capital Value	Undistributed income / (accumulated loss)	Unrealised diminution on 'at fair value through other comprehensive income' investments	Total	Capital Value	Undistributed income / (accumulated loss)	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	4,124,655	(63,010)	(1,015,819)	3,045,826	4,192,974	(70,949)	11,698	-	4,133,723
Change in accounting policy on adoption of IFRS 9	-	-	-	-	-	-	(11,698)	11,698	-
Net assets at beginning of the period - restated	4,124,655	(63,010)	(1,015,819)	3,045,826	4,192,974	(70,949)	-	11,698	4,133,723
Issue of 43,342,925 units (2018: 30,994,586 units)									
Capital Value	312,069	-	-	312,069	287,755	-	-	-	287,755
Element of income	15,070	-	-	15,070	1,420	-	-	-	1,420
Amount received on issuance of units	327,139	-	-	327,139	289,175	-	-	-	289,175
Issue of 111,054 units in lieu of refund of capital	802	-	-	802	-	-	-	-	-
Redemption of 57,144,519 units (2018: 37,220,426 units)									
Capital Value	(411,441)	-	-	(411,441)	(355,569)	-	-	-	(355,569)
Element of income	(19,646)	(256)	-	(19,902)	(466)	-	-	-	(466)
Amount paid / payable on redemption of units	(431,087)	(256)	-	(431,343)	(356,035)	-	-	-	(356,035)
Total comprehensive income / (loss) for the period	-	57,609	537,357	594,966	-	51,611	-	(698,139)	(646,528)
Issue of 6,701,761 units under CIP (2018: Nil units)	48,387	-	-	48,387	-	-	-	-	-
Transfer of loss on disposal of investments classified as 'at fair value through other comprehensive income' to undistributed income	-	(120,874)	120,874	-	-	(40,064)	-	40,064	-
Final distribution for the year ended June 30, 2019 (Date: July 5, 2019 @ Re 0.19 per unit)	-	(77,486)	-	(77,486)	-	-	-	-	-
Refund of capital	(802)	-	-	(802)	-	-	-	-	-
Net assets at the end of the period	4,069,094	(204,017)	(357,588)	3,507,489	4,126,114	(59,402)	-	(646,377)	3,420,335
	(Rupees in '000)				(Rupees in '000)				
Undistributed income / (accumulated loss) brought forward									
- Realized loss		(51,210)				(70,949)			
- Unrealized loss		(11,800)				-			
		(63,010)				(70,949)			
Accounting income available for distribution									
- Relating to capital gains		3,928				-			
- Excluding capital gains		53,425				51,611			
		57,353				51,611			
Transfer of loss on disposal of investments classified as 'at fair value through other comprehensive income' to undistributed income		(120,874)				(40,064)			
Final distribution for the year ended June 30, 2019 (Date: July 5, 2019 @ Re 0.19 per unit)		(77,486)				-			
Undistributed income / (accumulated loss) carried forward		(204,017)				(59,402)			
Undistributed income / (accumulated loss) carried forward									
- Realized loss		(206,463)				(54,518)			
- Unrealized income / (loss)		2,446				(4,884)			
		(204,017)				(59,402)			
Net asset value per unit at beginning of the period				7.39					9.91
Net asset value per unit at end of the period				8.66					8.32

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

For National Investment Trust Limited
(Management Company)

Managing Director

Director

Director

Chief Financial Officer

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

Note	Six months period ended	
	December 31	
	2019	2018 (Restated)
-----Rupees in '000-----		
CASH FLOWS FROM OPERATING ACTIVITIES		
	57,609	51,611
Net income for the period before taxation		
Adjustments for:		
Amortization of preliminary expenses and floatation costs	499	499
Net unrealised (appreciation) / diminution on re-measurement of investments classified as 'at fair value through profit or loss'	(2,446)	4,884
	<u>55,662</u>	<u>56,994</u>
Decrease / (Increase) in assets		
Investments - net	134,389	(183,389)
Advance against IPO subscription	-	6,350
Dividend and profit receivable	(12,456)	12,509
	<u>121,933</u>	<u>(164,530)</u>
(Decrease) / increase in liabilities		
Payable to National Investment Trust Limited - Management Company	617	54
Payable to Central Depository Company of Pakistan Limited - Trustee	47	(50)
Annual fee payable to the Securities and Exchange Commission of Pakistan	(3,164)	(2,272)
Payable against redemption of units	33	-
Payable against purchase of investments	-	(8,882)
Accrued expenses and other liabilities	(2,436)	1,524
	<u>(4,903)</u>	<u>(9,626)</u>
Net cash generated from / (used in) operating activities	<u>172,692</u>	<u>(117,162)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	327,139	289,170
Payment against redemption of units	(431,343)	(358,680)
Dividend paid	(28,897)	(61)
Net cash used in financing activities	<u>(133,101)</u>	<u>(69,571)</u>
Net increase / (decrease) in cash and cash equivalents during the period	<u>39,591</u>	<u>(186,733)</u>
Cash and cash equivalents at the beginning of the period	180,232	460,460
Cash and cash equivalents as at the end of the period	<u>5</u> <u>219,823</u>	<u>273,732</u>

