

CONDENSED INTERIM FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REVIEW REPORT

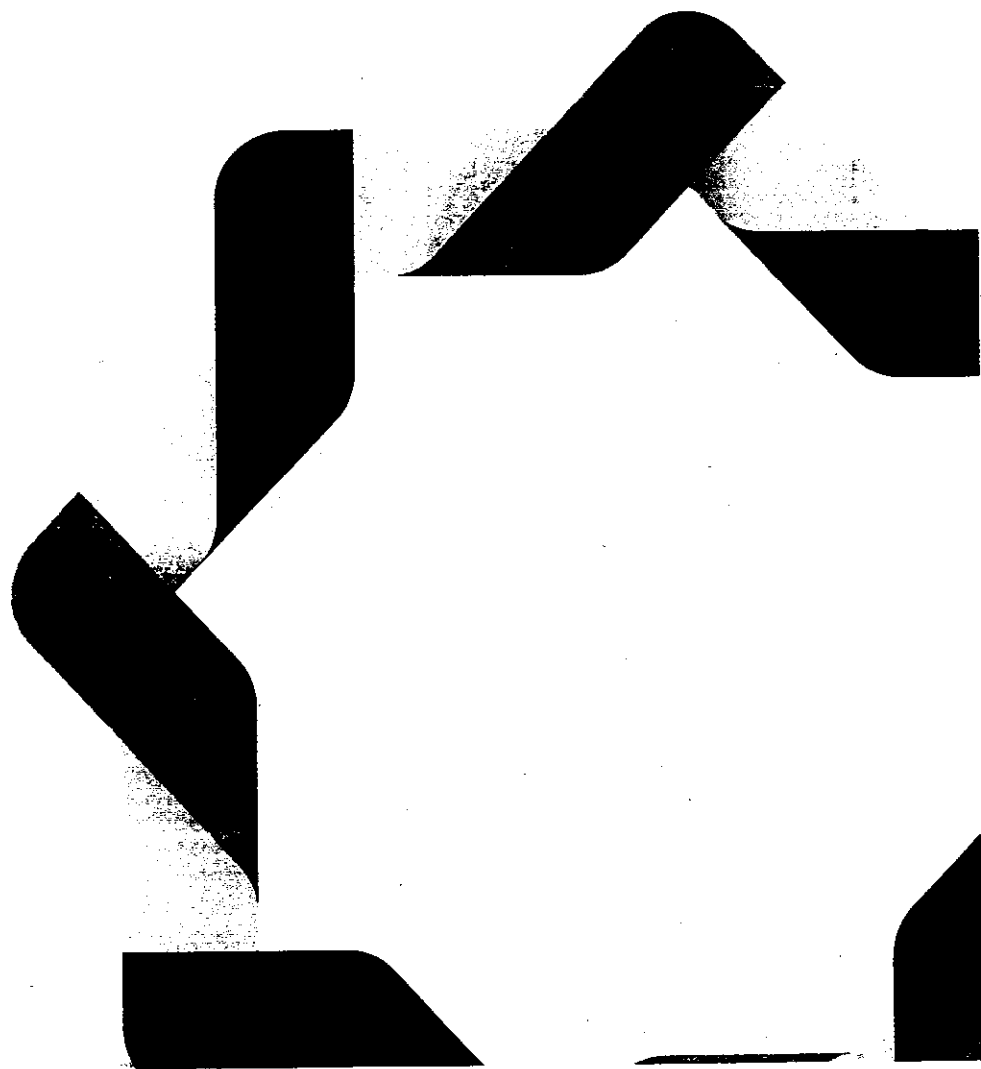
**NIT Pension Fund**

*For the half year ended December 31, 2020*



**Grant Thornton**

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CONDENSED INTERIM FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS'S REVIEW REPORT

**NIT Pension Fund**

*For the half year ended December 31, 2020*

**Contents**

1. Letter to the Board of Directors of Management Company
2. Independent Auditor's Review Report
3. Condensed Interim Financial Statements

**NIT Pension Fund**  
*Independent Auditors' Review Report*

## **INDEPENDENT AUDITORS' REVIEW REPORT TO THE PARTICIPANTS' OF NIT PENSION FUND**

**GRANT THORNTON ANJUM RAHMAN**

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Beaumont Road,  
Karachi 75530

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### **Introduction**

We have reviewed the accompanying condensed interim statement of assets and liabilities of **NIT Pension Fund** (the Fund) as at **December 31, 2020** and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in participants' fund and condensed interim statement of cash flows 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 (National Investment Trust Limited) is responsible for the preparation and presentation of the 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 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 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.

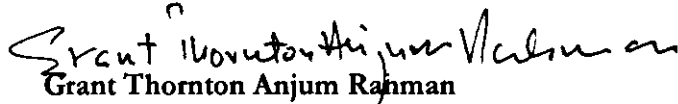
### **Conclusion**

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

### **Other Matters**

- 1) The figures of the condensed interim income statement and the condensed interim statement of comprehensive income for the three months' period ended December 31, 2020 and 2019 have not been reviewed, as we are required to review only the cumulative figures for the six months' period ended December 31, 2020; and
- 2) The condensed interim financial statements for the half year ended December 31, 2019 and the annual financial statements for the year ended June 30, 2020 of the Fund were reviewed and audited respectively by another firm of Chartered Accountants, whose review report dated February 24, 2020 and audit report dated September 23, 2020 expressed an unmodified conclusion and an unmodified opinion, on the aforementioned financial statements.

The engagement partner on the review resulting in this independent auditors' review report is **Muhammad Shaukat Naseeb.**

  
**Grant Thornton Anjum Rahman**  
Chartered Accountants  
Date:  
Karachi

**NIT Pension Fund**

*Condensed Interim Financial Statements  
For the half year ended December 31, 2020*

**NIT PENSION FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT DECEMBER 31, 2020**

|   | Note | December 31, 2020<br>Unaudited |                  |                             |                         |                | June 30, 2020<br>Audited |                  |                             |                         |                |
|---|------|--------------------------------|------------------|-----------------------------|-------------------------|----------------|--------------------------|------------------|-----------------------------|-------------------------|----------------|
|   |      | Equity<br>Sub-Fund             | Debt<br>Sub-Fund | Money<br>Market<br>Sub-Fund | Commodities<br>Sub-Fund | Total          | Equity<br>Sub-Fund       | Debt<br>Sub-Fund | Money<br>Market<br>Sub-Fund | Commodities<br>Sub-Fund | Total          |
| (Rupees in '000)  |      |                                |                  |                             |                         |                |                          |                  |                             |                         |                |
| <b>Assets</b>   |      |                                |                  |                             |                         |                |                          |                  |                             |                         |                |
| Bank balances   | 4    | 3,949                          | 12,916           | 50,180                      | 116,079                 | 183,124        | 5,158                    | 15,854           | 32,218                      | 8,904                   | 62,134         |
| Investments   | 5    | 84,025                         | 108,901          | 78,277                      | -                       | 271,203        | 71,094                   | 105,335          | 89,101                      | 79,767                  | 345,297        |
| Financial assets at fair value through profit or loss                 | 6    | -                              | -                | -                           | 4,220                   | 4,220          | -                        | -                | -                           | 3,013                   | 3,013          |
| Dividend and profit receivable  |      | 171                            | 3,312            | 199                         | 695                     | 4,377          | 86                       | 3,313            | 216                         | 57                      | 3,672          |
| Security deposits   |      | 2,600                          | 100              | 100                         | 7,434                   | 10,234         | 2,600                    | 169              | 117                         | 30,791                  | 33,677         |
| <b>Total assets</b>   |      | <b>90,745</b>                  | <b>125,229</b>   | <b>128,756</b>              | <b>128,428</b>          | <b>473,158</b> | <b>78,938</b>            | <b>124,671</b>   | <b>121,652</b>              | <b>122,532</b>          | <b>447,793</b> |
| <b>Liabilities</b>  |      |                                |                  |                             |                         |                |                          |                  |                             |                         |                |
| - Payable to National Investment Trust Limited - Pension Fund Manager |      | 63                             | 59               | 65                          | 54                      | 241            | 2,740                    | 243              | 141                         | 129                     | 3,253          |
| - Payable to Central Depository Company of Pakistan Limited - Trustee |      | 12                             | 17               | 18                          | 17                      | 64             | 10                       | 17               | 18                          | 16                      | 61             |
| - Payable to Securities and Exchange Commission of Pakistan           |      | 14                             | 20               | 21                          | 21                      | 76             | 25                       | 37               | 38                          | 35                      | 135            |
| Accrued expenses and other liabilities                                | 7    | 527                            | 1,042            | 1,018                       | 1,344                   | 3,931          | 491                      | 899              | 921                         | 1,226                   | 3,537          |
| <b>Total liabilities</b>  |      | <b>616</b>                     | <b>1,138</b>     | <b>1,122</b>                | <b>1,436</b>            | <b>4,312</b>   | <b>3,266</b>             | <b>1,196</b>     | <b>1,118</b>                | <b>1,406</b>            | <b>6,986</b>   |
| <b>Net assets</b>   |      | <b>90,129</b>                  | <b>124,091</b>   | <b>127,634</b>              | <b>126,992</b>          | <b>468,846</b> | <b>75,672</b>            | <b>123,475</b>   | <b>120,534</b>              | <b>121,126</b>          | <b>440,807</b> |
| Contingencies and commitments   | 8    |                                |                  |                             |                         |                |                          |                  |                             |                         |                |
| <b>Participants' funds (as per statement attached)</b>                |      | <b>90,129</b>                  | <b>124,091</b>   | <b>127,634</b>              | <b>126,992</b>          | <b>468,846</b> | <b>75,672</b>            | <b>123,475</b>   | <b>120,534</b>              | <b>121,126</b>          | <b>440,807</b> |
| Number of units in issue  | 9    | 9,168,623                      | 8,044,627        | 8,924,891                   | 7,500,935               | 33,639,076     | 9,259,397                | 8,075,680        | 8,683,919                   | 7,500,935               | 33,519,931     |
| Net assets value per unit (Rupees)                                    |      | 9.8302                         | 15.4253          | 14.3009                     | 16.9302                 |                | 8.1724                   | 15.2898          | 13.8802                     | 16.1482                 |                |

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements. *CTM*

For National Investment Trust Limited  
(Pension Fund Manager)



