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NIT - MONEY MARKET FUND

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2019

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the unit holders of NIT - Money Market Fund

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **NIT - Money Market Fund** (the Fund) as at **31 December 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 and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management Company is responsible for the preparation and presentation of this interim financial statements in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review. The figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended 31 December 2019 and 31 December 2018 have not been subject to limited scope review by the external auditors as we are only required to review the cumulative figures for the six-month period ended 31 December 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 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 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.

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

Chartered Accountants

Karachi

Date: 24 February 2020

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

		December 31, 2019 (Unaudited)	June 30, 2019 (Audited)
	Note	----- (Rupees in '000) -----	
ASSETS			
Bank balances	4	3,857,190	3,360,422
Investments	5	436,834	128,127
Profit receivable		49,740	10,450
Preliminary expenses and floatation costs		238	351
Security deposits		100	100
Total assets		4,344,102	3,499,450
LIABILITIES			
Payable to National Investment Trust Limited - Management Company		4,701	3,637
Payable to Central Depository Company of Pakistan Limited - Trustee		278	324
Payable to Securities and Exchange Commission of Pakistan	6	425	1,397
Accrued expenses and other liabilities	7	15,826	9,899
Dividend payable		47,052	-
Total liabilities		68,282	15,257
NET ASSETS		4,275,820	3,484,193
Unit holders' fund (as per statement attached)		4,275,820	3,484,193
Contingencies and commitments	8		
		----- (Number of units) -----	
Number of units in issue		437,270,580	323,334,183
		----- (Rupees) -----	
Net asset value per unit		9.7784	10.7758

The annexed notes from 1 to 16 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 - MONEY MARKET FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE SIX AND THREE MONTHS PERIOD ENDED DECEMBER 31, 2019

	Six months period ended December 31,		Quarter ended December 31,	
	2019	2018	2019	2018
	(Unaudited)			
	Note (Rupees in '000)			
INCOME				
Income from government securities	151,507	32,231	60,641	18,044
Income from letter of placements	6,272	297	-	228
Profit on bank deposits	131,161	25,570	84,527	15,496
Gain / (loss) on sale of investments -net	1,155	(1,441)	133	(1,471)
Total income	290,095	56,657	145,301	32,297
EXPENSES				
Remuneration of National Investment Trust Limited - Management Company	14,331	4,196	7,196	2,371
Sindh Sales Tax on remuneration to Management Company	1,863	545	935	308
Remuneration of Central Depository Company of Pakistan Limited - Trustee	1,381	878	683	453
Sindh Sales Tax on remuneration of Trustee	180	114	89	59
Annual fee - Securities and Exchange Commission of Pakistan	425	499	210	263
Allocation of expenses related to registrar services, accounting, operation and valuation services	2,129	669	1,053	349
Amortisation of preliminary expenses and floatation costs	113	114	56	57
Securities transaction costs	68	-	14	-
Auditors' remuneration	204	169	112	86
Legal and professional charges	184	108	91	61
Settlement and bank charges	287	121	219	105
Listing fee	28	153	-	153
Trust deed registration fee	-	99	-	89
Printing charges	30	13	12	13
Total expenses	21,223	7,678	10,670	4,367
Net income from operating activities	268,872	48,979	134,631	27,930
Provision for Sindh Workers' Welfare Fund	(5,377)	(980)	(2,693)	(559)
Net income for the period before taxation	263,495	47,999	131,938	27,371
Taxation	-	-	-	-
Net income for the period	263,495	47,999	131,938	27,371
Allocation of net income for the period after taxation				
Net income for the period	263,495	47,999	131,938	27,371
Income already paid on units redeemed	(28,147)	(10,241)	(15,122)	(9,007)
	235,348	37,758	116,816	18,364
Accounting income available for distribution:				
-Relating to capital gains	1,155	-	133	-
-Excluding capital gains	234,193	37,758	116,683	18,364
	235,348	37,758	116,816	18,364

The annexed notes from 1 to 16 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 - MONEY MARKET FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX AND THREE MONTHS PERIOD ENDED DECEMBER 31, 2019

	Six months period ended		Quarter ended	
	December 31,		December 31,	
	2019	2018	2019	2018
	----- (Rupees in '000) -----			
Net income for the period after taxation	263,495	47,999	131,938	27,371
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u><u>263,495</u></u>	<u><u>47,999</u></u>	<u><u>131,938</u></u>	<u><u>27,371</u></u>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

For National Investment Trust Limited
(Management Company)