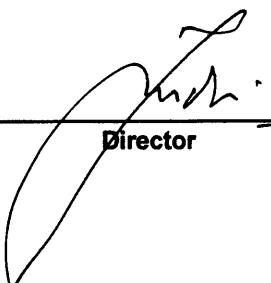
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**For National Investment Trust Limited
(Management Company)**



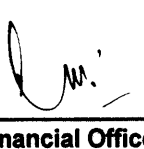
Managing Director



Director



Director



Chief Financial Officer

NIT - ISLAMIC EQUITY 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 Islamic Equity Fund (the Fund) was established under a Trust Deed executed between National Investment Trust Limited (NITL) as Management Company and the Central Depository Company of Pakistan Limited as Trustee. The Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) on February 03, 2015 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) and the Trust Deed was executed on February 24, 2015. The Fund is categorized as an 'Equity Scheme' in accordance with the criteria for categorisation of open-ended collective investment scheme as specified by the Securities and Exchange Commission of Pakistan (SECP) and other allied matters.
- 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 and is listed on Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.
- 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 to provide the unit holders safe and Halal income on their investment. Under the Trust Deed all conducts and acts of the Fund are based on Shariah. The Management Company has appointed Mufti Zeeshan Ali Aziz as Shariah Advisor to the NIT Islamic Equity Fund to ensure that the activities of the Fund are in compliance with the Principles of Shariah.
- 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 the Central Depository Company of Pakistan Limited as trustee of the Fund.

2 BASIS OF PRESENTATION

The transactions undertaken by the Fund are in accordance with the process prescribed under the Shariah guidelines issued by the Shariah Advisor and are accounted for on substance rather than the form prescribed by the earlier referred guidelines. This practice is being followed to comply with the requirements of the accounting and reporting standards as applicable in Pakistan.

3 BASIS OF PREPARATION

3.1 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 from 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.

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3.2 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.

3.3 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 Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby 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.

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

4.1 The accounting policies adopted and the methods of computation of the 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.

4.2 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 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 applied to the financial statements of the Fund 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 annual financial statements of the Fund for the year ended June 30, 2019.

4.3 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 loss on sale of investments - net	40,064
Decrease in impairment loss on equity securities classified as 'at available of sale'	618,092
Increase in net income for the period after taxation	<u>658,156</u>
Impact on condensed Interim statement of comprehensive income	
Decrease in net unrealised diminution on re-measurement of investments classified as 'available of sale'	39,983
Decrease in fair value of investments classified as financial assets at 'FVOCI'	(698,139)
Increase in other comprehensive loss for the period	<u>(658,156)</u>

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As at
December
31, 2018
(Unaudited)
(Rupees in '000)

Impact on condensed interim statement of movement in unit holders' fund	
Decrease in unrealised appreciation of investments classified as 'available for sale'	(11,698)
Increase in unrealised appreciation of investments classified as at ' FVOCI'	11,698
	-

4.4 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.

4.5 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) -----Rupees in '000-----	June 30, 2019 (Audited)
5 BANK BALANCES			
In savings accounts	5.1	219,823	180,232
		219,823	180,232

These represent balances with banks in savings accounts carrying profit rates ranging from 11.00% to 14.35% per annum. (June 30, 2019: 2.40% to 10.10% per annum)

	Note	December 31, 2019 (Unaudited) -----Rupees in '000-----	June 30, 2019 (Audited)
6 INVESTMENTS			
Financial assets at 'fair value through profit or loss'			
Listed equity securities	6.1	18,074	24,264
Financial assets at 'fair value through other comprehensive income'			
Listed equity securities	6.2	3,309,573	2,897,969
		3,327,647	2,922,233