Director



Managing Director



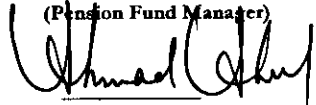
Director

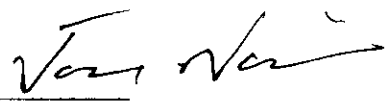
**NIT PENSION FUND  
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

|   | December 31, 2020       |                  |                             |                         |               | December 31, 2019  |                  |                             |                         |               |
|---|-------------------------|------------------|-----------------------------|-------------------------|---------------|--------------------|------------------|-----------------------------|-------------------------|---------------|
|   | Equity<br>Sub-Fund      | Debt<br>Sub-Fund | Money<br>Market<br>Sub-Fund | Commodities<br>Sub-Fund | Total         | Equity<br>Sub-Fund | Debt<br>Sub-Fund | Money<br>Market<br>Sub-Fund | Commodities<br>Sub-Fund | Total         |
| <b>Note</b>   | <b>(Rupees in '000)</b> |                  |                             |                         |               |                    |                  |                             |                         |               |
| <b>Income</b>   |                         |                  |                             |                         |               |                    |                  |                             |                         |               |
| Income from government securities   | -                       | 5,898            | 3,248                       | 265                     | 9,411         | -                  | 5,924            | 6,320                       | 2,737                   | 14,981        |
| Income from debt securities   | -                       | 431              | 21                          | -                       | 452           | -                  | 449              | -                           | -                       | 449           |
| Profit on bank deposits   | 197                     | 540              | 1,409                       | 3,198                   | 5,344         | 448                | 481              | 1,451                       | 2,686                   | 5,066         |
| Dividend income   | 1,518                   | -                | -                           | -                       | 1,518         | 1,987              | -                | -                           | -                       | 1,987         |
| Net unrealised gain on futures contracts of gold                          | -                       | -                | -                           | 4,220                   | 4,220         | -                  | -                | -                           | 2,837                   | 2,837         |
| Realised (loss)/gain on gold contracts                                    | -                       | -                | -                           | (1,058)                 | (1,058)       | -                  | -                | -                           | 2,228                   | 2,228         |
| Gain on sale of investments - net   | -                       | -                | -                           | -                       | -             | -                  | 25               | 18                          | -                       | 43            |
| Net unrealised (loss) on investments                                      | -                       | -                | (9)                         | -                       | (9)           | -                  | -                | -                           | -                       | -             |
| <b>Total income</b>   | <b>1,715</b>            | <b>6,869</b>     | <b>4,669</b>                | <b>6,625</b>            | <b>19,878</b> | <b>2,435</b>       | <b>6,879</b>     | <b>7,789</b>                | <b>10,488</b>           | <b>27,591</b> |
| <b>Expenses</b>   |                         |                  |                             |                         |               |                    |                  |                             |                         |               |
| -Remuneration of National Investment Trust Limited - Pension Fund Manager | 329                     | 310              | 313                         | 318                     | 1,270         | 275                | 268              | 291                         | 256                     | 1,090         |
| -Sindh Sales Tax on remuneration of Pension Fund Manager                  | 43                      | 40               | 41                          | 41                      | 165           | 36                 | 35               | 38                          | 33                      | 142           |
| -Remuneration of Central Depository Company of Pakistan Limited - Trustee | 66                      | 93               | 94                          | 95                      | 348           | 55                 | 80               | 87                          | 77                      | 299           |
| -Sindh Sales Tax on remuneration of trustee                               | 9                       | 12               | 12                          | 12                      | 45            | 7                  | 10               | 11                          | 10                      | 38            |
| Annual fee - Securities and Exchange Commission of Pakistan               | 14                      | 20               | 21                          | 21                      | 76            | 12                 | 18               | 19                          | 17                      | 66            |
| Custodian charges of Central Depository Company of Pakistan               | 4                       | 3                | 3                           | -                       | 10            | 4                  | 3                | -                           | -                       | 7             |
| Auditors' remuneration  | 60                      | 60               | 60                          | 60                      | 240           | 49                 | 50               | 49                          | 49                      | 197           |
| Securities transaction costs  | -                       | -                | -                           | 51                      | 51            | -                  | -                | -                           | 32                      | 32            |
| Printing and related costs  | 7                       | 7                | 7                           | 7                       | 28            | -                  | -                | -                           | -                       | -             |
| Settlement and bank charges   | 191                     | 2                | 1                           | 2                       | 196           | 521                | 179              | 8                           | 4                       | 712           |
| <b>Total expenses</b>   | <b>723</b>              | <b>547</b>       | <b>552</b>                  | <b>607</b>              | <b>2,429</b>  | <b>959</b>         | <b>643</b>       | <b>503</b>                  | <b>478</b>              | <b>2,583</b>  |
| <b>Net income from operating activities</b>                               | <b>992</b>              | <b>6,322</b>     | <b>4,117</b>                | <b>6,018</b>            | <b>17,449</b> | <b>1,476</b>       | <b>6,236</b>     | <b>7,286</b>                | <b>10,010</b>           | <b>25,008</b> |
| Provision for Sindh Workers' Welfare Fund                                 | 7.1 (20)                | (126)            | (82)                        | (120)                   | (348)         | (30)               | (125)            | (146)                       | (200)                   | (501)         |
| <b>Net income for the period</b>  | <b>972</b>              | <b>6,196</b>     | <b>4,035</b>                | <b>5,898</b>            | <b>17,101</b> | <b>1,446</b>       | <b>6,111</b>     | <b>7,140</b>                | <b>9,810</b>            | <b>24,507</b> |

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

  
Managing Director

For National Investment Trust Limited  
(Pension Fund Manager)  
  
Director

  
Director



**NIT PENSION FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)**  
**FOR THE QUARTER ENDED DECEMBER 31, 2020**

|   | December 31, 2020 |               |                       |                      |              | December 31, 2019 |               |                       |                      |               |
|---|-------------------|---------------|-----------------------|----------------------|--------------|-------------------|---------------|-----------------------|----------------------|---------------|
|   | Equity Sub-Fund   | Debt Sub-Fund | Money Market Sub-Fund | Commodities Sub-Fund | Total        | Equity Sub-Fund   | Debt Sub-Fund | Money Market Sub-Fund | Commodities Sub-Fund | Total         |
|   | (Rupees in '000)  |               |                       |                      |              |                   |               |                       |                      |               |
| <b>Income</b>   |                   |               |                       |                      |              |                   |               |                       |                      |               |
| Income from government securities   | -                 | 2,967         | 1,636                 | -                    | 4,603        | -                 | 3,180         | 3,243                 | 1,220                | 7,643         |
| Income from debt securities   | -                 | 213           | 21                    | -                    | 234          | -                 | 245           | -                     | -                    | 245           |
| Profit on bank deposits   | 90                | 284           | 594                   | 1,888                | 2,856        | 270               | 182           | 697                   | 1,600                | 2,749         |
| Dividend income   | 1,198             | -             | -                     | -                    | 1,198        | 1,130             | -             | -                     | -                    | 1,130         |
| Net unrealised gain on futures contracts of gold                          | -                 | -             | -                     | 8,360                | 8,360        | -                 | -             | -                     | 623                  | 623           |
| Realised (loss)/gain on gold contracts                                    | -                 | -             | -                     | (8,644)              | (8,644)      | -                 | -             | -                     | 1,181                | 1,181         |
| (Loss) on sale of investments - net                                       | -                 | -             | -                     | -                    | -            | -                 | -             | (12)                  | -                    | (12)          |
| Net unrealised gain on investments  | -                 | -             | 63                    | -                    | 63           | -                 | -             | -                     | -                    | -             |
| <b>Total income / (loss)</b>  | <b>1,288</b>      | <b>3,464</b>  | <b>2,314</b>          | <b>1,604</b>         | <b>8,670</b> | <b>1,400</b>      | <b>3,607</b>  | <b>3,928</b>          | <b>4,624</b>         | <b>13,559</b> |
| <b>Expenses</b>   |                   |               |                       |                      |              |                   |               |                       |                      |               |
| -Remuneration of National Investment Trust Limited - Pension Fund Manager | 164               | 155           | 159                   | 158                  | 636          | 149               | 140           | 146                   | 130                  | 565           |
| -Sindh Sales Tax on remuneration of Pension Fund Manager                  | 22                | 20            | 21                    | 20                   | 83           | 19                | 18            | 19                    | 17                   | 73            |
| -Remuneration of Central Depository Company of Pakistan Limited - Trustee | 33                | 47            | 48                    | 47                   | 175          | 30                | 42            | 44                    | 39                   | 155           |
| -Sindh Sales Tax on remuneration of Trustee                               | 5                 | 6             | 6                     | 6                    | 23           | 4                 | 5             | 6                     | 5                    | 20            |
| Annual fee - Securities and Exchange Commission of Pakistan               | 7                 | 10            | 11                    | 10                   | 38           | 6                 | 10            | 9                     | 9                    | 34            |
| Custodian charges of Central Depository Company of Pakistan               | 2                 | 1             | 3                     | -                    | 6            | 2                 | 1             | -                     | -                    | 3             |
| Auditors' remuneration  | 28                | 28            | 28                    | 28                   | 112          | 26                | 27            | 26                    | 26                   | 105           |
| Securities transaction costs  | -                 | -             | -                     | 24                   | 24           | -                 | -             | -                     | 24                   | 24            |
| Printing and related costs  | 7                 | 7             | 7                     | 7                    | 28           | -                 | -             | -                     | -                    | -             |
| Settlement and bank charges   | 95                | (2)           | -                     | 2                    | 95           | 137               | 172           | 4                     | 4                    | 317           |
| <b>Total expenses</b>   | <b>363</b>        | <b>272</b>    | <b>283</b>            | <b>302</b>           | <b>1,220</b> | <b>373</b>        | <b>415</b>    | <b>254</b>            | <b>254</b>           | <b>1,296</b>  |
| <b>Net income from operating activities</b>                               | <b>925</b>        | <b>3,192</b>  | <b>2,031</b>          | <b>1,302</b>         | <b>7,450</b> | <b>1,027</b>      | <b>3,192</b>  | <b>3,674</b>          | <b>4,370</b>         | <b>12,263</b> |
| Provision for Sindh Workers' Welfare Fund                                 | (19)              | (63)          | (40)                  | (26)                 | (148)        | (21)              | (64)          | (73)                  | (87)                 | (245)         |
| <b>Net income for the period</b>  | <b>906</b>        | <b>3,129</b>  | <b>1,991</b>          | <b>1,276</b>         | <b>7,302</b> | <b>1,006</b>      | <b>3,128</b>  | <b>3,601</b>          | <b>4,283</b>         | <b>12,018</b> |

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

  
 Managing Director

  
 For National Investment Trust Limited  
 (Pension Fund Manager)  
 Director

  
 Director

**NIT PENSION FUND**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

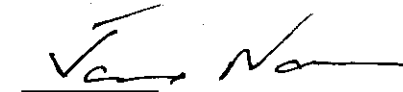
| Note   | December 31, 2020 |               |                       |                      |               | December 31, 2019 |               |                       |                      |               |
|--|-------------------|---------------|-----------------------|----------------------|---------------|-------------------|---------------|-----------------------|----------------------|---------------|
|  | Equity Sub-Fund   | Debt Sub-Fund | Money Market Sub-Fund | Commodities Sub-Fund | Total         | Equity Sub-Fund   | Debt Sub-Fund | Money Market Sub-Fund | Commodities Sub-Fund | Total         |
|  | (Rupees in '000)  |               |                       |                      |               |                   |               |                       |                      |               |
| Net income for the period  | 972               | 6,196         | 4,035                 | 5,898                | 17,101        | 1,446             | 6,111         | 7,140                 | 9,810                | 24,507        |
| <b>Other comprehensive income for the period</b>   |                   |               |                       |                      |               |                   |               |                       |                      |               |
| <b>Items not to be reclassified to income statement in subsequent periods</b>  |                   |               |                       |                      |               |                   |               |                       |                      |               |
| (Loss) on sale of investments classified as fair value through other comprehensive income (FVOCI)  | (379)             | -             | -                     | -                    | (379)         | (555)             | -             | -                     | -                    | (555)         |
| Net unrealised (diminution) / appreciation on re-measurement of equity investments classified as fair value through other comprehensive income (FVOCI) 5.6 | 14,675            | (5,106)       | (326)                 | (32)                 | 9,211         | 12,460            | 3,410         | (14)                  | -                    | 15,856        |
| Cumulative change in fair value through other comprehensive income (FVOCI)   | 14,296            | (5,106)       | (326)                 | (32)                 | 8,832         | 11,905            | 3,410         | (14)                  | -                    | 15,301        |
| <b>Total comprehensive income for the period</b>   | <b>15,268</b>     | <b>1,090</b>  | <b>3,709</b>          | <b>5,866</b>         | <b>25,933</b> | <b>13,351</b>     | <b>9,521</b>  | <b>7,126</b>          | <b>9,810</b>         | <b>39,808</b> |