Managing Director


Director


Director


Chief Financial Officer

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

	December 31,					
	2019			2018		
	Value	Undistributed Income	Total	Value	Undistributed Income	Total
	Unaudited					
	(Rupees in '000)					
Net assets at the beginning of the period	3,369,415	114,778	3,484,193	1,265,586	56,819	1,322,405
Issue of 578,458,521 units (2018: 119,543,305 units)						
Value	5,656,399	-	5,656,399	1,170,668	-	1,170,668
Element of income	32,285	-	32,285	25,651	-	25,651
Amount received on issuance of units	5,688,684	-	5,688,684	1,196,319	-	1,196,319
Issue of 17,713,944 units in lieu of refund of capital	173,492	-	173,492			
Redemption of 507,115,466 units (2018: 105,103,528 units)						
Value	(4,958,778)	-	(4,958,778)	(1,040,160)	-	(1,040,160)
Element of income						
- Income already paid	-	(28,147)	(28,147)	-	(10,241)	(10,241)
- Refund / adjustment on units	(6,819)	-	(6,819)	(10,469)	-	(10,469)
Amount paid / payable on redemption of units	(4,965,597)	(28,147)	(4,993,744)	(1,050,629)	(10,241)	(1,060,870)
Total comprehensive income for the period	-	263,495	263,495	-	47,999	47,999
Issue of 24,879,398 units under CIP (2018: 5,775,997 units)	243,480	-	243,480	57,226	-	57,226
Final distribution for the year ended June 30, 2019: Rs. 0.9974 per unit [(Date of Distribution: July 05, 2019)] (2018: 0.6693) per unit [(Date of Distribution: July 05, 2018)]	-	(168,031)	(168,031)	-	(71,339)	(71,339)
Interim distribution for the period	-	(235,621)	(235,621)	-	-	-
Refund of capital	(180,128)	-	(180,128)	-	-	-
Net assets at the end of the period	<u>4,329,346</u>	<u>(53,526)</u>	<u>4,275,820</u>	<u>1,468,502</u>	<u>23,238</u>	<u>1,491,740</u>
Net assets at the end of the period						
Undistributed income brought forward						
- Realized income		114,778			56,819	
- Unrealized income		-			-	
		<u>114,778</u>			<u>56,819</u>	
Accounting income available for distribution						
- Relating to capital gains		1,155			-	
- Excluding capital gains		234,193			37,758	
		<u>235,348</u>			<u>37,758</u>	
Final distribution for the year ended June 30, 2019: Rs. 0.9974 per unit [(Date of Distribution: July 05, 2019)] (2018: 0.6693) per unit [(Date of Distribution: July 05, 2018)]		(168,031)			(71,339)	
Interim distribution for the period		(235,621)			-	
Undistributed income carried forward		<u>(53,526)</u>			<u>23,238</u>	
Undistributed income carried forward comprising						
- Realized income		(53,526)			23,238	
- Unrealized income		-			-	
		<u>(53,526)</u>			<u>23,238</u>	
Net assets value per unit at beginning of the period			(Rupees) <u>10.7758</u>			(Rupees) <u>10.5675</u>
Net assets value per unit at end of the period			<u>9.7784</u>			<u>10.2627</u>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

For National Investment Trust Limited
(Management Company)

Managing Director

Director

Director

Chief Financial Officer

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

	December 31,	
	2019	2018
	(Unaudited)	
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	263,495	47,999
(Increase) / decrease in assets		
Investments	(308,707)	597,773
Accrued income	(39,290)	(10,710)
Amortization of preliminary expenses and floatation costs	113	(2,787)
	(347,884)	584,276
Increase in liabilities		
Payable to National Investment Trust Limited - Management Company	1,064	555
Payable to Central Depository Company of Pakistan Limited - Trustee	(46)	8
Payable to Securities and Exchange Commission of Pakistan	(972)	(579)
Payable against redemption of units	-	(518)
Accrued expenses and other liabilities	5,927	1,064
	5,973	530
Net cash (used in) / generated from operating activities	(78,416)	632,805
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issue of units - including CIP	5,932,164	1,253,545
Payments on redemption of units	(4,993,744)	(1,060,870)
Dividend paid	(363,236)	(71,339)
Net cash generated from financing activities	575,184	121,336
Net increase in cash and cash equivalents during the period	496,768	754,141
Cash and cash equivalents at the beginning of the period	3,360,422	731,868
Cash and cash equivalents at the end of the period	3,857,190	1,486,009

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The annexed notes from 1 to 16 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 - MONEY MARKET FUND
NOTES TO AND FORMING PART OF THE FINANCIAL INFORMATION (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** The NIT Money Market Fund (Formerly; NIT - Government Treasury Fund) ("the Fund") was established under a Trust Deed executed between National Investment Trust Limited (NITL) as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter no. SCD/AMCW/NITL/78/ 2015 dated September 02, 2015 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) and the Trust Deed was executed on September 09, 2015.

