



KPMG Taseer Hadi & Co.
Chartered Accountants

NIT Asset Allocation Fund

Condensed Interim Financial
Information

For the period ended
31 December 2020



KPMG Taseer Hadi & Co.
Chartered Accountants
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Independent Auditors' Review Report to the unit holders of NIT Asset Allocation Fund

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **NIT Asset Allocation Fund** ("the Fund") as at 31 December 2020 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund, condensed interim cash flow statement and notes to the condensed interim financial information for the half year then ended (here-in-after referred to as the "interim financial information"). Management Company is responsible for the preparation and presentation of this interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

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 information 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 information is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matter

The figures for the three months period ended 31 December 2020 in the condensed interim financial information have not been reviewed and we do not express a conclusion on them



KPMG Taseer Hadi & Co.

The engagement partner on the engagement resulting in this independent auditor's review report is Zeeshan Rashid.

Date: 25 February 2021

Karachi

A handwritten signature in black ink, appearing to read 'Zeeshan Rashid', written over a horizontal line.

**KPMG Taseer Hadi & Co.
Chartered Accountants**

NIT Asset Allocation Fund
 Condensed Interim Statement of Assets and Liabilities
 As at December 31, 2020

	Note	(Un-Audited) December 31, 2020 ----- (Rupees in '000) -----	(Audited) June 30, 2020
Assets			
Bank balances	6	219,342	21,591
Investments	7	424,964	506,018
Receivable against sale of investments		-	17,223
Dividend and profit receivable	8	1,931	37
Preliminary expenses and flotation costs		868	955
Security deposits		2,600	2,600
Total assets		649,705	548,424
Liabilities			
Payable to National Investment Trust Limited - Management Company	9	4,621	4,430
Payable to Central Depository Company of Pakistan Limited - Trustee	10	122	98
Payable to Securities and Exchange Commission of Pakistan	11	63	24
Payable against purchase of investments		-	18,424
Payable against redemption of units		114	
Accrued expenses and other liabilities	12	2,578	1,341
Total liabilities		7,498	24,317
Net assets		642,207	524,107
Unit holders' fund (as per statement attached)		642,207	524,107
Contingencies and commitments	13		
		(Number of units)	
Number of units in issue		55,468,148	51,323,017
		(Rupees)	
Net assets value per unit		11.5779	10.2119

The annexed notes 1 to 19 form an integral part of these condensed interim financial information.

For National Investment Trust Limited
 (Management Company)


 Managing Director


 Director


 Director

NIT Asset Allocation Fund
 Condensed Interim Income Statement (Un-Audited)
 For the six and three months period ended December 31, 2020

		Six months period ended December 31, 2020	Three months period ended December 31, 2020
	Note	----- (Rupees in '000) -----	
Income			
Net realised gain on sale of investments		23,899	4,841
Dividend income		8,160	6,365
Income on government securities		2,232	-
Profit on deposits with banks		8,305	5,482
Net unrealised gain on revaluation of investments classified at fair value through profit or loss		49,445	16,321
		<u>92,041</u>	<u>33,009</u>
		92,041	33,009
Expenses			
Remuneration of National Investment Trust Limited - Management Company	9.1	4,725	2,456
Sindh sales tax on remuneration of Management Company	9.2	614	319
Remuneration of Central Depository Company of Pakistan Limited - Trustee		630	327
Sindh Sales Tax on remuneration of Trustee	10.1	82	43
Annual fee to Securities and Exchange Commission of Pakistan		63	33
Allocation of expenses related to registrar services, accounting, operation and valuation services	9.3	315	164
Central depository charges		27	9
Securities transaction costs		401	182
Settlement and bank charges		244	101
Auditors' remuneration		333	176
Amortization of preliminary expenses and floatation costs		87	43
Annual listing fees		462	432
Printing and related costs		7	-
		<u>7,990</u>	<u>4,285</u>
		7,990	4,285
Net income from operating activities		<u>84,051</u>	<u>28,724</u>
Provision for Sindh Workers' Welfare Fund	12.1	(1,681)	(574)
Net income for the period before taxation		<u>82,370</u>	<u>28,150</u>
Taxation	14	-	-
Net income for the period after taxation		<u>82,370</u>	<u>28,150</u>
Allocation of net income for the period after taxation			
Net income for the period after taxation		82,370	28,150
Income already paid on redemption of units		(3,135)	(1,497)
Accounting income available for distribution		<u>79,235</u>	<u>26,653</u>
Accounting income available for distribution:			
- Relating to capital gains		2,150	(48,394)
- Excluding capital gains		77,085	75,047
		<u>79,235</u>	<u>26,653</u>

The annexed notes 1 to 19 form an integral part of these condensed interim financial information.