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6.1 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	Merger / demerger adjustment effects	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
Textile Composite												
Nishat Mills Limited	98,500	-	-	-	-	-	98,500	9,194	10,455	0.30	0.31	0.03
								9,194	10,455	0.30	0.31	
Cement												
Pioneer Cement Limited	150,000	-	-	-	-	50,000	100,000	2,265	3,049	0.09	0.09	0.04
								2,265	3,049	0.09	0.09	
Power Generation and Distribution												
The Hub Power Company Limited	95,281	-	-	-	-	95,281	-	-	-	-	-	-
								-	-	-	-	
Oil and Gas Marketing Companies												
Sui Northern Gas Pipeline Limited	60,000	-	-	-	-	-	60,000	4,169	4,570	0.13	0.14	0.01
								4,169	4,570	0.13	0.14	
Total as at December 31, 2019								15,628	18,074			
Total as at June 30, 2019								36,064	24,264			

6.2 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	Merger / demerger adjustment effects	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
Commercial Banks												
Meezan Bank Limited	873,272	687,500	-	-	-	-	1,560,772	96,016	148,476	4.23	4.46	0.19
								96,016	148,476	2.29	2.40	
Textile Composite												
Nishat Mills Limited	355,100	-	-	-	-	-	355,100	50,053	37,690	1.07	1.13	0.10
								50,053	37,690	1.09	1.14	
Cement												
Cherat Cement Company Limited	485,900	-	48,590	-	-	225,000	309,490	32,232	16,418	0.47	0.49	0.18
D. G. Khan Cement Company Limited	1,599,000	25,000	-	-	-	700,000	924,000	104,462	68,625	1.96	2.06	0.52
Fauji Cement Company Limited	2,603,500	-	-	-	-	-	2,603,500	59,490	40,510	1.15	1.22	0.20
Lucky Cement Limited	616,450	82,400	-	-	-	103,100	595,750	339,134	255,219	7.28	7.67	0.18
								535,318	380,772	11.72	12.27	
Refinery												
National Refinery Limited	39,200	-	-	-	-	39,200	-	-	-	-	-	-
								-	-	-	-	
Power Generation & Distribution												
The Hub Power Company Limited	2,691,603	145,000	-	-	-	37,219	2,799,384	270,473	261,322	7.45	7.85	0.24
								270,473	261,322	6.93	7.25	
Oil and Gas Marketing Companies												
Pakistan State Oil Company Limited	496,212	75,000	99,242	-	-	67,500	602,954	134,391	115,550	3.29	3.47	0.15
Sui Northern Gas Pipelines Limited	984,100	-	-	-	-	-	984,100	109,039	74,959	2.14	2.25	0.16
Sui Southern Gas Company Limited	1,764,000	-	-	-	-	-	1,764,000	64,717	37,961	1.08	1.14	0.20
								308,147	228,470	6.15	6.44	
Oil and Gas Exploration Companies												
Oil & Gas Development Company	2,650,700	20,000	-	-	-	75,000	2,595,700	380,550	369,420	10.53	11.10	0.06
Mari Petroleum Company Limited	108,000	10,800	-	-	-	1,200	117,600	148,532	154,068	4.39	4.63	0.10
Pakistan Oilfields Limited	462,020	-	-	-	-	50,000	412,020	181,971	184,058	5.25	5.53	0.15
Pakistan Petroleum Limited	2,087,700	467,540	-	-	-	165,000	2,390,240	322,796	327,798	9.35	9.85	0.11
								1,033,849	1,035,344	29.52	31.11	

