

**NIT - GOVERNMENT BOND FUND  
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES  
AS AT SEPTEMBER 30, 2017**

		September 30, 2017	June 30, 2017
	Note	(Unaudited)	(Audited)
-----Rupees in '000-----			
<b>ASSETS</b>			
Bank balances	5	1,171,454	961,804
Investments	6	3,193,006	2,876,774
Profit Receivables	7	17,516	34,187
Deposit with Central Depository Company of Pakistan		100	100
<b>Total assets</b>		<b>4,382,076</b>	<b>3,872,865</b>
<b>LIABILITIES</b>			
Payable to National Investment Trust Limited - Management Company	8	2,703	2,682
Payable to Central Depository Company of Pakistan Limited - Trustee	9	350	345
Payable to Securities and Exchange Commission of Pakistan		748	3,023
Payable against redemption of units		35	35
Accrued expenses and other liabilities	10	40,792	48,652
Dividend Payable		4,292	53,360
<b>Total liabilities</b>		<b>48,920</b>	<b>108,097</b>
<b>NET ASSETS</b>		<b>4,333,156</b>	<b>3,764,768</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>4,333,156</b>	<b>3,764,768</b>
Contingencies	11		
<b>Number of units</b>			
<b>Number of units in issue</b>		<b>429,521,512</b>	<b>377,902,126</b>
-----Rupees-----			
<b>Net asset value per unit</b>		<b>10.0883</b>	<b>9.9623</b>

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

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

**Sd/-  
Managing Director**

**Sd/-  
Director**

**Sd/-  
Director**

**NIT - GOVERNMENT BOND FUND  
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2017**

	Note	September 30,	
		2017	2016
		(Unaudited)	
		-----Rupees in '000-----	
<b>INCOME</b>			
Income from government securities		31,371	35,399
Profit on bank deposits		11,215	14,671
Mark-up on Pakistan Investment Bonds		17,644	12,725
Capital gain on sale of investments -net		23	4,070
<b>Total income</b>		<b>60,253</b>	<b>66,865</b>
<b>EXPENSES</b>			
Remuneration of National Investment Trust Limited - Management Company	8.1	6,061	12,876
Sindh Sales Tax on remuneration to Management Company	8.2	788	1,674
Remuneration of Central Depository Company of Pakistan Limited - Trustee		938	963
Sindh Sales Tax on remuneration of Trustee	9.1	122	125
Annual fee - Securities and Exchange Commission of Pakistan		748	772
Allocation of expenses related to registrar services, accounting, operation and valuation services	8.3	997	1,030
Auditors' remuneration		110	184
Settlement and bank charges		84	110
Listing fee		28	-
Printing charges		4	-
<b>Total expenses</b>		<b>9,880</b>	<b>17,734</b>
<b>Net income from operating activities</b>		<b>50,373</b>	<b>49,131</b>
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed		-	(430)
Provision for Sindh Workers' Welfare Fund	10.1	(1,007)	-
<b>Net income for the period before taxation</b>		<b>49,366</b>	<b>48,701</b>
Taxation	12	-	-
<b>Net income for the period</b>		<b>49,366</b>	<b>48,701</b>
<b>Allocation of net income for the period after taxation</b>			
Income already paid on units redeemed		482	
Accounting income available for distribution:			
-Relating to capital gains		23	
-Excluding capital gains		48,861	
		48,884	
		<b>49,366</b>	

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

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

Sd/-  
Managing Director

Sd/-  
Director

Sd/-  
Director

**NIT - GOVERNMENT BOND FUND  
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2017**

	Note	September 30,	
		2017	2016
		----- (Unaudited) -----	
		----- Rupees in '000 -----	
Net income for the period		49,366	48,701
<b>Other comprehensive income for the period</b>			
Items to be reclassified to income statement in subsequent periods:			
Net unrealised (diminution) / appreciation in the fair value of investments classified as 'available for sale'	6.3	404	(7,843)
<b>Total comprehensive income for the period</b>		<b>49,770</b>	<b>40,858</b>