For National Investment Trust Limited
 (Management Company)


 Managing Director


 Director


 Director

NIT Asset Allocation Fund
Condensed Interim Statement of Comprehensive Income (Un-Audited)
For the six and three months period ended December 31, 2020

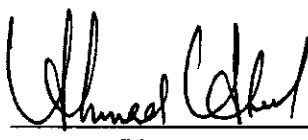
	Six months period ended December 31, 2020	Three months period ended December 31, 2020
	----- (Rupees in '000) -----	
Net income for the period after taxation	82,370	28,150
Other comprehensive income for the period	-	-
Total comprehensive income for the period	<u><u>82,370</u></u>	<u><u>28,150</u></u>

The annexed notes 1 to 19 form an integral part of these condensed interim financial information.

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



Managing Director



Director

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Director

NIT Asset Allocation Fund

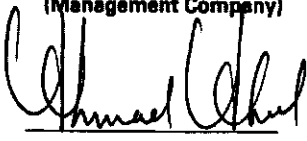
Condensed Interim Statement of Movement in Unit holders' Fund (Un-Audited)

For the six months period ended December 31, 2020

	2020		
	Capital value	Undistributed income	Total
	(Rupees in '000)		
Net assets at beginning of the period	513,254	10,853	524,107
Issue of 15,409,243 units			
- Capital value	154,268	-	154,268
- Element of income	17,487	-	17,487
Total proceeds on issuance of units	171,755	-	171,755
Issue of 2,146 units in lieu of refund of capital	21,485	-	21,485
Redemption of 11,699,337 units			
- Capital value	(117,127)	-	(117,127)
- Element of loss	(9,830)	(3,135)	(12,965)
Total payments on redemption of units	(126,957)	(3,135)	(130,092)
Total comprehensive income for the period	-	82,370	82,370
Issue of 433,079 units under CIP	4,336	-	4,336
Final distribution for the period ended June 30, 2020: Rs 0.2005 per unit (Date of Distribution: 7 July 2020)	-	(10,269)	(10,269)
Refund of Capital	(21,485)	-	(21,485)
Net assets at end of the period	562,388	79,819	642,207
Undistributed income brought forward			
- Realised income		8,228	
- Unrealised income		2,625	
		10,853	
Accounting income available for distribution			
- Relating to capital gains		2,150	
- Excluding capital gains		77,085	
		79,235	
Final distribution for the period ended June 30, 2020: Rs 0.2005 per unit (Date of Distribution: 7 July 2020)		(10,269)	
Undistributed income carried forward		79,819	
Undistributed income carried forward comprises of:			
- Realised income		30,374	
- Unrealised income		49,445	
		79,819	
			(Rupees)
Net assets value per unit at beginning of the period			10.2119
Net assets value per unit at end of the period			11.5779

The annexed notes 1 to 19 form an integral part of these condensed interim financial information.


Managing Director

For National Investment Trust Limited
(Management Company)

Director


Director

NIT Asset Allocation Fund
 Condensed Interim Statement of Cash Flow (Un-Audited)
 For the six months period ended December 31, 2020

(Rupees in '000)

Cash flows from operating activities

Net profit for the period before taxation 82,370

Decrease / (increase) in assets

Investments	81,054
Receivable against sale of investments	17,223
Preliminary expenses and flotation costs	87
Dividend and other receivables	(1,894)
	96,470

(Decrease) / increase in liabilities

Payable to National Investment Trust Limited - Management Company	191
Payable to Central Depository Company of Pakistan Limited - Trustee	24
Payable to Securities and Exchange Commission of Pakistan	39
Payable against purchase of investments	(18,424)
Payable against redemption of units	114
Accrued expenses and other liabilities	1,237
	(16,819)

Net cash generated from operating activities 162,021

Cash flows from financing activities

Amount received on issue of units - including CIP	176,091
Dividend paid	(10,269)
Payment against redemption of units	(130,092)
Net cash generated from financing activities	35,730

Net increase in cash and cash equivalents 197,751

Cash and cash equivalents at beginning of the period 21,591

Cash and cash equivalents at end of the period **219,342**

The annexed notes 1 to 19 form an integral part of these condensed interim financial information.