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements. *sin*

For National Investment Trust Limited  
(Pension Fund Manager)

  
Managing Director

  
Director

  
Director


**NIT PENSION FUND  
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE QUARTER ENDED DECEMBER 31, 2020**

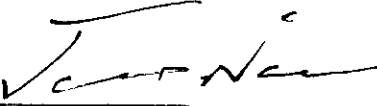
|  | December 31, 2020  |                  |                             |                         |              | December 31, 2019  |                  |                             |                         |               |
|--|--------------------|------------------|-----------------------------|-------------------------|--------------|--------------------|------------------|-----------------------------|-------------------------|---------------|
|  | Equity<br>Sub-Fund | Debt<br>Sub-Fund | Money<br>Market<br>Sub-Fund | Commodities<br>Sub-Fund | Total        | Equity<br>Sub-Fund | Debt<br>Sub-Fund | Money<br>Market<br>Sub-Fund | Commodities<br>Sub-Fund | Total         |
|  | (Rupees in '000)   |                  |                             |                         |              |                    |                  |                             |                         |               |
| Net income for the period  | 906                | 3,129            | 1,991                       | 1,276                   | 7,302        | 1,006              | 3,128            | 3,601                       | 4,283                   | 12,018        |
| <b>Other comprehensive income for the period</b>   |                    |                  |                             |                         |              |                    |                  |                             |                         |               |
| <b>Items to be reclassified to income statement in subsequent periods</b>                                      |                    |                  |                             |                         |              |                    |                  |                             |                         |               |
| (Loss) on sale of investments classified as 'fair value through other comprehensive income' (FVOCI)            | -                  | -                | -                           | -                       | -            | (555)              | -                | -                           | -                       | (555)         |
| Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'available for sale' | 2,645              | (1,595)          | (22)                        | -                       | 1,028        | 16,694             | 2,586            | 10                          | -                       | 19,290        |
| Cumulative change in 'fair value through other comprehensive income' (FVOCI)                                   | 2,645              | (1,595)          | (22)                        | -                       | 1,028        | 16,139             | 2,586            | 10                          | -                       | 18,735        |
| <b>Total comprehensive income for the period</b>   | <b>3,551</b>       | <b>1,534</b>     | <b>1,969</b>                | <b>1,276</b>            | <b>8,330</b> | <b>17,145</b>      | <b>5,714</b>     | <b>3,611</b>                | <b>4,283</b>            | <b>30,753</b> |

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements. *ASN*

For National Investment Trust Limited  
(Pension Fund Manager)

  
Managing Director

  
Director

  
Director


**NIT PENSION FUND**  
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN PARTICIPANTS' FUNDS (UNAUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

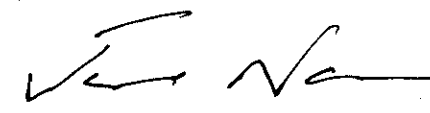
| Note   | December 31, 2020 |                |                       |                      |                | December 31, 2019 |                |                       |                      |                |
|--|-------------------|----------------|-----------------------|----------------------|----------------|-------------------|----------------|-----------------------|----------------------|----------------|
|  | Equity Sub-Fund   | Debt Sub-Fund  | Money Market Sub-Fund | Commodities Sub-Fund | Total          | Equity Sub-Fund   | Debt Sub-Fund  | Money Market Sub-Fund | Commodities Sub-Fund | Total          |
|  | (Rupees in '000)  |                |                       |                      |                |                   |                |                       |                      |                |
| Net assets at beginning of the period  | 75,672            | 123,475        | 120,534               | 121,126              | 440,807        | 71,126            | 99,824         | 113,248               | 95,986               | 380,184        |
| Amount received on issue of units  | 2,271             | 790            | 2,722                 | -                    | 5,783          | 2,606             | 4,815          | 5,613                 | -                    | 13,034         |
| Amount paid on redemption of units   | -                 | (886)          | (2,791)               | -                    | (3,677)        | (97)              | (3,057)        | (4,326)               | -                    | (7,480)        |
| Reallocation among sub-funds   | (3,082)           | (378)          | 3,460                 | -                    | -              | 1,586             | 2,476          | (4,062)               | -                    | -              |
|  | (811)             | (474)          | 3,391                 | -                    | 2,106          | 4,095             | 4,234          | (2,775)               | -                    | 5,554          |
| Net unrealised appreciation / (diminution) on re-measurement of investments classified as fair value through other comprehensive income' (FVOCI) 5.6 | 14,675            | (5,106)        | (326)                 | (32)                 | 9,211          | 12,460            | 3,410          | (14)                  | -                    | 15,856         |
| Gain on sale of investments classified as 'fair value through other comprehensive income' (FVOCI)  | (379)             | -              | -                     | -                    | (379)          | (555)             | -              | -                     | -                    | (555)          |
| Realised (loss)/gain on gold contracts   | -                 | -              | -                     | (1,058)              | (1,058)        | -                 | -              | -                     | 2,228                | 2,228          |
| Gain on sale of investments - net  | -                 | -              | -                     | -                    | -              | -                 | 25             | 18                    | -                    | 43             |
| Net unrealised gain on futures contracts of gold   | -                 | -              | -                     | 4,220                | 4,220          | -                 | -              | -                     | 2,837                | 2,837          |
| Other net income for the year  | 972               | 6,196          | 4,035                 | 2,736                | 13,939         | 1,446             | 6,085          | 7,123                 | 4,746                | 19,400         |
| <b>Total comprehensive income for the period</b>   | <b>15,268</b>     | <b>1,090</b>   | <b>3,709</b>          | <b>5,866</b>         | <b>25,933</b>  | <b>13,351</b>     | <b>9,520</b>   | <b>7,127</b>          | <b>9,811</b>         | <b>39,809</b>  |
| <b>Net assets at end of the period</b>   | <b>90,129</b>     | <b>124,091</b> | <b>127,634</b>        | <b>126,992</b>       | <b>468,846</b> | <b>88,572</b>     | <b>113,578</b> | <b>117,600</b>        | <b>105,797</b>       | <b>425,547</b> |

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements. 132

For National Investment Trust Limited  
(Pension Fund Manager)

  
Managing Director

  
Director

  
Director

NIT PENSION FUND  
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

|   | December 31, 2020 |               |                       |                      |         | December 31, 2019 |               |                       |                      |          |
|---|-------------------|---------------|-----------------------|----------------------|---------|-------------------|---------------|-----------------------|----------------------|----------|
|   | Equity Sub-Fund   | Debt Sub-Fund | Money Market Sub-Fund | Commodities Sub-Fund | Total   | Equity Sub-Fund   | Debt Sub-Fund | Money Market Sub-Fund | Commodities Sub-Fund | Total    |
| (Rupees in '000)  |                   |               |                       |                      |         |                   |               |                       |                      |          |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                     |                   |               |                       |                      |         |                   |               |                       |                      |          |
| Net income for the period   | 972               | 6,196         | 4,035                 | 5,898                | 17,101  | 1,446             | 6,111         | 7,140                 | 9,810                | 24,507   |
| <b>Working capital changes</b>  |                   |               |                       |                      |         |                   |               |                       |                      |          |
| <b>(Increase) / decrease in assets</b>  |                   |               |                       |                      |         |                   |               |                       |                      |          |
| Investments   | 1,365             | (8,672)       | 10,498                | 79,735               | 82,926  | (3,281)           | (12,606)      | (36,539)              | -                    | (52,426) |
| Dividend and profit receivable  | (85)              | 1             | 17                    | (638)                | (705)   | 30                | (3,257)       | (147)                 | (776)                | (4,150)  |
| Financial assets at fair value through profit and loss                          | -                 | -             | -                     | (1,207)              | (1,207) | -                 | -             | -                     | 3,157                | 3,157    |
| Security deposits   | -                 | 69            | 17                    | 23,357               | 23,443  | -                 | -             | -                     | (7,998)              | (7,998)  |
|   | 1,280             | (8,602)       | 10,532                | 101,247              | 104,457 | (3,251)           | (15,863)      | (36,686)              | (5,617)              | (61,417) |
| <b>Increase / (decrease) in liabilities</b>                                     |                   |               |                       |                      |         |                   |               |                       |                      |          |
| Payable to National Investment Trust Limited - Pension Fund Manager             | (2,677)           | (184)         | (76)                  | (75)                 | (3,012) | 11                | 8             | 10                    | 6                    | 35       |
| Payable to Central Depository Company of Pakistan Limited - Trustee             | 2                 | -             | -                     | 1                    | 3       | (3)               | 2             | 6                     | 1                    | 6        |
| Payable to Securities and Exchange Commission of Pakistan                       | (11)              | (17)          | (17)                  | (14)                 | (59)    | (14)              | (13)          | (16)                  | (12)                 | (55)     |
| Accrued expenses and other liabilities  | 36                | 143           | 97                    | 118                  | 394     | 26                | 126           | 149                   | 202                  | 503      |
|   | (2,650)           | (58)          | 4                     | 30                   | (2,674) | 20                | 123           | 149                   | 197                  | 489      |
| <b>Net cash (used in) / generated from operating activities</b>                 | (398)             | (2,464)       | 14,571                | 107,175              | 118,884 | (1,785)           | (9,629)       | (29,397)              | 4,390                | (36,421) |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                     |                   |               |                       |                      |         |                   |               |                       |                      |          |
| Amount received on issue of units   | 2,271             | 790           | 2,722                 | -                    | 5,783   | 2,606             | 4,815         | 5,613                 | -                    | 13,034   |
| Amount paid on redemption of units  | -                 | (886)         | (2,791)               | -                    | (3,677) | (97)              | (3,057)       | (4,326)               | -                    | (7,480)  |
| Re allocation among sub funds   | (3,082)           | (378)         | 3,460                 | -                    | -       | 1,586             | 2,476         | (4,062)               | -                    | -        |
| <b>Net cash flows (used in)/ generated from financing activities</b>            | (811)             | (474)         | 3,391                 | -                    | 2,106   | 4,095             | 4,234         | (2,775)               | -                    | 5,554    |
| <b>Net (decrease) / increase in cash and cash equivalents during the period</b> | (1,209)           | (2,938)       | 17,962                | 107,175              | 120,990 | 2,310             | (5,395)       | (32,172)              | 4,390                | (30,867) |
| Cash and cash equivalents at beginning of the period                            | 5,158             | 15,854        | 32,218                | 8,904                | 62,134  | 6,622             | 7,953         | 64,444                | 79,052               | 158,071  |
| <b>Cash and cash equivalents at end of the period</b>                           | 3,949             | 12,916        | 50,180                | 116,079              | 183,124 | 8,932             | 2,558         | 32,272                | 83,442               | 127,204  |

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

For National Investment Trust Limited  
(Pension Fund Manager)

Managing Director

Director

Director

**NIT PENSION FUND**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

**1 LEGAL STATUS AND NATURE OF BUSINESS**

NIT Pension Fund (the Fund) was established under a Trust Deed executed between National Investment Trust Limited as Pension Fund Manager and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) on April 30, 2015 and the Trust Deed was executed on May 14, 2015.