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

The Fund is categorised as Money Market Scheme as per criteria for categorisation of open end collective investment scheme as specified by SECP and other allied matters. The units of the Fund were initially issued at Rs. 10 per unit.

- 1.2** The Management Company of the Fund has been classified as a Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is situated at 6th floor, National Bank of Pakistan Building, I. I. Chundrigar Road, Karachi.
- 1.3** The Fund has received Rs. 759 million against IPO from various investors on 22 January 2016 and, accordingly commenced its business activities from 25 January 2016.
- 1.4** The Fund is an open-ended mutual fund and is listed on Pakistan Stock Exchange and units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The units of the Fund were initially offered for public subscription at par from 22 January 2016. The objective of the Fund is to invest primarily in fixed income securities issued by the Government of Pakistan (GoP), which are highly liquid and have low credit risk. After registration of first supplemental Trust Deed this has now been changed to invest in low risk, short tenor fixed income securities / money market instruments.
- 1.5** Pakistan Credit Rating Agency Limited (PACRA) has assigned "AAA(f)" rating to the Fund and has assigned an asset manager rating of "AM2++" to the Management Company.
- 1.6** Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as Trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

- 2.1.1** This condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Act, 2017 along with part and the requirements VIII A of the repealed Companies Ordinance, 1984 and the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008, (the NBFC Regulations). Where provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations have been followed.
- 2.1.2** This condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the annual financial statements of the Fund as at and for the year ended 30 June 2019.
- 2.1.3** This condensed interim financial information is being submitted to the unit holders as required under Regulation 38 (2)(f) of the Non-Banking Finance Companies and notified Entities Regulations, 2008 (NBFC Regulations).
- 2.2** In compliance with schedule V of the NBFC Regulations, the Directors of the Management Company, hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at December 31, 2019.

2.3 Functional and presentation currency

This condensed interim financial information is presented in Pak Rupees, which is the fund's functional and presentational currency.

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 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.
- 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 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 judgments 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.

3.3 New / Revised Standards, Interpretations and Amendments

The Fund has adopted the following standards and amendment to IFRSs which became effective for the current period:

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

IFRS 9 Prepayment Features with Negative Compensation (Amendments)

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

IFRS 16 Leases

IAS 12 Income Taxes: Income tax consequences of payments on financial instruments classified as equity (Amendments)

IAS 19 Plan Amendment, Curtailment or Settlement (Amendments)

IAS 23 Borrowing Costs: Borrowing costs eligible for capitalisation

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

IFRIC Interpretation 23 Uncertainty over Income Tax Treatments

The adoption of the above amendments to accounting standards and interpretations did not have any effect on these condensed interim financial statements.

- 3.4 The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements of the Fund as at and for the year ended June 30, 2019.

		Un-audited 31 December 2019	Audited 30 June 2019
	Note	(Rupees in '000)	
4 BANK BALANCES			
In saving accounts	4.1	<u>3,857,190</u>	<u>3,360,422</u>

- 4.1 These represent balances with banks in savings accounts carrying mark-up rates ranging from 4.00% to 14.50% per annum. (30 June 2019: 4% to 13.55% per annum).

5 INVESTMENTS

		December 31, 2019 (Un audited)	June 30, 2019 (Audited)
	Note	(Rupees in '000)	
Fair value through profit or loss			
- Market Treasury Bills	5.1	-	-
- Commercial papers	5.2	436,834	128,127
- Certificate of Placement/ Clean Investment	5.3	-	-
		<u>436,834</u>	<u>128,127</u>

