



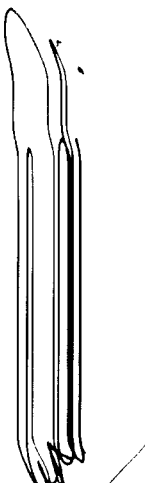
**NIT Pakistan Gateway Exchange
Traded Fund
Condensed Interim Financial
Statements (Unaudited)
for the Quarter Ended
30 September 2020**

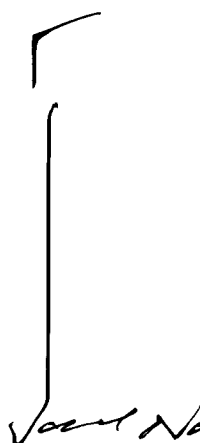
**NIT PAKISTAN GATEWAY EXCHANGE TRADED FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT 30 SEPTEMBER 2020**

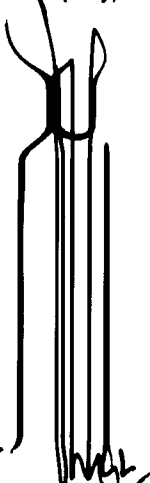
	Note	September 30, 2020 (Unaudited)	June 30, 2020 (Audited)
-----Rupees in '000-----			
ASSETS			
Bank balances	4	1,160	1,189
Investments	5	56,113	50,038
Receivable against sale of investments		-	28
Dividend and profit receivables	6	282	63
Preliminary expenses and flotation costs		68	72
Total assets		57,623	51,390
LIABILITIES			
Payable to National Investment Trust Limited - Management Company	7	621	616
Payable to Central Depository Company of Pakistan Limited - Trustee	8	9	8
Payable to Securities and Exchange Commission of Pakistan	9	3	2
Accrued expenses and other liabilities	10	525	335
Total liabilities		1,158	961
NET ASSETS		56,465	50,429
Unit holders' fund (as per statement attached)		56,465	50,429
Contingencies and commitments	11		
		(Number of units)	
Number of units in issue		4,870,000	4,880,000
		(Rupees)	
Net asset value per unit		11.5945	10.3339


The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

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


Managing Director

 Director

 Director


Chief Financial Officer

**NIT PAKISTAN GATEWAY EXCHANGE TRADED FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020**

	Note	2020 Rupees in '000
INCOME		
Dividend income		275
Gain on sale of investments-net		109
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	5.2	6,064
Mark-up/return on bank deposits		21
		6,469
EXPENSES		
Remuneration of National Investment Trust Limited -Management Company	7.1	57
Sindh sales tax on remuneration of Management Company	7.2	7
Trustee Fee- Central Depository Company of Pakistan Limited	8.1	14
Sindh Sales Tax on Remuneration of Trustee	8.2	2
Annual fee - Securities and Exchange Commission of Pakistan	9	3
Central Depository Charges		2
Settlement and bank charges		9
Auditors' remuneration		104
Amortization of preliminary expenses and floatation costs		4
Annual Listing Fee		5
		207
Net income from operating activities		6,262
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed		3
Provision for Sindh Workers' Welfare Fund	10.1	(125)
Net income for the period before taxation		6,140
Taxation		-
Net income for the period		6,140

Allocation of net income for the period after taxation

Accounting income available for distribution:

- Relating to capital gains	6,140
- Excluding capital gains	-
	6,140

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

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


Managing Director


Director


Director


Chief Financial Officer

NIT PAKISTAN GATEWAY EXCHANGE TRADED FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	Note	2020 Rupees in '000
Net income for the period		6,140
Other comprehensive income		
Items that will not be reclassified to income statement		-
Total comprehensive income for the period		<u><u>6,140</u></u>

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

For National Investment Trust Limited
(Management Company)