National Investment Trust Limited has been licensed to act as a Pension Fund Manager under the Voluntary Pension System Rules, 2005 through a certificate of registration issued by SECP. The registered office of the Pension Fund Manager is situated at 6th floor, National Bank of Pakistan Building I.I. Chundrigar Road, Karachi.

The Fund is an unlisted pension scheme and offers units for public subscription on a continuous basis. The units are non-transferable except in the circumstances mentioned in VPS Rules and can be redeemed by surrendering to the Fund. Further, as per the Offering document, no distribution of income or dividend is allowed from any of the sub-funds.

The objective of the Fund is to provide individuals with a portable, individualised, funded (based on defined contribution), flexible pension scheme, assisting and facilitating them to plan and provide for their retirement. The Fund comprises of four sub-funds namely Equity Sub-Fund, Debt Sub-Fund, Money Market Sub-Fund & Commodities Sub-Fund. Participants are offered various investment allocation schemes depending on their investment horizon, return requirements, risk tolerance and unique circumstances. Allocation schemes can be selected at the time of opening of account and subsequently at anniversary of the account. The contributions from participants are invested in various instruments belonging to different asset classes to get full benefits of risk minimisation through diversification.

The Fund received Seed Money from Pension Fund Manager amounting to Rs.300 million (i.e. Rs.75 million in each Sub-Fund) on June 12, 2015 against which 30 million units at the offer price of Rs.10 each were issued (i.e. Rs.75 million of each Sub-fund). Accordingly, the Fund commenced its operations from June 12, 2015.

VIS assigned a rating of "AM1" on December 31, 2020 to the Pension Fund Manager and PACRA has maintained an asset manager rating of "AM2++" with positive outlook on November 05, 2020 to the Pension Fund Manager.

Title of the assets of the Fund are held in the name of CDC as the Trustee of the Fund.

**2 BASIS OF PREPARATION**

**2.1 Statement of compliance**

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. The approved accounting standards comprise of International Accounting Standard 34 - Interim Financial Reporting issued by International Accounting Standards Board (IASB) as notified under the Companies Act, 2017, provisions of and directives issued under the Companies Act, 2017, Voluntary Pension System Rules, 2005 (the VPS Rules) and the requirement of Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, the VPS Rules and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, the VPS Rules and requirements of the Trust Deed have been followed.

The disclosures present in the condensed interim financial statements have however been limited based on the requirement of IAS 34 "Interim Financial Reporting". The condensed interim financial statements do not include all the information and disclosures as required in a full set of financial statements and should vary in conjunction with the annual financial statements of the fund for the year ended June 30, 2020.

**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information and the significant judgements made by the management in applying the accounting policies and key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements as at and for the year ended June 30, 2020.

The preparation of these condensed interim financial statements in conformity with approved accounting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in the application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future years if the revision affects both current and future periods.

3.1 The 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, 2020.

**3.2 Standards, Amendments And Interpretations To Approved Accounting Standards**

Standards, amendments and interpretations to the published standards that may be relevant to the Fund and adopted in the current period

The Fund has adopted the following new standards, amendments to published standards and interpretations of IFRSs which became effective during the current period.

| New or Revised Standard or Interpretation   | Effective Date<br>(Annual periods beginning on or after) |
|---|--|
| IAS 1 and IAS 8 Definition of Material (Amendment to IAS 1 and IAS 8)                               | January 1, 2020  |
| IFRS 9, IAS 39 and IFRS 7 Investment rate benchmark Reform (Amendment to IFRS 9, IAS 39 and IFRS 7) | January 1, 2020  |

**NYT PENSION FUND  
 NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
 FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

**New or Revised Standard or Interpretation**

**Effective Date  
 (Annual periods beginning  
 on or after)**

IFRS 16, IFRS 9 and IAS 21 specific application is now applicable to all companies including those having PPAs signed on or after January 01, 2019

June 1, 2020

Adoption of the above standard have no effect on the amounts for the period ended December 31, 2020.

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

The following new standards, amendments to published standards and interpretations would be effective from the dates mentioned below against the respective standard or interpretation.

**Standard or Interpretation**

**Effective Date  
 (Annual periods beginning  
 on or after)**

IFRS 9, IAS 39, IFRS 7, IFRS 4, and IFRS 16 Interest Rate Benchmark Reform Phase 2

January 1, 2021

IAS 37 Onerous Contracts- Cost of Fulfilling a contract

January 1, 2022

IFRS 1, IFRS 9, IFRS 16 and IAS 41 Annual Improvements to IFRS Standards 2018-2020 cycle

January 1, 2022

The Fund is in the process of assessing the impact of these Standards, amendments and interpretations to the published standards on the condensed interim financial statements of the Fund.

NIT PENSION FUND  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

|                        | Note | December 31, 2020<br>Unaudited |                  |                             |                         |         | June 30, 2020<br>Audited |                  |                             |                         |        |
|------------------------|------|--------------------------------|------------------|-----------------------------|-------------------------|---------|--------------------------|------------------|-----------------------------|-------------------------|--------|
|                        |      | Equity<br>Sub-Fund             | Debt<br>Sub-Fund | Money<br>Market<br>Sub-Fund | Commodities<br>Sub-Fund | Total   | Equity<br>Sub-Fund       | Debt<br>Sub-Fund | Money<br>Market<br>Sub-Fund | Commodities<br>Sub-Fund | Total  |
| <b>4 BANK BALANCES</b> |      | (Rupees in '000)               |                  |                             |                         |         |                          |                  |                             |                         |        |
| Savings accounts       | 4.1  | 3,949                          | 12,916           | 50,180                      | 116,079                 | 183,124 | 5,158                    | 15,854           | 32,218                      | 8,904                   | 62,134 |

4.1 The balances in saving accounts have expected profit rates ranging from 5.50% to 8.3% per annum (June 30, 2020: 7.80% to 8.30%).

|  | Note | December 31, 2020<br>Unaudited |                  |                             |                         |                | June 30, 2020<br>Audited |                  |                             |                         |                |
|--|------|--------------------------------|------------------|-----------------------------|-------------------------|----------------|--------------------------|------------------|-----------------------------|-------------------------|----------------|
|  |      | Equity<br>Sub-Fund             | Debt<br>Sub-Fund | Money<br>Market<br>Sub-Fund | Commodities<br>Sub-Fund | Total          | Equity<br>Sub-Fund       | Debt<br>Sub-Fund | Money<br>Market<br>Sub-Fund | Commodities<br>Sub-Fund | Total          |
| <b>5 INVESTMENTS</b>   |      | (Rupees in '000)               |                  |                             |                         |                |                          |                  |                             |                         |                |
| <b>Fair value through other comprehensive income (FVOCI)</b> |      |                                |                  |                             |                         |                |                          |                  |                             |                         |                |
| -Listed equity securities                                    | 5.1  | 84,025                         | -                | -                           | -                       | 84,025         | 71,094                   | -                | -                           | -                       | 71,094         |
| -Government securities                                       | 5.2  | -                              | 96,182           | 39,364                      | -                       | 135,546        | -                        | 99,386           | 89,101                      | 79,767                  | 268,254        |
| -Term Finance Certificates                                   | 5.3  | -                              | 3,943            | -                           | -                       | 3,943          | -                        | 4,008            | -                           | -                       | 4,008          |
| -Listed Sukuks   | 5.4  | -                              | 8,776            | 4,000                       | -                       | 12,776         | -                        | 1,941            | -                           | -                       | 1,941          |
| <b>Fair value through Profit and loss (FVTPL)</b>            |      |                                |                  |                             |                         |                |                          |                  |                             |                         |                |
| -Government securities                                       | 5.2  | -                              | -                | 34,913                      | -                       | 34,913         | -                        | -                | -                           | -                       | -              |
|  |      | <u>84,025</u>                  | <u>108,901</u>   | <u>78,277</u>               | <u>-</u>                | <u>271,203</u> | <u>71,094</u>            | <u>105,335</u>   | <u>89,101</u>               | <u>79,767</u>           | <u>345,297</u> |