Alto

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	Merger / demerger adjustment effects	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)		%			
Engineering												
Crescent Steel & Allied Products Limited	23,300	-	-	-	-	23,300	-	-	-	-	-	-
International Industries Limited	119,300	-	11,930	-	-	15,000	116,230	27,801	12,883	0.37	0.39	0.10
International Steels Limited	925,100	-	-	-	-	185,000	740,100	92,850	42,844	1.22	1.29	0.17
Amreli Steel Limited	100,500	-	-	-	-	-	100,500	5,126	3,630	0.10	0.11	0.03
								<u>125,777</u>	<u>59,357</u>	<u>1.69</u>	<u>1.78</u>	
Automobile Assembler												
Honda Atlas Cars Limited	102,900	-	-	-	-	20,000	82,900	26,228	18,150	0.52	0.55	0.06
Indus Motor Company Limited	97,870	1,700	-	-	-	180	99,390	128,830	115,457	3.29	3.47	0.13
Millat Tractors Limited	33,580	-	4,197	-	-	-	37,777	30,338	26,611	0.76	0.80	0.09
Pak Suzuki Motor Company Limited	10,700	-	-	-	-	-	10,700	4,740	2,468	0.07	0.07	0.01
								<u>190,136</u>	<u>162,686</u>	<u>4.92</u>	<u>5.15</u>	
Automobile Parts and Assembler												
Agriauto Industries Limited	150,000	-	-	-	-	-	150,000	38,340	30,000	0.86	0.90	1.04
General Tyre And Rubber Company of Pakistan Limited	190,520	-	38,104	-	-	-	228,624	21,271	12,748	0.36	0.38	0.22
Thal Limited	136,800	-	-	-	-	-	136,800	51,474	46,270	1.32	1.39	0.34
								<u>111,085</u>	<u>89,018</u>	<u>2.54</u>	<u>2.68</u>	
Cable and Electric Goods												
Pak Elektron Limited	1,426,500	-	-	-	-	-	1,426,500	49,676	38,615	1.10	1.16	0.29
Pakistan Cables Limited	256,750	-	-	-	-	7,500	249,250	51,897	32,403	0.92	0.97	0.88
								<u>101,573</u>	<u>71,018</u>	<u>2.02</u>	<u>2.13</u>	
Fertilizer												
Dawood Hercules Corporation Limited	48,000	-	-	-	-	-	48,000	5,825	7,402	0.21	0.22	0.01
Engro Corporation Limited	605,110	10,000	-	-	-	-	615,110	165,532	212,367	6.05	6.38	0.12
Engro Fertilizer Limited	1,507,000	350,000	-	-	-	-	1,857,000	111,629	136,360	3.89	4.10	0.14
Fatima Fertilizer Company	609,500	-	-	-	-	100,000	509,500	19,059	13,548	0.39	0.41	0.02
Fauji Fertilizer Company Limited	680,600	-	-	-	-	500,000	180,600	14,556	18,325	0.52	0.55	0.01
								<u>316,601</u>	<u>388,002</u>	<u>11.06</u>	<u>11.66</u>	
Pharmaceuticals												
Abbot Laboratories (Pakistan) Limited	61,950	-	-	-	-	-	61,950	43,809	27,678	0.79	0.83	0.06
AGP Limited	100,000	-	-	-	-	-	100,000	8,000	9,935	0.28	0.30	0.04
Ferozsons Laboratories Limited	103,850	-	-	-	-	39,900	63,950	12,453	13,405	0.38	0.40	0.21
GlaxoSmithKline Pakistan Limited	388,900	-	-	-	-	86,200	302,700	61,692	48,605	1.39	1.46	0.10
GlaxoSmithKline Consumer Healthcare Limited	35,370	-	-	-	-	-	35,370	-	9,070	0.26	0.27	0.04
The Searle Pakistan Limited	505,160	-	-	-	-	25,000	480,160	150,352	90,625	2.58	2.72	0.26
								<u>276,306</u>	<u>199,318</u>	<u>5.44</u>	<u>5.89</u>	
Paper and Board												
Packages Limited	214,800	-	-	-	-	35,000	179,800	107,754	71,693	2.04	2.15	0.20
								<u>107,754</u>	<u>71,693</u>	<u>2.34</u>	<u>2.45</u>	
Leather and Tanneries												
BATA (Pakistan) Limited	5,120	-	-	-	-	-	5,120	9,728	10,204	0.29	0.31	0.07
Service Industries Limited	104,587	26,146	-	-	-	-	130,733	76,125	101,556	2.90	3.05	0.87
								<u>85,853</u>	<u>111,760</u>	<u>2.27</u>	<u>2.38</u>	
Foods and Personal Care Products												
Frieslandcampina Engro Pakistan Limited (Formerly Engro Foods Limited)	100,600	-	-	-	-	85,000	15,600	1,253	1,238	0.04	0.04	0.00
At-Tahur Limited	458,326	45,832	-	-	-	-	504,158	9,625	10,563	0.30	0.32	0.34
Mitchell's Fruit Farms Limited	32,550	-	-	-	-	-	32,550	8,626	10,267	0.29	0.31	0.41
Shezan International Limited	85,085	-	-	-	-	-	85,085	38,716	42,579	1.21	1.28	0.97
								<u>58,220</u>	<u>64,647</u>	<u>2.06</u>	<u>2.16</u>	
Total as at December 31, 2019								<u>3,667,161</u>	<u>3,309,573</u>			
Total as at June 30, 2019								<u>3,913,788</u>	<u>2,897,969</u>			

6.2.1 Investments include shares with market value of Rs 86.218 million (June 30, 2019: Rs 152.165 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.