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

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

**Sd/-  
Managing Director**

**Sd/-  
Director**

**Sd/-  
Director**

**NIT - GOVERNMENT BOND FUND**  
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2017**

	September 30,	
	2017	2016
	----- (Unaudited) -----	
	----- Rupees in '000 -----	
<b>Net assets at the beginning of the period</b> [Rs. 9.9623 per unit (2016: Rs. 9.9569 per unit)]	<b>3,764,768</b>	4,091,627
Issue of 75,242,777 units (2016: 13,801,956 units)	<b>755,325</b>	138,065
Redemption of 23,623,391 units (2016: 19,151,138 units)	<b>(236,706)</b>	(191,591)
	<b>518,618</b>	(53,526)
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net		
- amount representing loss transferred to interim income statement	-	430
- amount representing (income) transferred to interim distribution statement	-	(72)
	-	358
Net unrealised (diminution) in the fair value of investments classified as 'available for sale'	<b>404</b>	(7,843)
Gain on sale of investments-net	<b>23</b>	4,070
Other net income for the period	<b>49,343</b>	44,631
<b>Total comprehensive income for the period</b>	<b>49,770</b>	40,858
Element of income/(loss) and capital gains/(losses) included in the prices of units issued less those in units redeemed - amount representing income/(loss) that form part of unit holders' Fund-net	-	72
<b>Net assets at the end of the period</b> [Rs. 10.0883 per unit (2016: Rs. 10.0580 per unit)]	<b>4,333,156</b>	4,079,389
<b>Distribution for the period including:</b>		
<b>Undistributed income brought forward-realized</b>	<b>9,218</b>	(2,628)
<b>Accounting income available for distribution</b>		
-Relating to capital (loss) / gains	<b>23</b>	4,070
-Excluding capital gains	<b>48,861</b>	44,631
	<b>48,884</b>	48,701
Income already paid on units redeemed	<b>482</b>	
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - amount representing income / (loss) that form part of unit holders' fund - net	-	72
<b>Undistributed income carried forward -realized</b>	<b>58,584</b>	46,145

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

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

**Sd/-**  
**Managing Director**

**Sd/-**  
**Director**

**Sd/-**  
**Director**

**NIT - GOVERNMENT BOND FUND  
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2017**

	September 30,	
	2017	2016
	----- (Unaudited) -----	
	----- Rupees in '000 -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	49,366	48,701
<b>Adjustments:</b>		
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed	-	430
	<b>49,366</b>	49,131
<b>(Increase) / decrease in assets</b>		
Investments	<b>(315,828)</b>	(634,363)
Accrued income	<b>16,671</b>	71,446
	<b>(299,157)</b>	(562,917)
<b>Increase / (decrease) in liabilities</b>		
Payable to National Investment Trust Limited - Management Company	<b>21</b>	58
Payable to Central Depository Company of Pakistan Limited - Trustee	<b>5</b>	10
Payable to Securities and Exchange Commission of Pakistan	<b>(2,275)</b>	(2,697)
Payable against redemption of units	<b>-</b>	332
Accrued expenses and other liabilities	<b>(7,860)</b>	(217)
	<b>(10,109)</b>	(2,514)
<b>Net cash (used in) / generated from operating activities</b>	<b>(259,900)</b>	(516,300)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Amount received on issue of units	<b>755,325</b>	138,065
Payments against redemption of units	<b>(236,706)</b>	(191,591)
Distribution paid	<b>(49,068)</b>	(6,782)
<b>Net cash (used in) financing activities</b>	<b>469,550</b>	(60,308)
<b>Net increase in cash and cash equivalents during the period</b>	<b>209,650</b>	(576,608)
Cash and cash equivalents at the beginning of the period	<b>961,804</b>	1,279,554
<b>Cash and cash equivalents at the end of the period</b>	<b>1,171,454</b>	702,946

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

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

**Sd/-  
Managing Director**

**Sd/-  
Director**

**Sd/-  
Director**

## **NIT - GOVERNMENT BOND FUND**

### **NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2017**

#### **1 LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1** The NIT - Government Bond Fund (the Fund) was established under a Trust Deed executed between National Investment Trust Limited (NITL) as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter no. NBFC-II/NITL/896/2009 dated September 24, 2009 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) and the Trust Deed was executed on September 4, 2009. The Fund is categorized as Income Scheme as per criteria for categorization of open end collective investment scheme as specified by Securities and Exchange Commission of Pakistan (SECP) and other allied matters. The units of the Fund were initially issued at Rs. 10 per unit.
- 1.2** The Management Company of the Fund has been classified as a Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the Securities and Exchange Commission of Pakistan (SECP) to undertake Asset Management Services. The registered office of the Management Company is situated at 6th floor, National Bank of Pakistan Building, I.I. Chundrigar Road, Karachi.
- 1.3** The Fund is an open-ended mutual fund and is listed on Pakistan Stock Exchange. The units are transferable and can be redeemed by surrendering them to the Fund. The units of the Fund were initially offered for public subscription at par from 16 November 2009 to 18 November 2009 (both days inclusive)
- 1.4** Pakistan Credit Rating Agency Limited (PACRA) has assigned "AA-(f)" rating to the Fund and has assigned an asset manager rating of "AM2++" to the Management Company.
- 1.5** The objective of the Fund is to generate competitive stream of return with moderate level of risk for its unit holders, by investing primarily in government securities.
- 1.6** Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as Trustee of the Fund.