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



 Managing Director



 Director



 Director

NIT Asset Allocation Fund

Notes to the Condensed Interim Financial Information (Un-Audited)

For the six months period ended December 31, 2020

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 The NIT Asset Allocation Fund (the Fund) is established under a Trust Deed executed between National Investment Trust Limited (NITL) as Management Company and Central Depository Company of Pakistan Limited as trustee. The Fund is approved by the Securities and Exchange Commission of Pakistan on 11 December 2019 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) and the trust deed was executed on 10 October 2019. The fund is categorized as an 'Asset Allocation Scheme' as per the criteria for categorization of an open end collective investment scheme as specified by 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, 2003 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, Pakistan.
- 1.3 The Fund is an open-end mutual fund and is listed on Pakistan Stock Exchange (PSX). During the Pre Initial Offering Period (i.e from 6 February 2020 to 6 April 2020), the Fund received Rs.163.73 million and Rs. 372.5 million during initial offering period (i.e. from 6 April 2020 to 8 April 2020). The Fund has commenced its operations on 9 April 2020.
- 1.4 The objective of NITAAF is to provide risk adjusted competitive returns to its investors by investing in multiple assets classes based on market outlook.
- 1.5 The Management Company has been assigned a quality rating of 'AM1' by VIS dated 31 December 2020 and PACRA has assigned an asset manager rating of 'AM2++' with 'positive outlook' to the Management Company on 5 November 2020.
- 1.6 Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as trustee of the Fund.
- 1.7 **Impact of Covid-19**

In March 2020, the World Health Organization ("WHO") declared the outbreak of the novel coronavirus (known as COVID-19) as a global pandemic. The rapid spread of the virus has caused governments around the world to implement stringent measures to help control its spread, including, without limitation, quarantines, stay-at-home or "shelter-in-place" orders, social-distancing mandates, travel restrictions, and closures or reduced operations for businesses, governmental agencies, schools and other institutions. The industry, along with global economic conditions generally, has been significantly disrupted by the pandemic.

The COVID-19 pandemic and associated impacts on economic activity had certain effect on the operational and financial condition of the Fund for the period ended 31 December, 2020 due to increase in overall credit risk pertaining to the corporate debt instruments' portfolios of mutual funds, subdued equity market performance due to overall slowdown in economic activity and continuity of business

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operations. However, to reduce the impact on the economy and business, regulators / government across the country have introduced a host of measures on both the fiscal and economic fronts from time to time.

The management of the Fund is closely monitoring the situation, and in response to the developments, the management has taken action to ensure the safety of its employees and other stakeholders, and initiated a number of initiatives.

The Management Company of the Fund expects that going forward these uncertainties would reduce as the impact of COVID-19 on overall economy subsides and have concluded that there is no impact on current financial statements of the Fund.

2. BASIS OF PREPARATION

2.1 Statement of compliance

2.1.1 The condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as 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 VIII A of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

In case where requirements differ, the provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules and 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 period ended June 30, 2020. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Fund's financial position and performance since the last financial statements.

2.1.3 This condensed interim financial information is unaudited. However, a limited scope review has been performed by statutory auditors. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at December 31, 2020.

2.2 Basis of measurement

These condensed interim financial information have been prepared under the historical cost convention, except that certain financial assets are stated at fair value.

2.3 Functional and presentation currency

These condensed interim financial information are presented in Pakistani Rupees which is the Fund's functional and presentation currency.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Fund for the period ended June 30, 2020.

4. USE OF ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amount of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the period ended June 30, 2020.

5. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the period ended June 30, 2020.

6. BANK BALANCES

This represents bank accounts held with different banks. Profit rates on these accounts ranges between 5.50% - 8.30% per annum (June 30, 2020: 7.80% - 10.95%) per annum.