Managing Director



Director



Director



Chief Financial Officer

**NIT PAKISTAN GATEWAY EXCHANGE TRADED FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020**

	2020		
	Value	Undistributed income	Total
	-----Rupees in '000-----		
Net assets at the beginning of the period	48,800	1,629	50,429
Issue of 80,000 units			
Value	827		827
Element of (loss) / income	111		111
Amount received on issuance of units	937	-	937
Redemption of 90,000 units			
Value	(930)		(930)
Element of income / (loss)	(108)	-	(108)
Amount paid / payable on redemption of units	(1,038)	-	(1,038)
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed	(3)		(3)
Total comprehensive income for the period		6,140	6,140
Net assets at the end of the period	48,696	7,769	56,465
Undistributed income brought forward		1,629	
-Realised		-	
-Unrealised		-	
		1,629	
Accounting income available for distribution			
- Relating to capital gains		6,140	
- Excluding capital gains		-	
		6,140	
Undistributed income carried forward -realized		7,769	
Undistributed income carried forward comprising			
'-Realized		1,705	
'-Unrealized		6,064	
		7,769	
Net assets value per unit at beginning of the period			(Rupees) <u>10.3339</u>
Net assets value per unit at end of the period			<u>11.5945</u>

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

For National Investment Trust Limited
(Management Company)


Managing Director


Director


Director


Chief Financial Officer

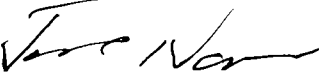
**NIT PAKISTAN GATEWAY EXCHANGE TRADED FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020**

	<u>2020</u>
	Rupees in '000
CASH FLOWS FROM OPERATING ACTIVITIES	
Net income for the period before taxation	6,140
Adjustments:	
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed	(3)
	<u>6,137</u>
(Increase) / decrease in assets	
Investments	(6,075)
Receivable against sale of investments	28
Preliminary expenses and flotation costs	4
Dividend and other receivables	(219)
	<u>(6,262)</u>
Increase / (decrease) in liabilities	
Payable to National Investment Trust Limited '- Management Company	5
Payable to Central Depository Company of Pakistan Limited - Trustee	1
Fee payable to Securities and Exchange Commission of Pakistan	1
Accrued expenses and other liabilities	190
	<u>197</u>
Net cash flow generated from operating activities	<u>72</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Amount received on sales of units	937
Payment against redemption of units	(1,038)
Net cash flow (used in) financing activities	<u>(101)</u>
Net (decrease) in cash and cash equivalents during the period	<u>(29)</u>
Cash and cash equivalents at the beginning of the period	1,189
Cash and cash equivalents as at the end of the period	<u><u>1,160</u></u>

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

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


Managing Director


Director


Director


Chief Financial Officer

**NIT PAKISTAN GATEWAY EXCHANGE TRADED FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2020**

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 The NIT Pakistan Gateway Exchange Traded 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 as trustee. The Fund was approved by the Securities and Exchange Commission of Pakistan on 28 November 2019 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) and the trust deed was executed on 04 December 2019. The fund is categorized as an Open Ended Exchange Traded Scheme as per the criteria for categorisation of open and collective investment scheme as specified by Securities and Exchange Commission of Pakistan (SECP) and other allied matters.
- 1.2 The Management Company of the Fund has been classified as a Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the Securities and Exchange Commission of Pakistan (SECP) to undertake Asset Management Services. The registered office of the Management Company is situated at 6th floor, National Bank of Pakistan Building I.I. Chundrigar Road, Karachi.
- 1.3 The Fund is an Open Ended Exchange Traded mutual fund and is listed on Pakistan Stock Exchange (PSX). During the Initial Offering Period (i.e from 18 March 2020 to 20 March 2020), Management Company has invested in NIT PGETF and created 500,000 units against portfolio deposit and a cash component as per 1st Supplemental offering document. The fund has commenced its operations on 24 March 2020.
- 1.4 The objective of the Fund is to track the authorized Index (NIT PGI) constituted by the Management Company, which comprises of the basket of equity securities forming atleast 50% of the total free float market capitalization of the KSE-100 Index on aggregate basis.
- 1.5 Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of "AM2++" to the Management Company.
- 1.6 Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

- 2.1.1 This condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Act, 2017 along with part and the requirements VIII A of the repealed Companies Ordinance, 1984 and the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008, (the NBFC Regulations). Where provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations have been followed.
- 2.1.2 These condensed interim financial statements do 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 2020.
- 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT POLICIES

- 3.1 The accounting policies adopted and the methods of computation of the of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2020.
- 3.2 The preparation of the condensed interim financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgements made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements of the Fund as at and for the year ended June 30, 2020. The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2020.