#### **2 BASIS OF PREPARATION**

##### **2.1 Statement of compliance**

- 2.1.1** This condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the repealed Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of the IFRS, the requirements of the NBFC Rules, the NBFC Regulations or the directives issued by the SECP shall prevail.
- 2.1.2** This condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the annual financial statements of the Fund as at and for the year ended 30 June 2017.
- 2.1.3** This condensed interim financial information is being submitted to the unit holders as required under Regulation 38 (2)(f) of the Non-Banking Finance Companies and notified Entities Regulations, 2008 (NBFC Regulations).

##### **3 Significant Accounting Policies**

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in preparation of the financial statements of the Fund for the year ended June 30, 2017 except for change in accounting policy for recognition of Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed (Element of Income).

In view of the amendments made in the NBFC Regulations vide SRO 756(I)/2017 the accounting policy for the recognition of Element of Income has been changed from July 1, 2017 with prospective effect. Previously the Element of Income was recognized in the income statement to the extent that it is represented by income earned during the year and unrealized appreciation / (diminution) arising during the year on 'available for sale' securities was included in the Distribution Statement. However, due to said changes in the NBFC Regulations, Element of Income is a transaction of capital nature and the receipt and payment of element of income will now be recognized directly in to the Unit Holders' Fund.

#### 4 Use of Judgements, Estimates and Risk Management

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

The significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements as at and for the year ended 30 June 2017.

The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2017.

#### 5 BANK BALANCES

These represent balances with banks in savings accounts carrying rates ranging from 3.75% to 6.50% per annum .(30 June 2017: 3.75% to 6.50% per annum)

6 INVESTMENTS	Note	September 30,2017	June 30, 2017
		(Unaudited)	(Audited)
-----Rupees in '000-----			
<b>Available for sale</b>			
Government securities:			
- Market Treasury Bills	6.1	2,382,614	2,061,341
- Pakistan Investment Bonds	6.2	810,392	815,433
		<b>3,193,006</b>	<b>2,876,774</b>

#### 6.1 Market Treasury Bills

Issue date	Tenor	Face value			Balance as at		Market value as a percentage of net assets	Market value as a percentage of total investments	
		As at 1 July 2017	Purchases during the period	Sales / matured during the period	As at 30 September 2017	30 September 2017 Carrying value			Market value
----- (Rupees in '000) -----									
July 21, 2016	12 Months	450,000		450,000	-		-	-	
January 19, 2017	6 Months	250,000		250,000	-		-	-	
April 13, 2017	3 months	120,000		120,000	-		-	-	
April 27, 2017	3 months	300,000		300,000	-		-	-	
May 11, 2017	3 months	950,000		950,000	-		-	-	
July 6, 2017	3 months		120,000	120,000	-		-	-	
July 20, 2017	3 months		1,000,000	1,000,000	-		-	-	
August 3, 2017	3 months		950,000		950,000	946,155	946,033	21.83	
August 17, 2017	3 months		850,000		850,000	844,633	844,524	19.49	
September 28, 2017	3 months		600,000		600,000	592,154	592,057	13.66	
<b>Total - 30 September 2017</b>		<b>2,070,000</b>	<b>3,520,000</b>	<b>3,190,000</b>	<b>2,400,000</b>	<b>2,382,941</b>	<b>2,382,614</b>	<b>54.98</b>	<b>74.62</b>

#### 6.2 Pakistan Investment Bonds

March 26, 2015	3 years	800,000	-	-	800,000	810,210	810,392	18.70	25.38
<b>Total - 30 September 2017</b>		<b>800,000</b>	<b>-</b>	<b>-</b>	<b>800,000</b>	<b>810,210</b>	<b>810,392</b>	<b>18.70</b>	<b>25.38</b>

#### 6.3 Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'available for sale'

	September 30, 2017	September 30, 2016
	(Unaudited)	(Unaudited)
-----Rupees in '000-----		
Market value of investments	3,193,006	3,446,630
Less: carrying value of investments	(3,193,151)	(3,445,665)
	(145)	965
Less: net unrealised diminution at the beginning of the period	(549)	8,808
	<b>404</b>	<b>(7,843)</b>

#### 7 PROFIT RECEIVABLES

	September 30,2017	June 30, 2017
	(Unaudited)	(Audited)
-----Rupees in '000-----		
Profit on savings accounts	1,085	112
Mark-up on fixed income securities	16,431	34,075
	<b>17,516</b>	<b>34,187</b>