7. INVESTMENTS

	(Un-Audited) December 31, 2020	(Audited) June 30, 2020
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(Rupees in '000)

Investments by category

At fair value through profit or loss

Listed equity securities	7.1	424,964	261,731
Government Securities - Market Treasury Bills	7.2	-	244,287
		<u>424,964</u>	<u>506,018</u>

7.1 Listed equity securities - at fair value through profit or loss

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

Name of the investee Company	As at July 01, 2020	Purchases during the period	Bonus / Rights Issue	Sales during the period	As at December 31, 2020	Cost of holdings as at December 31, 2020	Market value as at December 31, 2020	Market value as a percentage of Total Investments	Market value as a percentage of Net Assets	Per value as a percentage of issued capital of the investee company
Securities Company										
Pakistan Stock Exchange Limited	-	300,000	-	-	300,000	4,562	4,446	1.05	0.69	0.04
	-	300,000	-	-	300,000	4,562	4,446	1.05	0.69	
Commercial Banks										
Askari Bank Limited	-	105,000	-	-	105,000	1,962	2,456	0.59	0.38	0.01
Bank Alfalah Limited	150,000	2,000	-	100,000	52,000	1,748	1,837	0.43	0.29	-
Bank Al-Habib Limited	95,000	150,000	-	-	215,000	11,757	14,964	3.52	2.33	0.02
Habib Bank Limited	134,239	110,000	-	85,000	159,239	18,556	21,064	4.96	3.28	0.01
Maszan Bank Limited	40,000	85,000	5,000	40,000	70,000	4,636	7,311	1.72	1.14	-
MCB Bank Limited	10,000	50,000	-	-	60,000	10,943	11,117	2.62	1.73	0.01
United Bank Limited	44,823	125,000	-	25,000	144,823	17,514	18,202	4.28	2.83	0.01
	443,862	697,000	5,000	250,000	895,862	87,114	76,951	18.11	11.98	
Textile Composites										
Gul Ahmed Textile Mills Limited	15,500	17,500	-	-	33,000	1,028	1,213	0.29	0.19	0.01
Nishat Mills Limited	27,000	75,000	-	25,000	77,000	7,399	7,836	1.84	1.22	0.02
	42,500	92,500	-	25,000	110,000	8,398	8,949	2.13	1.41	
Cement										
Cherat Cement Company Limited	25,000	50,000	-	25,000	50,000	5,514	7,309	1.72	1.14	0.03
D. G. Khan Cement Company Limited	174,000	75,000	-	100,000	149,000	14,207	17,072	4.02	2.66	0.03
Lucky Cement Limited	58,696	43,720	-	47,500	54,916	29,322	38,226	9.00	6.96	0.02
Fauji Cement Company Limited	475,000	-	-	225,000	250,000	4,220	5,417	1.27	0.84	0.02
Maple Leaf Cement Factory Limited	225,000	25,000	-	200,000	50,000	1,474	2,251	0.63	0.35	-
	897,696	193,720	-	897,500	559,916	54,737	70,276	16.64	10.94	
Power Generations and Distribution										
Hub Power Company Limited	174,859	285,000	-	75,000	384,859	28,933	30,531	7.18	4.75	0.03
Kot Addu Power Company Limited	-	75,000	-	-	75,000	2,059	2,040	0.48	0.32	0.01
	174,859	360,000	-	75,000	459,859	31,032	32,571	7.66	5.07	