4 BANK BALANCES

These represent balances with banks in savings accounts carrying mark-up rates ranging from 5.00 % to 7.8 % 'per annum. (30 June 2020: 6.50 % to 7.8 % per annum)

5 INVESTMENTS

		September 30, 2020	June 30, 2020
		UnAudited	Audited
		Rupees in '000	
At fair value through profit or loss			
Listed equity securities	5.1	56,113	50,038
		<u>56,113</u>	<u>50,038</u>

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

Name of Investee Companies	As at 01 July 2020	Purchases during the period	Bonus shares received during the period	Right shares purchased/ subscribed during the period	Sale during the period	As at September 30, 2020	Cost/ Carrying value as at September 30, 2020	Market Value as at September 30, 2020	Market Value as a percentage of net assets	Market Value as a percentage of investment	Percentage of paid-up capital of the investee company held
COMMERCIAL BANKS											
United Bank Limited	34,648	568	-	-	639	34,577	3,584	3,980	7.05	7.09	0.00
Habib Bank Limited	50,264	824	-	-	927	50,161	4,885	6,558	11.61	11.69	0.00
Bank Alhabib Limited	50,264	824	-	-	927	50,161	2,634	3,239	5.74	5.77	0.00
MCB Bank Limited	28,304	464	-	-	522	28,246	4,583	4,910	8.70	8.75	0.00
	163,480	2,680	-	-	3,015	163,145	15,685	18,687	33.10	33.30	
CEMENT											
Lucky Cement Limited	6,832	112	-	-	126	6,818	3,163	4,412	7.81	7.86	0.00
	6,832	112	-	-	126	6,818	3,163	4,412	7.81	7.86	
POWER GENERATION & DISTRIBUTION											
Hub Power Company Limited	63,440	1,040	-	-	1,170	63,310	4,600	4,967	8.80	8.85	0.00
	63,440	1,040	-	-	1,170	63,310	4,600	4,967	8.80	8.85	
OIL AND GAS MARKETING COMPANIES											
Pakistan State Oil Company Limited	15,128	248	-	-	279	15,097	2,395	3,022	5.35	5.39	0.00
	15,128	248	-	-	279	15,097	2,395	3,022	5.35	5.39	
OIL & GAS EXPLORATION COMPANIES											
Pakistan Petroleum Limited	57,584	944	-	-	1,062	57,466	5,000	5,290	9.37	9.43	0.00
Pakistan Oilfields Limited	10,248	168	-	-	189	10,227	3,597	4,309	7.63	7.68	0.00
Oil And Gas Development Company	47,824	784	-	-	882	47,726	5,206	4,944	8.76	8.81	0.00
	115,656	1,896	-	-	2,133	115,419	13,802	14,544	25.76	25.92	
Engro Corporation Limited											
Fauji Fertilizer Company Limited	20,008	328	-	-	369	19,967	5,852	6,011	10.65	10.71	0.00
	41,480	680	-	-	765	41,395	4,553	4,470	7.92	7.97	
	61,488	1,008	-	-	1,134	61,362	10,404	10,481	18.56	18.68	
	426,024	6,984	-	-	7,857	425,151	50,049	56,113	99.38	100.00	

		September 30, 2020	
		UnAudited	
		Rupees in '000	
5.2	Net unrealised (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		
	Market value of investments		56,113
	Less: Carrying value of investments		(50,049)
			<u>6,064</u>

		September 30, 2020	June 30, 2020
		(Unaudited)	(Audited)
		-----Rupees in '000-----	
6	DIVIDEND & PROFIT RECEIVABLES		
	Dividend Receivable	275	58
	Profit receivable on saving accounts	7	5
		<u>282</u>	<u>63</u>

		September 30, 2020	June 30, 2020
		(Unaudited)	(Audited)
		-----Rupees in '000-----	
7	PAYABLE TO NATIONAL INVESTMENT TRUST LIMITED 'MANAGEMENT COMPANY'		
	On account of:		
	- Management remuneration 7.1	19	15
	- Sindh Sales Tax 7.2	3	2
	- Preliminary expenses and floatation costs	76	76
	- Others	523	523
		<u>621</u>	<u>616</u>

7.1 The Management Company has charged its remuneration at the rate of 0.4% per annum (June 30, 2020: 0.4% per annum) of the average net assets. The remuneration is payable to the Management Company monthly in arrears.