<b>8 PAYABLE TO NATIONAL INVESTMENT TRUST LIMITED - MANAGEMENT COMPANY</b>	<b>September 30,2017 (Unaudited)</b>	<b>June 30, 2017 (Audited)</b>
	-----Rupees in '000-----	
On account of:		
- Management remuneration	8.1	2,032
- Sindh Sales Tax	8.2	264
- Sales load		76
- Allocation of expenses related to registrar services, accounting, operation and valuation services	8.3	331
		326
		<u>2,703</u>
		<u>2,682</u>

8.1 The Management Company has charged its remuneration at the rate of 10% ( 30 June 2017: 10 percent) of gross earning with a minimum of 0.5% ( 30 June 2017: 0.5 percent) and maximum of 1 % (30 June 2017: 1 percent) of average annual net assets in the current period.

8.2 The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% (30 June 2017: 13%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011,

8.3 Securities and Exchange Commission of Pakistan through its SRO 1160(I)/2015 dated November 25, 2015 has revised the Non-Banking Finance Companies and Notified Entities Regulations, 2008. In the revised regulations a new clause 60(3)(s) has been introduced allowing the management company to charge "fees and expenses related to registrar services, accounting, operation and valuation services related to CIS maximum up to 0.1% of average annual net assets of the Scheme or actual whichever is less" from the mutual funds managed by it.

The expenses represents the allocation of expenses relating to registrar services, accounting, operations and valuation services at 0.1% of average net annual assets of the Fund.

<b>9 PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE</b>	<b>September 30,2017 (Unaudited)</b>	<b>June 30, 2017 (Audited)</b>
	-----Rupees in '000-----	
Trustee remuneration		310
Sindh Sales Tax	9.1	40
		<u>350</u>
		<u>345</u>

9.1 The Sindh Provincial Government levied Sindh Sales Tax at the rate of 13% (June 2017: 13%) on the remuneration of the Trustee through Sindh Sales Tax on Services Act, 2011.

<b>10 ACCRUED EXPENSES AND OTHER LIABILITIES</b>	<b>September 30,2017 (Unaudited)</b>	<b>June 30, 2017 (Audited)</b>
	-----Rupees in '000-----	
Provision for Sindh Workers' Welfare Fund	10.1	10,012
Federal Excise Duty	10.2	29,849
Capital gain tax		3
Auditors' remuneration		544
Legal and Professional Charges		135
Printing charges		103
Settlement charges		-
Brokerage		21
Withholding Tax		125
Zakat Payable		-
		1,078
		<u>40,792</u>
		<u>48,652</u>



- 10.1 The Finance Act, 2008 introduced amendments to the Workers' Welfare Fund (WWF) Ordinance, 1971 whereby the definition of industrial establishment was extended. The amendments were challenged at various levels and conflicting judgments were rendered by the Lahore High Court, Sindh High Court and Peshawar High Court. The Honourable Supreme Court of Pakistan vide its judgment dated 10 November 2016, has upheld the view of Lahore High Court and decided that WWF is not a tax and hence the amendments introduced through Finance Act, 2008 are ultra-vires to the Constitution. The Federal Board of Revenue has filed Civil Review Petitions in respect of above judgment with the prayer that the judgment dated 10 November 2016 passed in the Civil Appeal may kindly be reviewed in the interest of justice.

The Mutual Fund Association of Pakistan (MUFAP), after deliberating the position and obtaining advice from the legal counsel, decided that the provision for WWF held for the period from 1 January 2013 to 30 June 2015 should be reversed effective from 12 January 2017. Accordingly, the provision amounted to Rs. 39.149 million has been reversed on 12 January 2017.

Furthermore, 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 31 December 2013. MUFAP reviewed the issue and based on an opinion dated 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. 21 May 2015. Accordingly, on 12 January 2017, MUFAP as an abundant caution, has decided to provide for SWWF with effect from 21 May 2015 and is being made on daily basis going forward, while the efforts to exclude mutual funds from SWWF continue. The provision made for SWWF as on 30 September 2017 is amounted to Rs. 10.012 million. This has resulted in a decrease in NAV per unit of Rs. 0.0233.

- 10.2 As per the requirement of Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Management Company has been applied effective 13 June 2013. The Management Company is of the view that since the remuneration is already subject to provincial sales tax, further levy of FED may result in double taxation, which does not appear to be the spirit of the law.