NIT PENSION FUND  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

5.1 Listed equity securities

5.1.1 Held by Equity Sub-Fund

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

Name of the Investee Companies

| Name of the Investee Companies           | As at July 01, 2020 | Purchases during the period | Bonus issue during the period<br>(Number of shares) | Right shares purchased / subscribed during the period | Sales during the period | As at December 31, 2020 | Carrying cost as at December 31, 2020<br>(Rupees in '000) | Market value as at December 31, 2020 | Market value as a percentage of net assets of sub-fund | Market value as a percentage of total investment of sub-fund | Par value as a percentage of issued capital of the investee company held |
|--|---------------------|-----------------------------|---|---|-------------------------|-------------------------|---|--------------------------------------|--|--|--|
|  |                     |                             |   |   |                         |                         |   |                                      |  |  |  |
| <b>Commercial Banks</b>                  |                     |                             |   |   |                         |                         |   |                                      |  |  |  |
| Bank AL Habib Limited                    | 20,000              | -                           | -   | -   | -                       | 20,000                  | 882   | 1,392                                | 1.54   | 1.66   | 0.01   |
| Habib Bank Limited                       | 34,500              | -                           | -   | -   | 1,000                   | 33,500                  | 5,114   | 4,431                                | 4.92   | 5.27   | 0.03   |
| MCB Bank Limited                         | 27,000              | -                           | -   | -   | 1,000                   | 26,000                  | 5,172   | 4,817                                | 5.34   | 5.73   | 0.04   |
| Bank Alfalah Limited                     | 18,500              | -                           | -   | -   | -                       | 18,500                  | 927   | 654                                  | 0.73   | 0.78   | 0.00   |
| United Bank Limited                      | 42,000              | -                           | -   | -   | 1,000                   | 41,000                  | 7,396   | 5,130                                | 5.73   | 6.14   | 0.04   |
|  | <b>142,000</b>      | <b>-</b>                    | <b>-</b>  | <b>-</b>  | <b>3,000</b>            | <b>139,000</b>          | <b>19,491</b>   | <b>16,454</b>                        | <b>18.26</b>   | <b>19.58</b>   |  |
| <b>Insurance</b>                         |                     |                             |   |   |                         |                         |   |                                      |  |  |  |
| IGI Holding Limited                      | 18,625              | -                           | -   | -   | 18,625                  | -                       | -   | -                                    | 0.00   | 0.00   | 0.00   |
|  | <b>18,625</b>       | <b>-</b>                    | <b>-</b>  | <b>-</b>  | <b>18,625</b>           | <b>-</b>                | <b>-</b>  | <b>-</b>                             | <b>0.00</b>  | <b>0.00</b>  |  |
| <b>Textile Composite</b>                 |                     |                             |   |   |                         |                         |   |                                      |  |  |  |
| Nishat Mills Limited                     | 14,500              | -                           | -   | -   | -                       | 14,500                  | 2,069   | 1,476                                | 1.64   | 1.76   | 0.04   |
|  | <b>14,500</b>       | <b>-</b>                    | <b>-</b>  | <b>-</b>  | <b>-</b>                | <b>14,500</b>           | <b>2,069</b>  | <b>1,476</b>                         | <b>1.64</b>  | <b>1.76</b>  |  |
| <b>Cement</b>                            |                     |                             |   |   |                         |                         |   |                                      |  |  |  |
| D.G. Khan Cement Company Limited         | 31,500              | -                           | -   | -   | -                       | 31,500                  | 2,866   | 3,609                                | 4.00   | 4.30   | 0.08   |
| Fauji Cement Company Limited             | 84,000              | -                           | -   | -   | -                       | 84,000                  | 1,919   | 1,820                                | 2.02   | 2.17   | 0.01   |
| Lucky Cement Limited                     | 12,500              | 3,000                       | -   | -   | -                       | 15,500                  | 8,036   | 10,789                               | 11.97  | 12.84  | 0.33   |
|  | <b>128,000</b>      | <b>3,000</b>                | <b>-</b>  | <b>-</b>  | <b>-</b>                | <b>131,000</b>          | <b>12,821</b>   | <b>16,218</b>                        | <b>17.99</b>   | <b>19.31</b>   |  |
| <b>Power Generation and Distribution</b> |                     |                             |   |   |                         |                         |   |                                      |  |  |  |
| Kot Addu Power Company Limited           | 8,000               | 5,000                       | -   | -   | -                       | 13,000                  | 571   | 354                                  | 0.39   | 0.42   | 0.00   |
| The Hub Power Company Limited            | 76,654              | 10,000                      | -   | -   | -                       | 86,654                  | 7,325   | 6,874                                | 7.63   | 8.18   | 0.05   |
|  | <b>84,654</b>       | <b>15,000</b>               | <b>-</b>  | <b>-</b>  | <b>-</b>                | <b>99,654</b>           | <b>7,896</b>  | <b>7,228</b>                         | <b>8.02</b>  | <b>8.60</b>  |  |
| <b>Oil and Gas Marketing Companies</b>   |                     |                             |   |   |                         |                         |   |                                      |  |  |  |
| Pakistan State Oil Company Limited       | 29,064              | -                           | -   | -   | -                       | 29,064                  | 5,321   | 6,257                                | 6.94   | 7.45   | 0.13   |
| Sui Northern Gas Pipeline Limited        | 18,500              | -                           | -   | -   | -                       | 18,500                  | 1,467   | 822                                  | 0.91   | 0.98   | 0.01   |
|  | <b>47,564</b>       | <b>-</b>                    | <b>-</b>  | <b>-</b>  | <b>-</b>                | <b>47,564</b>           | <b>6,788</b>  | <b>7,079</b>                         | <b>7.85</b>  | <b>8.43</b>  |  |
| <b>Oil and Gas Exploration Companies</b> |                     |                             |   |   |                         |                         |   |                                      |  |  |  |
| Pakistan Oil Field Limited               | 1,400               | -                           | -   | -   | -                       | 1,400                   | 407   | 554                                  | 0.61   | 0.66   | 0.02   |
| Oil and Gas Development Company Limited  | 55,500              | -                           | -   | -   | -                       | 55,500                  | 8,502   | 5,759                                | 6.39   | 6.85   | 0.01   |
| Mari Petroleum Limited                   | 1,826               | -                           | -   | -   | -                       | 1,826                   | 2,259   | 2,447                                | 2.71   | 2.91   | 0.18   |
| Pakistan Petroleum Limited               | 74,490              | -                           | -   | -   | -                       | 74,490                  | 6,797   | 6,729                                | 7.47   | 8.01   | 0.02   |
|  | <b>133,216</b>      | <b>-</b>                    | <b>-</b>  | <b>-</b>  | <b>-</b>                | <b>133,216</b>          | <b>17,965</b>   | <b>15,489</b>                        | <b>17.18</b>   | <b>18.43</b>   |  |
| <b>Balance carried forward</b>           | <b>568,559</b>      | <b>18,000</b>               | <b>-</b>  | <b>-</b>  | <b>21,625</b>           | <b>564,934</b>          | <b>67,030</b>   | <b>63,944</b>                        | <b>70.94</b>   | <b>76.11</b>   |  |

NI T PENSION FUND  
 NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
 FOR THE HALF YEAR ENDED DECEMBER 31, 2020

|  | As at July<br>01, 2020 | Purchases<br>during the<br>period | Bonus<br>issue<br>during the<br>period/<br>year<br>(Number of shares) | Right shares<br>purchased /<br>subscribed<br>during the<br>period/year | Sales<br>during<br>the<br>period/<br>year | As at<br>December<br>31, 2020 | Carrying cost<br>as at December<br>31, 2020<br>(Rupees in '000) | Market value<br>as at<br>December<br>31, 2020 | Market<br>value as a<br>percentage<br>of net<br>assets of<br>sub-fund | Market<br>value as a<br>percentage<br>of total<br>investment<br>of sub-fund<br>(%) | Par value as<br>a percentage<br>of issued<br>capital of the<br>investee<br>company held |
|--|------------------------|-----------------------------------|---|--|---|-------------------------------|---|---|---|--|---|
| <b>Balance brought forward</b>               | 568,559                | 18,000                            | -   | -  | 21,625                                    | 564,934                       | 67,030  | 63,944  | 70.94   | 76.11  |   |
| <b>Name of the Investee Companies</b>        |                        |                                   |   |  |   |                               |   |   |   |  |   |
| <b>Automobile Assembler</b>                  |                        |                                   |   |  |   |                               |   |   |   |  |   |
| Honda Atlas Cars (Pakistan) Limited          | 1,500                  | -                                 | -   | -  | -   | 1,500                         | 475   | 492   | 0.55  | 0.59   | 0.03  |
| Indus Motor Company Limited                  | 3,000                  | -                                 | -   | -  | -   | 3,000                         | 2,819   | 3,594   | 3.99  | 4.28   | 0.46  |
|  | 4,500                  | -                                 | -   | -  | -   | 4,500                         | 3,294   | 4,086   | 4.54  | 4.87   |   |
| <b>Engineering</b>                           |                        |                                   |   |  |   |                               |   |   |   |  |   |
| International Steels Limited                 | 10,000                 | -                                 | -   | -  | -   | 10,000                        | 1,017   | 932   | 1.03  | 1.11   | 0.02  |
| International Industries Limited             | 6,050                  | -                                 | -   | -  | -   | 6,050                         | 963   | 1,068   | 1.18  | 1.27   | 0.08  |
| Crescent Steel & Allied<br>Products Limited  | 13,000                 | -                                 | -   | -  | -   | 13,000                        | 1,185   | 1,093   | 1.21  | 1.30   | 0.14  |
|  | 29,050                 | -                                 | -   | -  | -   | 29,050                        | 3,165   | 3,093   | 3.42  | 3.68   |   |
| <b>Automobile &amp; Parts</b>                |                        |                                   |   |  |   |                               |   |   |   |  |   |
| Agriauto Industries Limited*                 | 5,000                  | -                                 | -   | -  | -   | 5,000                         | 1,221   | 1,171   | 1.30  | 1.39   | 0.81  |
|  | 5,000                  | -                                 | -   | -  | -   | 5,000                         | 1,221   | 1,171   | 1.30  | 1.39   |   |
| <b>Cable &amp; Electric Goods</b>            |                        |                                   |   |  |   |                               |   |   |   |  |   |
| Pakistan Cables Limited                      | 5,000                  | -                                 | -   | -  | -   | 5,000                         | 1,043   | 672   | 0.75  | 0.80   | 0.19  |
|  | 5,000                  | -                                 | -   | -  | -   | 5,000                         | 1,043   | 672   | 0.75  | 0.80   |   |
| <b>Fertilizer</b>                            |                        |                                   |   |  |   |                               |   |   |   |  |   |
| Engro Corporation Limited                    | 19,600                 | -                                 | -   | -  | -   | 19,600                        | 5,518   | 6,024   | 6.68  | 7.17   | 0.10  |
| Engro Fertilizer Limited                     | 15,000                 | -                                 | -   | -  | -   | 15,000                        | 829   | 948   | 1.05  | 1.13   | 0.01  |
| Fauji Fertilizer Company Limited             | 14,500                 | -                                 | -   | -  | -   | 14,500                        | 1,229   | 1,573   | 1.75  | 1.87   | 0.01  |
|  | 49,100                 | -                                 | -   | -  | -   | 49,100                        | 7,576   | 8,545   | 9.48  | 10.17  |   |
| <b>Pharmaceuticals</b>                       |                        |                                   |   |  |   |                               |   |   |   |  |   |
| The Searle Company Limited                   | 8,932                  | -                                 | -   | 1,143  | -   | 10,075                        | 2,475   | 2,511   | 2.79  | 2.99   | 0.12  |
|  | 8,932                  | -                                 | -   | 1,143  | -   | 10,075                        | 2,475   | 2,511   | 2.79  | 2.99   |   |
| <b>Total - December 31, 2020 (Unaudited)</b> | <b>670,141</b>         | <b>18,000</b>                     | <b>-</b>  | <b>1,143</b>   | <b>21,625</b>                             | <b>667,659</b>                | <b>85,804</b>   | <b>84,025</b>                                 | <b>93.22</b>  | <b>100</b>   |   |
| <b>Total - June 30, 2020 (Audited)</b>       | <b>567,666</b>         | <b>100,000</b>                    | <b>12,975</b>   | <b>-</b>   | <b>10,500</b>                             | <b>670,141</b>                | <b>87,549</b>   | <b>71,094</b>                                 | <b>94.00</b>  | <b>100</b>   |   |

\*These have a face value of Rs. 5 per share.

5. 1.2 Investments include shares with market value of Rs.3.673 million (June 30, 2020: Rs.2.420 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, the breakup of which is given on the next page.