7.2 Sindh Sales Tax at the rate of 13% (June30, 2020: 13%) is charged on the management remuneration.

		September 30, 2020	June 30, 2020
		(Unaudited)	(Audited)
		-----Rupees in '000-----	
8	PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE		
	Trustee remuneration 8.1	8	7
	Sindh Sales Tax 8.2	1	1
		<u>9</u>	<u>8</u>

8.1 The Trustee is entitled to a monthly remuneration in arrears for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the daily net assets of the Fund.

Based on the Trust Deed, the tariff structure applicable to the Fund as at 30 September 2020 is as follows:

Net assets	Tariff per annum
Upto Rs. 1,000 million	0.2% p.a. of net assets
Over Rs. 1,000 million	Rs. 2.0 million plus 0.1% p.a. of net assets exceeding Rs. 1,000 million.

The Trustee has agreed to receive remuneration at the rate of 50% of the applicable tariff for the period of one year. Accordingly, the Management Company has charged and paid the Trustee's remuneration on the same basis.

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

9 **PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN**
In accordance with the NBFC Regulations, a collective investment scheme is required to pay as annual fee to the Securities and Exchange Commission of Pakistan an amount equal to 0.02% (June 30, 2020: 0.02%) of average annual net assets of the Fund.

		September 30, 2020	June 30, 2020
		(Unaudited)	(Audited)
		-----Rupees in '000-----	
10	ACCRUED EXPENSES & OTHER LIABILITIES		
	Provision for Sindh Workers' Welfare Fund 10.1	158	33
	Auditors' remuneration	346	242
	Legal & professional charges	10	10
	Printing charges	10	10
	Annual Listing Fee	1	40
		<u>525</u>	<u>335</u>

10.1 The status of Sindh workers' welfare fund (SWWF) is same as disclosed in annual financial statements for the year ended 30 June 2020. The provision for SWWF is being made on a daily basis. Had the SWWF not been provided, the NAV per unit of the Fund would have been higher by Rs. 0.032 (30 June 2020: Rs. 0.0068).

11 **CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments outstanding as at September 30, 2020 and June 30, 2020.

12 **TAXATION**

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Provided that for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than capital gains / loss to the unit holders. The Fund has not recorded any tax liability in respect of income relating to the current period as the Management Company intends to distribute in cash at least 90 percent of the Fund's accounting income for the year ending 30 June 2021 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 period divided by average net asset value for the period) is 2.37% per annum. Total expense ratio (excluding government levies) is 1.40% per annum. This ratio is within the maximum limit of 4.5 % prescribed under the NBFC Regulation 60(5) for a collective investment scheme.

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 the Fund and the directors and officers of the Management Company and the Trustee and unit holders holding 10 percent or more units of the Fund.

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:

Details of the transactions with connected persons are as follows:

Transactions during the period

National Investment Trust Limited -Management Company

Management participation fee

Sindh Sales Tax on Management Fee

Central Depository Company of Pakistan Limited - Trustee

Remuneration of the Trustee

Sindh Sales Tax on remuneration of Trustee

Central Depository Charges

September 30,2020
(Unaudited)

Rupees in '000

57

7

14

2

2

September 30, 2020

June 30, 2020

(Unaudited)

(Audited)

-----Rupees in '000-----

Amounts outstanding as at period / year end

National Investment Trust Limited - Management Company

2,971,000 units held (June 30, 2020: 2,971,000 units)

Management remuneration payable

Sindh Sales Tax payable

Preliminary expenses and floatation costs payable

Other payable

34,447

30,702

19

15

3

2

76

76

523

523

Central Depository Company of Pakistan Limited - Trustee

Trustee remuneration

Sindh Sales Tax

8

7

1

1

15 **DATE OF AUTHORISATION FOR ISSUE**

These condensed interim financial statements were authorised for issue on 29 October 2020 by the Board of Directors of the Management Company.

16 **GENERAL**

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

For National Investment Trust Limited
(Management Company)



Managing Director



Director



Director



Chief Financial Officer