The Honorable Sindh High Court (SHC) through its recent order dated 2 June 2016, in CPD-3184 of 2014 (and others) filed by various taxpayers, has interalia declared that Federal Excise Act 2005 (FED Act) is on services, other than shipping agents and related services, is ultra vires to the Constitution from 01 July 2011. However, the declaration made by the Honorable Court, as directed, will have affect in the manner prescribed in the judgment. The Sindh High Court in its decision dated 16 July 2016 in respect of constitutional petition filed by management companies of mutual funds maintained the previous order on the FED.

Sindh Revenue Board and Federal Board of Revenue have filed appeals before Honourable Supreme Court against the Sindh High Court's decision dated 2 June 2016, which is pending for the decision. However, after the exclusion of the mutual funds from federal statute on FED from 1 July 2016, the Fund has discontinued making the provision in this regard.

Since the appeal is pending in the Supreme Court of Pakistan, the Management Company as a matter of abundant caution has retained provision for FED on management fee aggregating to Rs. 31.872 million (30 June 2017: Rs. 31.872 million). Had the provision not been made, the Net Asset Value per unit of the Fund would have been higher by Rs. 0.0742 (30 June 2017: Rs. 0.0843) per unit.

## **11 CONTINGENCIES**

There is no change in the status of contingencies as fully disclosed in annual financial statements for the year ended 30 June 2017.

## **12 TAXATION**

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Provided that for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the as the case may be, shall not be taken into account. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than capital gains / loss to the unit holders. The Fund has not recorded any tax liability in respect of income relating to the current period as the Management Company intends to distribute in cash at least 90 percent of the Fund's accounting income for the year ending 30 June 2018 as reduced by capital gains (whether realised or unrealised) to its unit holders in the form of cash.

**13 TOTAL EXPENSE RATIO**

Total expense ratio (all the expenses, including government levies, incurred during the year divided by average net asset value for the period) is 1.09 % per annum. Total expense ratio (excluding government levies) is 0.82 % per annum.

**14 TRANSACTIONS WITH CONNECTED PERSONS**

14.1 Connected persons include National Investment Trust Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes managed by the Management Company, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of Fund and the directors and officers of the Management Company and the Trustee and unit holders holding 10 percent or more units of the Fund.

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

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

14.4 The details of significant transactions carried out by the Fund with connected persons and balances with them at the period end are as follows:

14.5 **Details of the transactions with connected persons are as follows:**

	September 30,	
	2017	2016
	(Unaudited)	
	-----Rupees in '000-----	

**National Investment Trust Limited - Management Company**

Remuneration of the Management Company	6,061	12,876
Sindh Sales Tax on Management remuneration	788	1,674
Allocation of expenses related to registrar services, accounting, operation and valuation services	997	1,030

**Central Depository Company of Pakistan Limited - Trustee**

Remuneration of the Trustee	938	963
Sindh Sales Tax on Trustee Remuneration	122	125

14.6 **Amounts outstanding as at period end:**

	September 30, 2017 (Unaudited)	June 30, 2017 (Audited)
	-----Rupees in '000-----	

**National Investment Trust Limited - Management Company**

Units held 142,401,246 (June 30, 2017: 142,401,246 units)	1,436,591	1,418,644
Management fee payable	2,032	2,018
Sindh Sales Tax payable	264	262
Sales Load payable	76	76
Allocation of expenses related to registrar services, accounting, operation and valuation services	331	326

**Central Depository Company of Pakistan Limited - Trustee**

Trustee fee payable	310	305
Sindh Sales Tax on Trustee remuneration of Trustee	40	40
Security Deposit	100	100

**National Investment Trust Limited - Employees' Provident Fund**

7,891,236 units held (June 30, 2017: 7,891,236 units)	79,609	78,615
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**National Investment Trust Limited - Employees' Pension Fund**

18,202,130 units held (June 30, 2017: 18,202,130 units)	231,995	181,335
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**National Investment Trust Limited - Employees Benevolent Fund**

2,602,568 units held (June 30, 2017: 2,602,568 units)	26,256	25,928
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**Bank Al Habib Limited**

48,615,258 units held (June 30, 2017: 48,615,258 units)	490,449	484,321
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**Chief Operating Officer/ MD**

1,224,171 units held (June 30, 2017: 1,224,171 units)	12,350	12,196
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**Fund Manager**

676 units held (June 30, 2017: 676 units)	7	7
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**Head of MD's Secretariat**

62,241 units held (June 30, 2017: 62,241 units)	628	620
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**15 DATE OF AUTHORISATION FOR ISSUE**

This condensed interim financial information was authorised for issue on October 26, 2017 by the Board of Directors of the Management Company.

**16 GENERAL**

Figures have been rounded off to the nearest thousand rupees.

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

Sd/-  
Managing Director

Sd/-  
Director

Sd/-  
Director