NIT PENSION FUND  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

| 5.1.3 Name of Investee Company     | Shares pledged | Market value (Rs. in '000) |
|------------------------------------|----------------|----------------------------|
| The Hub Power Company Limited      | 5,000          | 397                        |
| Kor Addu Power Company Limited     | 5,000          | 136                        |
| Engro Corporation Limited          | 2,500          | 768                        |
| Pakistan Petroleum Limited         | 5,000          | 452                        |
| Pakistan State Oil Company Limited | 5,000          | 1,077                      |
|                                    |                | <u>2,830</u>               |

| 5.2 Government securities                                    | Note  | Tenor    | Face value          |                                  | As at December 31, 2020                                    |                         | Market Value as a Percentage of Net Assets | Market Value as a Percentage of Investments (%) |               |                               |
|--|-------|----------|---------------------|----------------------------------|--|-------------------------|--|---|---------------|-------------------------------|
|  |       |          | As at July 01, 2020 | Purchased during the period/year | Disposed / matured during the period/year (Rupees in '000) | As at December 31, 2020 |  |   | Carrying cost | Market value / Carrying Value |
| <b>-Held by Debt Sub-Fund</b>                                |       |          |                     |                                  |  |                         |  |   |               |                               |
| <b>Pakistan Investment Bonds</b>                             |       |          |                     |                                  |  |                         |  |   |               |                               |
| Issue date   |       |          |                     |                                  |  |                         |  |   |               |                               |
| 12-Jul-18  | 5.2.1 | 3 Years  | 58,000              | -                                | -  | 58,000                  | 56,107                                     | 58,017  | 46.75         | 53.27                         |
| 19-Sep-19  | 5.2.1 | 10 Years | 38,000              | -                                | -  | 38,000                  | 34,095                                     | 38,165  | 30.76         | 35.05                         |
| <b>Total as at December 31, 2020 (Unaudited)</b>             |       |          | <b>96,000</b>       | <b>-</b>                         | <b>-</b>   | <b>96,000</b>           | <b>90,202</b>                              | <b>96,182</b>                                   | <b>77.51</b>  | <b>88.32</b>                  |
| Total as at June 30, 2020 (Audited)                          |       |          | -                   | 104,000                          | 8,000  | 96,000                  | 88,328                                     | 99,386  | 80.49         | 94.35                         |
| <b>-Held by Money Market Sub-Fund</b>                        |       |          |                     |                                  |  |                         |  |   |               |                               |
| <b>Market Treasury Bills</b>                                 |       |          |                     |                                  |  |                         |  |   |               |                               |
| <b>Fair value through other comprehensive income (FVOCI)</b> |       |          |                     |                                  |  |                         |  |   |               |                               |
| Issue date   |       |          |                     |                                  |  |                         |  |   |               |                               |
| April 9, 2020  |       | 6 Months | 40,000              | -                                | 40,000   | -                       | -  | -   | -             | -                             |
| April 23, 2020   |       | 3 Months | 50,000              | -                                | 50,000   | -                       | -  | -   | -             | -                             |
| October 8, 2021  |       | 3 Months | -                   | 62,000                           | 62,000   | -                       | -  | -   | -             | -                             |
| December 31, 2021  | 5.2.2 | 3 Months | -                   | 40,000                           | -  | 40,000                  | 39,365                                     | 39,364  | 30.84         | 50.29                         |
|  |       |          | <b>90,000</b>       | <b>102,000</b>                   | <b>152,000</b>   | <b>40,000</b>           | <b>39,365</b>                              | <b>39,364</b>                                   | <b>30.84</b>  | <b>50.29</b>                  |
| <b>Fair value through Profit and loss (FVTPL)</b>            |       |          |                     |                                  |  |                         |  |   |               |                               |
| Issue date   |       |          |                     |                                  |  |                         |  |   |               |                               |
| July 16, 2020  | 5.2.2 | 6 Months | -                   | 35,000                           | -  | 35,000                  | 34,922                                     | 34,913  | 27.35         | 44.60                         |
| <b>Total as at December 31, 2020 (Unaudited)</b>             |       |          | <b>90,000</b>       | <b>137,000</b>                   | <b>152,000</b>   | <b>75,000</b>           | <b>74,287</b>                              | <b>74,277</b>                                   | <b>58.19</b>  | <b>94.89</b>                  |
| Total as at June 30, 2020 (Audited)                          |       |          | 45,000              | 377,000                          | 332,000  | 90,000                  | 88,775                                     | 89,101  | 73.92         | 100                           |

NIT PENSION FUND  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

|  | Tenor          | Face value          |                                  |   | As at December 31, 2020<br>Unaudited |               | Market Value as a Percentage of Net Assets | Market Value as a Percentage of Investments (%) |                               |
|--|----------------|---------------------|----------------------------------|---|--------------------------------------|---------------|--|---|-------------------------------|
|  |                | As at July 01, 2020 | Purchased during the period/year | Disposed / matured during the period/year<br>(Rupees in '000) | As at December 31, 2020              | Carrying cost |  |   | Market value / Carrying Value |
| <b>-Held by Commodities Sub-Fund</b>             |                |                     |                                  |   |                                      |               |  |   |                               |
| <b>Market Treasury Bills</b>                     |                |                     |                                  |   |                                      |               |  |   |                               |
| <b>Issue date</b>                                |                |                     |                                  |   |                                      |               |  |   |                               |
|  | 3 Months       | 80,000              | -                                | 80,000  | -                                    | -             | -  | -   |                               |
|  | April 23, 2020 | 80,000              | -                                | 80,000  | -                                    | -             | -  | -   |                               |
| <b>Total as at December 31, 2020 (Unaudited)</b> |                |                     |                                  |   |                                      |               |  |   |                               |
| Total as at June 30, 2020 (Audited)              |                |                     | 385,000                          | 305,000   | 80,000                               | 79,735        | 79,767                                     | 65.85   | 46.90                         |

5.2.1 These carry effective yield ranging from 7.18% - 9.918% (June 30, 2020: 11.26% - 13.89%) per annum and will mature by September 2029.

5.2.2 These treasury bills carry effective yield of 7.00% (June 30, 2020: 8.21% - 10.26%) per annum and will mature by December 2021.

| 5.3  | Term Finance Certificates         | Number of certificates |                                  |   | As at December 31, 2020<br>Unaudited |               | Market value as a percentage of net assets of sub fund | Market value as a percentage of total investments of sub fund (%) |                               |
|--|-----------------------------------|------------------------|----------------------------------|---|--------------------------------------|---------------|--|---|-------------------------------|
|  |                                   | As at July 01, 2020    | Purchased during the period/year | Disposed / matured during the period/year<br>(Rupees in '000) | As at December 31, 2020              | Carrying cost |  |   | Market value / carrying value |
| <b>-Held by Debt Sub-Fund</b>              |                                   |                        |                                  |   |                                      |               |  |   |                               |
| <b>Name of the investee company</b>        |                                   |                        |                                  |   |                                      |               |  |   |                               |
|  | Bank AL Habib Limited (5th issue) | 875                    | -                                | -   | 875                                  | 4,367         | 3,943  | 3.18  | 3.62                          |
| <b>As at December 31, 2020 (Unaudited)</b> |                                   | 875                    | -                                | -   | 875                                  | 4,367         | 3,943  | 3.18  | 3.62                          |
| As at June 30, 2020 (Audited)              |                                   | 875                    | -                                | -   | 875                                  | 4,368         | 4,008  | 3.80  | 3.25                          |

5.3.1 Significant terms and conditions of term finance certificates outstanding at the period ended are as follows:

| Name of security                  | Number of certificates | Unredeemed face value (Rupees) | Mark-up rate (per annum) | Issue date     | Tenor    | Secured / unsecured | Rating |
|-----------------------------------|------------------------|--------------------------------|--------------------------|----------------|----------|---------------------|--------|
| Bank AL Habib Limited (5th issue) | 875                    | 4,992                          | 6-months KIBOR + 0.75%   | March 17, 2016 | 10 years | Unsecured           | AA     |

NIT PENSION FUND  
 NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
 FOR THE HALF YEAR ENDED DECEMBER 31, 2020

| 5.4                                   | Listed Sukuks                                    | Issue Date        | Number of certificates |                                  |                             | As at December 31, 2020<br>Unaudited |               | Market value as a percentage of net assets of sub fund | value as a percentage of total investments of sub fund (%) |                               |
|---------------------------------------|--|-------------------|------------------------|----------------------------------|-----------------------------|--------------------------------------|---------------|--|--|-------------------------------|
|                                       |  |                   | As at July 01, 2020    | Purchased during the period/year | Sold during the period/year | As at December 31, 2020              | Carrying cost |  |  | Market value / Carrying value |
| <b>-Held by Debt Sub-Fund</b>         |  |                   |                        |                                  |                             |                                      |               |  |  |                               |
|                                       | Name of the investee companies                   |                   |                        |                                  |                             |                                      |               |  |  |                               |
|                                       | Dawood Hercules Corporation Limited              | March 1, 2018     | 22                     | -                                | -                           | 22                                   | 1,540         | 1,559  | 1.26   | 1.43                          |
|                                       | Fatima Fertilizer Company Limited                | November 28, 2016 | 99                     | -                                | -                           | 99                                   | 99            | 100  | 0.08   | 0.09                          |
|                                       | K Electric Limited                               | August 3, 2020    | -                      | 614                              | -                           | 614                                  | 3,070         | 3,117  | 2.51   | 2.86                          |
|                                       | Kot Addu Power Company Limited                   | December 8, 2020  | -                      | 40                               | -                           | 40                                   | 4,000         | 4,000  | 3.22   | 3.67                          |
|                                       | <b>Total as at December 31, 2020 (Unaudited)</b> |                   | <b>121</b>             | <b>654</b>                       | <b>-</b>                    | <b>775</b>                           | <b>8,709</b>  | <b>8,776</b>   | <b>7.07</b>  | <b>8.05</b>                   |
|                                       | Total as at June 30, 2020 (Audited)              |                   | 121                    | -                                | -                           | 121                                  | 1,909         | 1,941  | 1.57   | 1.84                          |
| <b>-Held by Money Market Sub-Fund</b> |  |                   |                        |                                  |                             |                                      |               |  |  |                               |
|                                       | Kot Addu Power Company Limited                   | December 8, 2020  | -                      | 40                               | -                           | 40                                   | 4,000         | 4,000  | 3.13   | 5.11                          |
|                                       | <b>Total as at December 31, 2020 (Unaudited)</b> |                   | <b>-</b>               | <b>40</b>                        | <b>-</b>                    | <b>40</b>                            | <b>4,000</b>  | <b>4,000</b>   | <b>3.13</b>  | <b>5.11</b>                   |

5.4.1 Significant terms and conditions of listed Sukuks outstanding at the period end are as follows:

| Name of security                          | Number of certificates | Unredeemed face value (Rupees) | Mark-up rate (per annum) | Issue date        | Tenor    | Secured / unsecured | Rating |
|---|------------------------|--------------------------------|--------------------------|-------------------|----------|---------------------|--------|
| <b>-Held by Debt Sub-Fund</b>             |                        |                                |                          |                   |          |                     |        |
| Dawood Hercules Corporation Limited       | 22                     | 7,000                          | 3-months KIBOR + 1.0%    | March 1, 2018     | 5 years  | Secured             | AA     |
| Fatima Fertilizers Company Limited        | 99                     | 1,000                          | 6-months KIBOR + 1.1%    | November 28, 2016 | 5 years  | Unsecured           | AA-    |
| K Electric Limited                        | 614                    | 5,000                          | 3-months KIBOR + 1.7%    | August 3, 2020    | 7 years  | Unsecured           | AA+    |
| Kot Addu Power Company Limited            | 40                     | 100,000                        | 3-months KIBOR + 0.7%    | December 8, 2020  | 6 months | Unsecured           | AA+    |
| <b>5.5 -Held by Money Market Sub-Fund</b> |                        |                                |                          |                   |          |                     |        |
| Kot Addu Power Company Limited            | 40                     | 100,000                        | 3-months KIBOR + 0.7%    | December 8, 2020  | 6 months | Unsecured           | AA+    |