Oil and Gas Marketing Companies										
Pakistan State Oil Company Limited	52,500	40,000	-	50,000	42,500	7,680	9,150	2.15	1.42	0.01
Sui Northern Gas Pipelines Limited	185,000	75,000	-	50,000	190,000	10,855	8,440	1.99	1.31	0.03
	217,500	115,000	-	100,000	232,500	18,535	17,590	4.14	2.73	
Oil and Gas Exploration Companies										
Mari Petroleum Company Limited	5,000	11,100	-	-	16,100	20,127	21,571	6.07	3.38	0.01
Oil And Gas Development Company	149,912	147,500	-	75,000	222,412	24,141	23,080	5.43	3.59	0.01
Pakistan Petroleum Limited	260,000	50,000	-	75,000	235,000	20,427	21,227	5.00	3.31	0.01
Pakistan Oilfields Limited	30,000	20,000	-	15,000	35,000	12,379	13,839	3.25	2.16	0.01
	444,912	228,600	-	165,000	568,512	77,074	78,717	18.76	12.41	
Engineering										
International Industries Limited	-	25,000	-	-	25,000	4,137	4,415	1.04	0.69	0.02
Mughal Iron and Steel Industries	-	24,000	-	-	24,000	1,704	1,818	0.43	0.28	0.01
Amrli Steel Limited	100,000	10,000	-	85,000	25,000	853	1,207	0.29	0.19	0.01
International Steels Limited	110,000	20,000	-	80,000	50,000	2,538	4,862	1.10	0.73	0.01
Agha Steel Industries Limited	-	188,600	-	65,000	121,600	3,893	4,795	1.13	0.75	0.02
	210,000	267,600	-	230,000	245,600	13,425	18,997	3.98	2.64	
Automobile Assembler										
Honda Atlas Cars Limited	-	20,000	-	-	20,000	5,353	5,562	1.54	1.02	0.02
	-	20,000	-	-	20,000	5,353	5,562	1.54	1.02	
Cable and Electric Goods										
Pak Electron Limited	625,000	550,000	-	650,000	525,000	14,011	21,088	4.96	3.28	0.1
	625,000	550,000	-	650,000	525,000	14,011	21,088	4.96	3.28	
Fertilizer										
Engro Fertilizer Limited	217,500	20,000	-	87,500	150,000	9,021	9,485	2.23	1.48	0.01
Engro Corporation Limited	94,685	80,000	-	50,000	94,685	27,901	29,103	6.86	4.53	0.02
Fauji Fertilizer Company Limited	-	50,000	-	-	50,000	5,237	5,425	1.28	0.84	0.01
	312,185	150,000	-	137,500	294,685	42,159	44,013	10.38	6.85	
Pharmaceuticals										
Glaxosmithkline (Pak) Limited	41,000	35,000	-	15,000	59,000	10,651	11,337	2.67	1.77	0.02
Searle Pakistan Limited	35,000	52,500	7,800	37,500	67,800	14,367	16,898	3.98	2.63	0.03
AGP Limited	-	54,500	-	-	54,500	6,294	6,206	1.48	0.87	0.02
	76,000	142,000	7,800	52,500	121,300	27,312	34,441	8.11	5.37	
Paper and Board										
Packages Limited	20,000	3,700	-	10,000	13,700	5,150	5,178	1.22	1.27	0.02
	20,000	3,700	-	10,000	13,700	5,150	5,178	1.22	1.27	
Vanaspati and Allied Industries										
Unity Foods Limited	-	100,000	-	-	100,000	2,960	3,206	0.75	0.50	0.01
	-	100,000	-	-	100,000	2,960	3,206	0.75	0.50	
Total as at December 31, 2020	3,524,515	3,108,188	12,800	2,294,400	4,351,085	375,518	424,964	100.00	68.18	