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6.2.2 All shares have a nominal face value of Rs. 10 each except for shares of Agriautos Industries Limited and Thal Limited which have a face value of Rs. 5.

		December 31	
		2019	2018
		----- (Unaudited) -----	
		----- Rupees in '000 -----	
6.3	Net unrealised appreciation / (diminution) on re-measurement of investment classified as 'at fair value through profit or loss'	Note	
	Market value of investments	6.1	18,074
	Less: Carrying value of investments	6.1	(15,628)
			<u>2,446</u>
			<u>30,666</u>
			<u>(35,550)</u>
			<u>(4,884)</u>

		December 31	
		2019	2018
		----- (Unaudited) -----	
		----- Rupees in '000 -----	
6.4	Appreciation / (diminution) on re-measurement of investments classified as financial assets at 'fair value through other comprehensive income'	Note	
	Market value / carrying value of investments	6.2	3,309,573
	Less: Cost of investments	6.2	3,667,161
			<u>(357,588)</u>
	Add: Changes in fair value of investments disposed of during the year		37,138
			<u>(55,785)</u>
	Less: Net unrealised (diminution) / appreciation in the fair value of investments at the beginning of the year		(1,015,819)
	Amount of unrealised diminution / (appreciation) pertaining to disposed of securities		11,698
			<u>158,012</u>
			<u>(857,807)</u>
			<u>(4,023)</u>
			<u>537,357</u>
			<u>(698,139)</u>

6.5 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.

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 payments which are equivalent to 5% of the value of the respective bonus shares, determined on the basis of day-end price on the first day of book closure. These payments have been recorded as part of cost of respective investments. Details are as follows.

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Name of security	December 31, 2019 (Unaudited)			June 30, 2019 (Unaudited)		
	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) -----		
The Searle Pakistan Limited*	4,947	934	2,485	4,947	725	2,485
The Searle Pakistan Limited**	1,329	251	-	1,329	195	-
Pakistan State Oil Company Limited**	4,748	910	-	4,748	805	-
The Searle Pakistan Limited**	3,755	709	-	3,755	550	-
		2,803	2,485		2,275	2,485

* The Searle Pakistan Limited has not released the bonus shares and has retained the payment due to court order.

** The Searle Pakistan Limited and Pakistan State Oil Company Limited have not released the shares due to court order and recorded as a liability (refer note 11).

	Note	December 31, 2019 (Unaudited)	June 30, 2019 (Audited)
		----- Rupees in '000 -----	
7			
DIVIDEND AND PROFIT RECEIVABLE			
Dividend receivable		12,950	2,068
Profit receivable on savings accounts		2,607	1,033
		15,557	3,101
8			
PAYABLE TO NATIONAL INVESTMENT TRUST LIMITED - MANAGEMENT COMPANY			
Management remuneration payable	8.1	5,874	5,080
Sindh sales tax payable on management remuneration	8.2	764	660
Preliminary expenses and floatation costs		5,000	5,000
Payable against allocation of expenses related to registrar services accounting, operation and valuation services	8.3	306	253
Selling and marketing expense	8.4	2,844	3,178
Other payable		2,650	2,650
		17,438	16,821

8.1 The Management Company has charged its remuneration at the rate of 2% (June 30, 2019: 2%) per annum of the average net assets of the Fund calculated on daily basis during the period ended December 31, 2019. The remuneration is payable to the Management Company monthly in arrears.

8.2 During the period, Sindh sales tax at the rate of 13% (June 30, 2019: 13%) was charged on the management remuneration.

8.3 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

Until June 19, 2019 there was a maximum cap of 0.1% of the average annual net assets of the scheme or actual whichever is less, for allocation of such expense to the Fund. However, the SECP vide its SRO 639 dated June 20, 2019 removed the maximum cap of 0.1%.

The Management Company based on its own discretion has currently fixed a maximum capping of 0.1 percent of the average annual net assets of the scheme for allocation of such expenses to the Fund.

8.4 The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for a period of three years (i.e. from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense was 0.4% per annum of the net assets of the Fund or actual expenses whichever is lower.

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