NIT PENSION FUND  
 NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
 FOR THE HALF YEAR ENDED DECEMBER 31, 2020

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

|  | December 31, 2020<br>Unaudited |                  |                             |                         |           | December 31, 2019<br>Unaudited |                  |                             |                         |           |
|--|--------------------------------|------------------|-----------------------------|-------------------------|-----------|--------------------------------|------------------|-----------------------------|-------------------------|-----------|
|  | Equity<br>Sub-Fund             | Debt<br>Sub-Fund | Money<br>Market<br>Sub-Fund | Commodities<br>Sub-Fund | Total     | Equity<br>Sub-Fund             | Debt<br>Sub-Fund | Money<br>Market<br>Sub-Fund | Commodities<br>Sub-Fund | Total     |
|  | (Rupees in '000)               |                  |                             |                         |           |                                |                  |                             |                         |           |
| Market value of investments  | 84,025                         | 108,900          | 43,364                      | -                       | 236,289   | 79,906                         | 108,444          | 85,798                      | -                       | 274,148   |
| Less: Carrying cost - net of impairment  | (85,805)                       | (103,277)        | (43,365)                    | -                       | (232,447) | (81,349)                       | (105,133)        | (85,840)                    | -                       | (272,322) |
|  | (1,780)                        | 5,623            | (1)                         | -                       | 3,842     | (1,443)                        | 3,311            | (42)                        | -                       | 1,826     |
| Less / add: Net unrealised (appreciation) /<br>diminution on re-measurement of<br>investments at beginning of the period | 16,455                         | (10,729)         | (325)                       | (32)                    | 5,369     | 13,903                         | 99               | 28                          | -                       | 14,030    |
|  | 14,675                         | (5,106)          | (326)                       | (32)                    | 9,211     | 12,460                         | 3,410            | (14)                        | -                       | 15,856    |

6 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

|                      | December 31, 2020<br>Unaudited |                  |                             |                         |       | June 30, 2020<br>Audited |                  |                             |                         |       |
|----------------------|--------------------------------|------------------|-----------------------------|-------------------------|-------|--------------------------|------------------|-----------------------------|-------------------------|-------|
|                      | Equity<br>Sub-Fund             | Debt<br>Sub-Fund | Money<br>Market<br>Sub-Fund | Commodities<br>Sub-Fund | Total | Equity<br>Sub-Fund       | Debt<br>Sub-Fund | Money<br>Market<br>Sub-Fund | Commodities<br>Sub-Fund | Total |
|                      | (Rupees in '000)               |                  |                             |                         |       |                          |                  |                             |                         |       |
| Future gold contract | -                              | -                | -                           | 4,220                   | 4,220 | -                        | -                | -                           | 2,837                   | 2,837 |

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

| Commodities contracts - outstanding                  | Maturity date | Quantity<br>ounces | Value of<br>Gold<br>in futures<br>market<br>US \$ | Value of Gold<br>in futures<br>market<br>equivalent<br>(PKR<br>in '000) | Market<br>value as a<br>percentage<br>of net assets<br>of sub fund<br>(%) | December 31,<br>2020 |                          |
|--|---------------|--------------------|---|---|---|----------------------|--------------------------|
|  |               |                    |   |   |   | Unaudited            | June 30, 2020<br>Audited |
| Gold 10 oz - February 2021                           | 27 Jan 2021   | 320 bz             | 1,902   | 90,860  | 71.55   | Rupees in '000'      |                          |
|  |               |                    |   |   |   | 86,640               | 87,297                   |
| Liabilities against gold futures at contracted rates |               |                    |   |   |   | 4,220                | 3,013                    |
| Unrealised gain on future contracts of gold          |               |                    |   |   |   |                      |                          |

NIT PENSION FUND  
 NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
 FOR THE HALF YEAR ENDED DECEMBER 31, 2020

7 ACCRUED EXPENSES AND OTHER LIABILITIES

|   | Note | December 31, 2020<br>Unaudited |                  |                             |                         | June 30, 2020<br>Audited |                    |                  |                             |                         |       |
|---|------|--------------------------------|------------------|-----------------------------|-------------------------|--------------------------|--------------------|------------------|-----------------------------|-------------------------|-------|
|   |      | Equity<br>Sub-Fund             | Debt<br>Sub-Fund | Money<br>Market<br>Sub-Fund | Commodities<br>Sub-Fund | Total                    | Equity<br>Sub-Fund | Debt<br>Sub-Fund | Money<br>Market<br>Sub-Fund | Commodities<br>Sub-Fund | Total |
|   |      | (Rupees in '000)               |                  |                             |                         |                          |                    |                  |                             |                         |       |
| Provision for Sindh Workers' Welfare Fund                   | 7.1  | 206                            | 782              | 759                         | 1,089                   | 2,836                    | 186                | 655              | 677                         | 969                     | 2,487 |
| Federal Excise Duty on remuneration to Pension Fund Manager | 7.2  | 187                            | 198              | 198                         | 195                     | 778                      | 187                | 198              | 198                         | 195                     | 778   |
| Auditors' remuneration                                      |      | 60                             | 60               | 60                          | 60                      | 240                      | 46                 | 46               | 46                          | 46                      | 184   |
| Payable against printing charges                            |      | 68                             | -                | -                           | -                       | 68                       | 68                 | -                | -                           | -                       | 68    |
| Brokerage payable   |      | 6                              | 2                | 1                           | -                       | 9                        | 4                  | -                | -                           | 16                      | 20    |
|   |      | 527                            | 1,042            | 1,018                       | 1,344                   | 3,931                    | 899                | 899              | 921                         | 1,226                   | 3,537 |

7.1 The Sindh Revenue Board (SRB) had written to few mutual funds in January 2016 to register and pay Sindh Workers Welfare Fund (SWWF) for the accounting year closing on or after December 31, 2013. MUFAP reviewed the issue and based on an opinion obtained in August 2016 decided that SWWF is not applicable on mutual funds as they are not financial institutions as required by SWWF Act, 2014. MUFAP wrote to SRB that mutual funds are not establishments and are pass through vehicles hence, they do not have any worker and no SWWF is payable by them. SRB responded back that as mutual funds are included in definition of financial institutions in the Financial Institutions (Recovery of Finance) Ordinance, 2001, therefore SWWF is applicable on mutual funds. MUFAP has taken up this matter before the Sindh Finance Ministry to exclude mutual funds from SWWF.

MUFAP has also taken a legal opinion that SWWF, if applicable, can only be applied from the date of enactment of SWWF Act, 2014, i.e. May 21, 2015. Accordingly, on January 12, 2017, MUFAP as an abundant caution, has decided to provide for SWWF with effect from May 21, 2015, while the efforts to exclude mutual funds from SWWF continue. 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 Rs.0.0225, Rs.0.0972, Rs.0.0850 and Rs.0.1452 for Equity sub-fund, Debt sub-fund, Money market sub-fund and commodities sub fund respectively (June 30, 2020: Rs.0.0201, Rs.0.0811, Rs.0.078 and Rs.0.1292).

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

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

During the year 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

With effect from July 01, 2016, FED on services provided or rendered by Non-Banking Financial Institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 01, 2016. Had the provision for FED not been recorded in the financial statements of the Fund, the NAV per unit of the Fund as at December 31, 2020 would have been higher by Rs.0.0204, Rs.0.0246, Rs.0.0221 and Rs.0.0260 for Equity sub-fund, Debt sub-fund, Money Market sub-fund and Commodities sub-fund respectively (June 30, 2020: Rs.0.0202, Rs.0.0246, Rs.0.0228 and Rs.0.0260).

NIT PENSION FUND  
 NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
 FOR THE HALF YEAR ENDED DECEMBER 31, 2020

8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2020 (June 30, 2020: nil), other than those reported in note 6.1.

|  | December 31, 2020<br>Unaudited |                  |                             |                         |                   | June 30, 2020<br>Audited |                  |                             |                         |                   |
|--|--------------------------------|------------------|-----------------------------|-------------------------|-------------------|--------------------------|------------------|-----------------------------|-------------------------|-------------------|
|  | Equity<br>Sub-Fund             | Debt<br>Sub-Fund | Money<br>Market<br>Sub-Fund | Commodities<br>Sub-Fund | Total             | Equity<br>Sub-Fund       | Debt<br>Sub-Fund | Money<br>Market<br>Sub-Fund | Commodities<br>Sub-Fund | Total             |
| 9 NUMBER OF UNITS IN ISSUE                           | (Rupees in '000)               |                  |                             |                         |                   |                          |                  |                             |                         |                   |
| Total units in issue at beginning of the period/year | 9,259,397                      | 8,075,680        | 8,683,919                   | 7,500,935               | 33,519,931        | 8,671,476                | 8,051,580        | 9,165,591                   | 7,501,073               | 33,389,720        |
| Units issued during the period/year                  | 235,232                        | 52,000           | 193,507                     | -                       | 480,739           | 447,413                  | 687,568          | 763,603                     | -                       | 1,898,584         |
| Units redeemed during the period/year                | -                              | (58,165)         | (198,279)                   | -                       | (256,444)         | (49,785)                 | (834,503)        | (928,211)                   | -                       | (1,812,499)       |
| Reallocation during the period/year                  | (326,006)                      | (24,888)         | 245,744                     | -                       | (105,150)         | 190,293                  | 171,035          | (317,064)                   | (138)                   | 44,126            |
| Total units in issue at end of the period/year       | <u>9,168,623</u>               | <u>8,044,627</u> | <u>8,924,891</u>            | <u>7,500,935</u>        | <u>33,639,076</u> | <u>9,259,397</u>         | <u>8,075,680</u> | <u>8,683,919</u>            | <u>7,500,935</u>        | <u>33,519,931</u> |

10 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS

- 10.1 Connected persons include National Investment Trust Limited being the Pension Fund Manager, Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes managed by the Pension Fund Manager, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Pension Fund Manager or the net assets of the Fund and directors and officers of the Pension Fund Manager and unit holders holding 10 percent or more units of the Fund.
- 10.2 Transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.
- 10.3 Remuneration payable to Pension Fund Manager and the Trustee is determined in accordance with the provisions of the Voluntary Pension System Rules and the Trust Deed respectively.