7.1.1 Investments include shares with market value of Rs. 28,584 (30 June 2020: 30,046) 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 23 October 2007 issued by the Securities and Exchange Commission of Pakistan.

7.2 Investment in Government Securities- at fair value through profit or loss

Issue date	Tenor	Face value			Amortized cost as at 31 December 2020	Market value as at 31 December 2020	Market value as a percentage of	
		As at 1 July 2020	Purchases during the period	Sales / matured during the period			Total Investments of fund	Net assets of fund
(Rupees in '000)								
(%)								
July 18, 2019	12 Months	210,000	-	210,000	-	-	-	-
August 18, 2019	12 Months	-	145,000	145,000	-	-	-	-
April 23, 2020	3 Months	35,000	-	35,000	-	-	-	-
July 2, 2020	3 Months	-	85,000	85,000	-	-	-	-
		245,000	230,000	475,000	-	-	-	-

8	DIVIDEND & PROFIT RECEIVABLES	<i>Note</i>	(Un-Audited) December 31, 2020	(Audited) June 30, 2020
	Dividend receivable		425	25
	Profit receivable on saving accounts		1,506	12
			<u>1,931</u>	<u>37</u>

9 PAYABLE TO THE NATIONAL INVESTMENT TRUST LIMITED - MANAGEMENT COMPANY

	Management remuneration	<i>9.1</i>	811	650
	Sindh Sales Tax	<i>9.2</i>	105	85
	Preliminary expenses and floatation costs		1,000	1,000
	Allocation of expenses related to registrar services accounting, operation and valuation services	<i>9.3</i>	52	42
	Others		2,653	2,653
			<u>4,621</u>	<u>4,430</u>

9.1 The Management Company has charged its remuneration at the rate of 1.50 % per annum (30 June 2020: 1.50% per annum) of the average net asset of the fund.

9.2 Sindh Sales Tax at the rate of 13% (30 June 2020: 13%) is charged on the management remuneration.

9.3 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).

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.

10	PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	(Un-Audited) December 31, 2020	(Audited) June 30, 2020
	Trustee remuneration	108	87
	Sindh Sales Tax	14	11
		<u>122</u>	<u>98</u>

(Rupees in '000)

10.1 Sindh Sales Tax at the rate of 13% (30 June 2020: 13%) is charged on trustee remuneration.

The trustee remuneration shall consist of reimbursement of actual custodial expenses/charges plus the following tariff:

(Rs.)	Tariff
Upto 1 billion	0.20% p.a. of net assets
Over 1 billion	Rs. 2 million plus 0.10% p.a. of net assets on amount exceeding Rs. 1 billion.

11 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

In accordance with the NBFC Regulations, a collective investment scheme is required to pay annual fee to the Securities and Exchange Commission of Pakistan an amount equal to 0.02% (June 30, 2020: 0.02%) of average annual net assets of the Fund.

12 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	(Un-Audited) December 31, 2020	(Audited) June 30, 2020
(Rupees in '000)			
Provision for Sindh Workers' Welfare Fund	12.1	1,909	228
Auditors' remuneration		349	367
Legal and professional charges		20	20
Zakat payable		1	35
Capital gain tax payable		72	21
Brokerage charges payable		169	665
Annual Listing Fee		58	-
NCCPL charges payable		-	5
		<u>2,578</u>	<u>1,341</u>

12.1 PROVISION FOR WORKERS' WELFARE FUND

The legal status of applicability of Worker's Welfare Fund (WWF) and Sindh Workers' Welfare Fund (SWWF) is same as that disclosed in note 10.1 to the annual audited financial statements of the Fund for the period ended June 30, 2020.

The provision for SWWF is being made on a daily basis. Had the SWWF not been provided, the NAV per unit of the Fund would have been higher by Re. 0.0344 (30 June 2020: Re. 0.0044).

13 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments outstanding as at December 31, 2020 and June 30, 2020 except those disclosed already.

14 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 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 2021 as reduced by capital gains (whether realised or unrealised) to its unit holders in the form of cash.

15 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

15.1 Connected persons include National Investment Trust Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes managed by the Management Company, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the 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.

15.2 The transactions with connected persons are in the normal course of business, at contracted terms determined in accordance with the market rates.

15.3 Remuneration to the Management Company and the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.

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Details of the transactions with connected persons / related parties during the period and balances with them at period end are as follows:

15.4 Transactions during the period	(Un-Audited) Six month period ended December 31, 2020	(Un-Audited) Three months period ended December 31, 2020
(Rupees in '000)		
National Investment Trust Limited - Management Company		
340,462 units issued under CIP	3,409	-
Remuneration of Management Company	4,725	2,456
Sindh Sales Tax on Remuneration of Management Company	614	319
Allocation of expenses related to registrar services, accounting, operation and valuation services	315	164
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	630	327
Sindh Sales Tax on remuneration of Trustee	82	43
Central Depository Charges	27	9
(Rupees in '000)		
15.5 Amounts outstanding as at period end	(Un-Audited) December 31, 2020	(Audited) June 30, 2020
National Investment Trust Limited - Management Company		
20,340,462 units held (June 30, 2020: 20,000,000 units)	235,500	204,238
Management remuneration payable	811	650
Sindh Sales Tax payable	105	85
Payable against allocation of expenses related to registrar services, accounting, operation and valuation services	52	42
Preliminary expenses and floatation costs payable	1,000	1,000
Other payable	2,653	2,653
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration	108	87
Sindh Sales Tax	14	11
Bank Al Habib Limited		
10,000,000 units held	115,779	102,119
Askari Bank Limited		
10,094,123 units held	116,869	103,080

16 FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is 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.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Fund is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted price (unadjusted) in an active market for identical assets or liabilities traded.