5.1 Market Treasury Bills

Issue date	Tenor	Face value				Balance as at 31 December 2019		Market value as a percentage of net assets	Market value as a percentage of total investments
		As at 1 July 2019	Purchases during the period	Sales / matured during the period	As at 31 December 2019	Carrying value	Market value		
(Rupees in '000)								(%)	
May 23, 2019	3 months	-	1,050,000	1,050,000	-	-	-	-	
July 18, 2019	3 months	-	3,130,000	3,130,000	-	-	-	-	
August 1, 2019	3 months	-	2,505,000	2,505,000	-	-	-	-	
August 16, 2019	3 months	-	3,230,000	3,230,000	-	-	-	-	
August 29, 2019	3 months	-	1,000,000	1,000,000	-	-	-	-	
October 10, 2019	3 months	-	500,000	500,000	-	-	-	-	
October 10, 2019	6 months	-	500,000	500,000	-	-	-	-	
October 24, 2019	3 months	-	500,000	500,000	-	-	-	-	
October 24, 2019	3 months	-	500,000	500,000	-	-	-	-	
November 7, 2019	3 months	-	750,000	750,000	-	-	-	-	
November 7, 2019	6 months	-	200,000	200,000	-	-	-	-	
Total - 31 December 2019		-	13,865,000	13,865,000	-	-	-	-	
Total - 30 June 2019		600,000	8,250,000	8,850,000	-	-	-	-	

5.2 Commercial paper

Name of investee Company	Number of certificate				Balance as at 31 December 2019		Market value as a percentage of net assets	Market value as a percentage of total investments	
	As at 1 July 2019	Purchases during the period	Sales / matured during the period	As at 31 December 2019	Carrying value	Market value			
(Rupees in '000)								(%)	
Hub Power Company	-	300	-	300	290,236	290,236	6.79	66.44	
K-Electric Limited	-	150	-	150	146,598	146,598	3.43	33.56	
Total - 31 December 2019	-	450	-	450	436,834	436,834	10.22	100.00	
Total - 30 June 2019	-	129	-	129	128,127	128,127	3.68	100.00	

5.2.1 These commercial paper carries effective yield of 15.40% and 15.38% respectively (June 30, 2019: 12.11%) per annum and will mature by March 2020 and February 2020 respectively.

5.3 Certificate of Investment/Clean Placements

Name of Investee Company	Number of certificate				Balance as at 31 December 2019		Market value as a percentage of net assets	Market value as a percentage of total investments	
	As at 1 July 2019	Purchases during the period	Sales / matured during the period	As at 31 December 2019	Carrying value	Market value			
(Rupees in '000)								(%)	
Pak Oman Investment Company Limited	-	575,000	575,000	-	-	-	-	-	
Total - 31 December 2019	-	575,000	575,000	-	-	-	-	-	
Total - 30 June 2019	-	375,000	375,000	-	-	-	-	-	

6 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)

6.1 SECP, vide SRO no. 685(I)/2019 dated June 2019, revised the rate of annual fee at 0.02% (2018: 0.095%) of net assets on all categories of collective investment schemes which is effective from July 01, 2019.

		December 31, 2019 (Un audited)	June 30, 2019 (Audited)
7 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	-----Rupees in '000-----	
Provision for Sindh Workers' Welfare Fund	7.1	11,639	6,262
Federal excise duty	7.2	291	291
Capital gain tax		3,482	3,114
Auditors' remuneration		214	156
Legal and professional charges		82	-
Printing charges		-	6
Brokerage		85	59
Withholding tax		33	11
		<u>15,826</u>	<u>9,899</u>

7.1 There is no change in the status of the SWWF as reported in note 13.1 to the annual financial statements of the Fund for the year ended June 30, 2019.

7.2 There is no change in the status of the appeal filed by the Federal Board of Revenue in the Honorable Supreme Court of Pakistan in respect of levy of Federal Excise Duty, as reported in note 13.2 to the annual financial statements of the Fund for the year ended June 30, 2019.

8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2019.

9 ALLOCATED EXPENSES

Uptil June 19, 2019 in accordance with Regulation 60 of the NBFC Regulations, the Management Company was entitled to charge expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS) at the rate of 0.1% of the average annual net assets of the scheme or actual whichever is less. However, SECP vide SRO 639 dated June 20, 2019 removed the maximum cap of 0.1%.

Therefore, the Management Company can now charge actual expenses related to registrar services, accounting, operations and valuation services to the CIS with effect from June 20, 2019. Accordingly, the Management Company has resolved in its board meeting that the allocated expenses will be charged based on the discretion of the Management Company being lower than the actual expense.

10 TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Provided that for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than capital gains / loss to the unit holders. The Fund has not recorded any tax liability in respect of income relating to the current period as the Management Company intends to distribute in cash at least 90 percent of the Fund's accounting income for the year ending 30 June 2020 as reduced by capital gains (whether realised or unrealised) to its unit holders in the form of cash.