**NIT PENSION FUND**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

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

|   | Half year ended December 31, 2020 |          |          |             |       | Half year ended December 31, 2019 |          |          |             |       |
|---|-----------------------------------|----------|----------|-------------|-------|-----------------------------------|----------|----------|-------------|-------|
|   | Unaudited                         |          |          |             |       | Unaudited                         |          |          |             |       |
|   | Money                             |          |          |             |       | Money                             |          |          |             |       |
|   | Equity                            | Debt     | Market   | Commodities | Total | Equity                            | Debt     | Market   | Commodities | Total |
|   | Sub-Fund                          | Sub-Fund | Sub-Fund | Sub-Fund    |       | Sub-Fund                          | Sub-Fund | Sub-Fund | Sub-Fund    |       |
|   | (Rupees in '000)                  |          |          |             |       |                                   |          |          |             |       |
| <b>10.5 Transactions during the period</b>                          |                                   |          |          |             |       |                                   |          |          |             |       |
| <b>National Investment Trust Limited - Pension Fund Manager</b>     |                                   |          |          |             |       |                                   |          |          |             |       |
| Remuneration of Pension Fund Manager                                | 329                               | 310      | 313      | 318         | 1,270 | 275                               | 268      | 291      | 256         | 1,090 |
| Sindh Sales Tax on Pension  |                                   |          |          |             |       |                                   |          |          |             |       |
| Fund Manager's remuneration   | 43                                | 40       | 41       | 41          | 165   | 36                                | 35       | 38       | 33          | 142   |
| <b>Central Depository Company of Pakistan Limited - Trustee</b>     |                                   |          |          |             |       |                                   |          |          |             |       |
| Trustee remuneration  | 66                                | 93       | 94       | 95          | 348   | 55                                | 80       | 87       | 77          | 299   |
| Sindh Sales Tax on remuneration of Trustee                          | 9                                 | 12       | 12       | 12          | 45    | 7                                 | 10       | 11       | 10          | 38    |
| Custodian charges of Central Depository Company of Pakistan Limited | 4                                 | 3        | 3        | -           | 10    | 4                                 | 3        | -        | -           | 7     |
|   | Quarter ended December 31, 2020   |          |          |             |       | Quarter ended December 31, 2019   |          |          |             |       |
|   | Unaudited                         |          |          |             |       | Unaudited                         |          |          |             |       |
|   | Equity                            | Debt     | Money    | Commodities | Total | Equity                            | Debt     | Money    | Commodities | Total |
|   | Sub-Fund                          | Sub-Fund | Market   | Sub-Fund    |       | Sub-Fund                          | Sub-Fund | Market   | Sub-Fund    |       |
|   |                                   |          | Sub-Fund |             |       |                                   |          | Sub-Fund |             |       |
|   | (Rupees in '000)                  |          |          |             |       |                                   |          |          |             |       |
| <b>National Investment Trust Limited - Pension Fund Manager</b>     |                                   |          |          |             |       |                                   |          |          |             |       |
| Remuneration of Pension Fund Manager                                | 164                               | 155      | 159      | 158         | 636   | 149                               | 140      | 146      | 130         | 565   |
| Sindh Sales Tax on Pension  |                                   |          |          |             |       |                                   |          |          |             |       |
| Fund Manager's remuneration   | 22                                | 20       | 21       | 20          | 83    | 19                                | 18       | 19       | 17          | 73    |
| <b>Central Depository Company of Pakistan Limited - Trustee</b>     |                                   |          |          |             |       |                                   |          |          |             |       |
| Trustee remuneration  | 33                                | 47       | 48       | 47          | 175   | 30                                | 42       | 44       | 39          | 155   |
| Sindh Sales Tax on remuneration of Trustee                          | 5                                 | 6        | 6        | 6           | 23    | 4                                 | 5        | 6        | 5           | 20    |
| Custodian charges of Central Depository Company of Pakistan Limited | 2                                 | 1        | 3        | -           | 6     | 2                                 | 1        | -        | -           | 3     |

**NIT PENSION FUND**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

**10.6 Balances outstanding as at period/year end**

|   | December 31, 2020<br>Unaudited |                  |                             |                         |            | June 30, 2020<br>Audited |                  |                             |                         |            |
|---|--------------------------------|------------------|-----------------------------|-------------------------|------------|--------------------------|------------------|-----------------------------|-------------------------|------------|
|   | Equity<br>Sub-Fund             | Debt<br>Sub-Fund | Money<br>Market<br>Sub-Fund | Commodities<br>Sub-Fund | Total      | Equity<br>Sub-Fund       | Debt<br>Sub-Fund | Money<br>Market<br>Sub-Fund | Commodities<br>Sub-Fund | Total      |
|   | (Number of Units)              |                  |                             |                         |            |                          |                  |                             |                         |            |
|   | 7,500,000                      | 7,500,000        | 7,500,000                   | 7,500,000               | 30,000,000 | 7,500,000                | 7,500,000        | 7,500,000                   | 7,500,000               | 30,000,000 |
|   | (Rupees in '000)               |                  |                             |                         |            |                          |                  |                             |                         |            |
| <b>National Investment Trust Limited</b>                        |                                |                  |                             |                         |            |                          |                  |                             |                         |            |
| - Pension Fund Manager  |                                |                  |                             |                         |            |                          |                  |                             |                         |            |
| Units held  |                                |                  |                             |                         |            |                          |                  |                             |                         |            |
| Amount of units held  | 73,727                         | 115,690          | 107,257                     | 126,977                 | 423,651    | 61,293                   | 114,674          | 104,102                     | 121,112                 | 401,181    |
| Pension Fund Manager's Remuneration payable                     | 56                             | 52               | 52                          | 47                      | 207        | 46                       | 50               | 47                          | 42                      | 185        |
| Sindh Sales Tax payable   | 7                              | 7                | 13                          | 7                       | 34         | 6                        | 7                | 13                          | 6                       | 32         |
| Preliminary expenses and flotation cost payable                 | -                              | -                | -                           | -                       | -          | 61                       | 61               | 61                          | 61                      | 244        |
| Security deposits   | -                              | -                | -                           | -                       | -          | 2,625                    | 100              | -                           | -                       | 2,725      |
| Other payable   | -                              | -                | -                           | -                       | -          | 2                        | 25               | 20                          | 20                      | 67         |
| <b>Central Depository Company of Pakistan Limited - Trustee</b> |                                |                  |                             |                         |            |                          |                  |                             |                         |            |
| Remuneration payable  | 11                             | 15               | 15                          | 15                      | 56         | 9                        | 15               | 15                          | 14                      | 53         |
| Sindh Sales Tax on Trustee remuneration                         | 1                              | 2                | 3                           | 2                       | 8          | 1                        | 2                | 3                           | 2                       | 8          |

**11 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 or indirectly, through market data;

Level 3: those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).

**NIT PENSION FUND**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

As at December 31, 2020 and June 30, 2020, the Fund held the following instruments measured at fair values:

|  | December 31 2020 |         |         |               |         |         |                       |         |         |                    |         |         | Total   |
|--|------------------|---------|---------|---------------|---------|---------|-----------------------|---------|---------|--------------------|---------|---------|---------|
|  | Unaudited        |         |         |               |         |         |                       |         |         |                    |         |         |         |
|  | Equity Sub-Fund  |         |         | Debt Sub-Fund |         |         | Money Market Sub-Fund |         |         | Commodity Sub-Fund |         |         |         |
|  | Level 1          | Level 2 | Level 3 | Level 1       | Level 2 | Level 3 | Level 1               | Level 2 | Level 3 | Level 1            | Level 2 | Level 3 |         |
|  | (Rupees'000)     |         |         |               |         |         |                       |         |         |                    |         |         |         |
| <b>Financial assets classified as</b>                |                  |         |         |               |         |         |                       |         |         |                    |         |         |         |
| <b>Fair value through OCI</b>                        |                  |         |         |               |         |         |                       |         |         |                    |         |         |         |
| Listed equity securities                             | 84,025           | -       | -       | -             | -       | -       | -                     | -       | -       | -                  | -       | -       | 84,025  |
| Government Securities - Treasury Bills               | -                | -       | -       | -             | 96,182  | -       | -                     | 39,364  | -       | -                  | -       | -       | 135,546 |
| Listed Sukuks  | -                | -       | -       | 8,776         | -       | -       | 4,000                 | -       | -       | -                  | -       | -       | 12,776  |
| Debt Securities - Term Finance Certificates / Sukuks | -                | -       | -       | 3,943         | -       | -       | -                     | -       | -       | -                  | -       | -       | 3,943   |
| <b>Financial assets classified as</b>                |                  |         |         |               |         |         |                       |         |         |                    |         |         |         |
| <b>Fair value through profit or loss</b>             |                  |         |         |               |         |         |                       |         |         |                    |         |         |         |
| Government Securities - Treasury Bills               | -                | -       | -       | -             | -       | -       | -                     | 34,913  | -       | -                  | -       | -       | 34,913  |
|  | 84,025           | -       | -       | 12,719        | 96,182  | -       | 4,000                 | 74,277  | -       | -                  | -       | -       | 271,203 |
|  | June 30, 2020    |         |         |               |         |         |                       |         |         |                    |         |         |         |
|  | Audited          |         |         |               |         |         |                       |         |         |                    |         |         |         |
|  | Equity Sub-Fund  |         |         | Debt Sub-Fund |         |         | Money Market Sub-Fund |         |         | Commodity Sub-Fund |         |         |         |
|  | Level 1          | Level 2 | Level 3 | Level 1       | Level 2 | Level 3 | Level 1               | Level 2 | Level 3 | Level 1            | Level 2 | Level 3 | Total   |
|  | (Rupees'000)     |         |         |               |         |         |                       |         |         |                    |         |         |         |
| <b>Financial assets classified as</b>                |                  |         |         |               |         |         |                       |         |         |                    |         |         |         |
| <b>Fair value through OCI</b>                        |                  |         |         |               |         |         |                       |         |         |                    |         |         |         |
| Listed equity securities                             | 71,094           | -       | -       | -             | -       | -       | -                     | -       | -       | -                  | -       | -       | 71,094  |
| Government Securities - Treasury Bills               | -                | -       | -       | -             | 99,386  | -       | -                     | 89,101  | -       | -                  | 79,767  | -       | 268,254 |
| Listed Sukuk   | -                | -       | -       | 1,941         | -       | -       | -                     | -       | -       | -                  | -       | -       | 1,941   |
| Debt Securities - Term Finance Certificates / Sukuks | -                | -       | -       | 4,008         | -       | -       | -                     | -       | -       | -                  | -       | -       | 4,008   |
| Commercial paper                                     | -                | -       | -       | -             | -       | -       | -                     | -       | -       | -                  | -       | -       | -       |
| <b>Financial assets classified as</b>                |                  |         |         |               |         |         |                       |         |         |                    |         |         |         |
| <b>Fair value through profit or loss</b>             |                  |         |         |               |         |         |                       |         |         |                    |         |         |         |
| Government Securities - Treasury Bills               | -                | -       | -       | -             | -       | -       | -                     | -       | -       | -                  | -       | -       | -       |
|  | 71,094           | -       | -       | 5,949         | 99,386  | -       | -                     | 89,101  | -       | -                  | 79,767  | -       | 345,297 |

During the period ended December 31, 2020, 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 for other financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

NIT PENSION FUND  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

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12 GENERAL

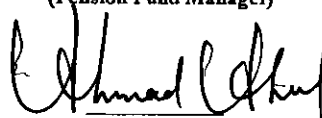
12.1 Figures have been rounded off to the nearest thousand rupees unless otherwise specified.

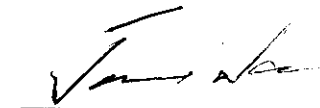
13 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorised for issue on 23.02.2021 by the Board of Directors of the Pension Fund Manager. *CM*

  
\_\_\_\_\_  
Managing Director

For National Investment Trust Limited  
(Pension Fund Manager)

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director