Level 2: Fair value measurements using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurement using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The table below analyses financial instruments measured at fair value at the end of the period by the level in the fair value hierarchy into which the fair value measurement is categorised:

On-balance sheet financial instruments

	At 31 December 2020 (Un-Audited)				Fair value			
	Carrying amount				Level 1	Level 2	Level 3	Total
	Mandatorily at fair value through profit or loss	Designated as at fair value through profit or loss	At fair value through other comprehensive income	At amortised cost				
	(Rupees in '000)				(Rupees in '000)			
Financial assets measured at fair value								
Equity securities - Listed	424,964	-	-	-	424,964	-	-	424,964
	<u>424,964</u>	<u>-</u>	<u>-</u>	<u>-</u>				
Financial assets not measured at fair value								
Bank balances	-	-	-	219,342				219,342
Dividend and profit receivable	-	-	-	1,931				1,931
Security deposits	-	-	-	2,600				2,600
	<u>-</u>	<u>-</u>	<u>-</u>	<u>223,873</u>				<u>223,873</u>
Financial liabilities not measured at fair value								
Payable to National Investment Trust Limited - Management Company	-	-	-	4,621				4,621
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	122				122
Accrued expenses and other payables	-	-	-	669				669
	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,412</u>				<u>5,412</u>

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At 30 June 2020 (Audited)									
Mandatorily at fair value through profit or loss	Designated as at fair value through profit or loss	Carrying amount			Total	Fair value			Total
		At fair value through other comprehensive income	At amortised cost			Level 1	Level 2	Level 3	
(Rupees in '000)					(Rupees in '000)				
Financial assets measured at fair value									
Equity securities - Listed	261,731	-	-	-	261,731	261,731	-	-	261,731
Market Treasury Bills	244,287	-	-	-	244,287	-	244,287	-	244,287
	<u>506,018</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>506,018</u>				
Financial assets not measured at fair value									
Bank balances	-	-	-	21,591	21,591				
Receivable against sale of investments	-	-	-	17,223	17,223				
Dividend and profit receivable	-	-	-	37	37				
Security deposits	-	-	-	2,600	2,600				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,451</u>	<u>41,451</u>				
Financial liabilities not measured at fair value									
Payable to National Investment Trust Limited - Management Company	-	-	-	4,430	4,430				
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	98	98				
Payable against purchase of investments	-	-	-	18,424	18,424				
Accrued expenses and other payables	-	-	-	1,113	1,113				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,065</u>	<u>24,065</u>				

During the period, 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.

16.1 Valuation techniques used in determination of fair values within level 2:

Investments in Market Treasury Bills are valued on the basis of the PKRVs announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan.

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

16.3 Net assets attributable to unitholders. The Fund routinely redeems and issues the units at the amount equal to the proportionate share of net assets of the Fund at the time of redemption, calculated on a basis consistent with that used in these financial statements. Accordingly, the carrying amount of net assets attributable to unitholders approximates their fair value. The units are categorized into Level 2 of the fair value hierarchy.

17 TOTAL EXPENSE RATIO

Total expense ratio (all the expenses, including government levies, incurred during the period divided by average net asset value for the period) is 3.07% per annum. Total expense ratio (excluding government levies) is 2.30% per annum. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulation 60(5) for a collective investment scheme.

18 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial information were authorised for issue by the Board of Directors of the Management Company on 23-02-2021.

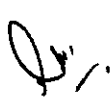
19 GENERAL

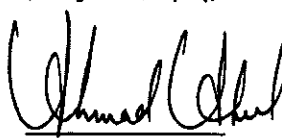
Figures have been rounded off to the nearest thousand rupees.

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For National Investment Trust Limited
(Management Company)


Managing Director




Director


Director