11 TOTAL EXPENSE RATIO

Total Expense Ratio of the Fund is 1.25% as on December 31, 2019 (December 31, 2018: 1.3%) and this includes 0.37% (December 31, 2018: 0.32%) representing Government Levy, Sindh Workers' Welfare Fund (SWWF) and SECP fee. This ratio is within the maximum limit of 2.0% prescribed under the NBFC Regulations 60(5) for a collective investment scheme categorised as an Money Market Scheme.

12 TRANSACTIONS WITH CONNECTED PERSONS

- 12.1 Connected persons include National Investment Trust Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes managed by the Management Company, any person or company beneficially owning directly or indirectly 10% or more of the capital of the Management Company or the net assets of Fund and the directors and officers of the Management Company and the Trustee and unit holders holding 10 percent or more units of the Fund.
- 12.2 The transactions with connected persons are in the normal course of business, at contracted terms determined in accordance with the market rates.
- 12.3 Remuneration to the Management Company and the trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.
- 12.4 Details of transactions and balances at year end with related parties / connected persons, other than those which have been disclosed elsewhere in these financial statements, are as follows:

Details of the transactions with connected persons are as follows:	Six months period ended December 31,		Quarter ended December 31,	
	2019	2018	2019	2018
	(Unaudited)		(Unaudited)	
Transactions during the period	Rupees in '000		Rupees in '000	
National Investment Trust Limited - Management Company				
Issue of units: 10,174,136 units (2018: Nil units)	100,013	-	100,000	-
Issue of 10,558,991 units under CIP (2018: 4,721,937 units)	103,370	46,783	22,237	-
6,125,887 Units redeemed: (2018: 9,893,937 units)	60,000	100,000	60,000	100,000
Additional units: 16,728 as refund of capital (2018: 97,553 units)	-	-	-	-
Remuneration of the Management Company	14,331	4,196	7,196	2,371
Sindh Sales Tax on Management remuneration	1,863	545	936	308
Allocation of expenses related to registrar services, accounting, operation and valuation services	2,129	669	1,053	349
Central Depository Company of Pakistan Limited - Trustee				
Remuneration of the Trustee	1,381	878	683	453
Sindh Sales Tax on Trustee Remuneration	179	114	88	59
Engro Corporation Limited				
Issue of 6,776,853 units under CIP (2018: Nil units)	66,305	-	-	-
Additional units: 7,038,697 as refund of capital (2018: Nil units)	-	-	-	-

12.5 Amounts outstanding as at period end:

	December 31, 2019	June 30, 2019
	(Un audited)	(Audited)
	Rupees in '000	
National Investment Trust Limited - Management Company		
93,226,266 Units held (June 30, 2019: 78,602,298 units)	911,604	847,003
Management remuneration	2,707	1,839
Sindh Sales Tax	352	239
Preliminary expenses & floatation costs	1,125	1,125
Allocation of expenses related to registrar services, accounting, operation and valuation services	383	300
Others	134	134
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	246	287
Sindh Sales Tax on Trustee remuneration of Trustee	32	37
Engro Corporation Limited		
107,881,849 Units held (June 30, 2019: 94,066,298 units)	1,054,912	1,013,640

13 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).

During the period ended December 31, 2019, 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.

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

As at December 31, 2019 and June 30, 2019, the Fund held the following instruments measured at fair values:

	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
December 31, 2019 (Un-audited)				
At fair value through profit or loss	-	436,834	-	436,834
June 30, 2019 (Audited)				
At fair value through profit or loss	-	128,127	-	128,127

The valuation of commercial paper have been done based on the amortization of commercial papers to its fair value as per the guidelines of circular 33 of 2012 as the residual maturity of this investment is less than 3 or 6 months and they are placed with counterparties having high credit rating.

14 INTERIM DISTRIBUTION DURING THE PERIOD

	Declaration Date	Rs. Per Unit	December 31, 2019 (Un audited) Rupees In '000
For the month ended July 31, 2019	July 31, 2019	0.0967	35,227
For the month ended August 31, 2019	August 31, 2019	0.1040	45,548
For the month ended September 30, 2019	September 30, 2019	0.1029	38,026
For the month ended October 31, 2019	October 31, 2019	0.1089	42,237
For the month ended November 30, 2019	November 30, 2019	0.0931	34,168
For the month ended December 31, 2019	December 31, 2019	0.1076	40,415
			236,621

15 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on 24-02-2020 by the Board of Directors of the Management Company.

16 GENERAL

Figures have been rounded off to the nearest thousand rupees.

For National Investment Trust Limited
(Management Company)


Managing Director


Director


Director


Chief Financial Officer