



**NIT Social Impact Fund
Condensed Interim
Financial Statements
(Unaudited)
for the Quarter Ended
30 September 2023**

**NIT - SOCIAL IMPACT FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT SEPTEMBER 30, 2023**

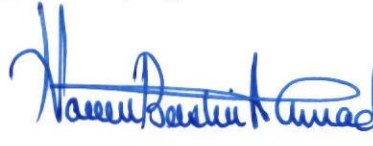
		September 30, 2023 (Unaudited)	June 30, 2023 (Audited)
	Note	-----Rupees in '000-----	
ASSETS			
Bank balances	4	1,110,281	920,689
Investments	5	76,397	76,742
Profit and other receivable		26,162	17,073
Security deposits		100	498
Preliminary expense and floatation cost		465	100
Total assets		1,213,405	1,015,102
LIABILITIES			
Payable to National Investment Trust Limited - Management Company	6	2,172	1,907
Payable to Central Depository Company of Pakistan Limited - Trustee	7	85	69
Annual fee payable to the Securities and Exchange Commission of Pakistan	8	75	201
Payable against Investments		-	3,565
Accrued expenses and other liabilities	9	724	2,327
Total liabilities		3,217	8,069
NET ASSETS		1,210,188	1,007,033
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		1,210,188	1,007,033
CONTINGENCIES AND COMMITMENTS			
	10	-----Number of units-----	
NUMBER OF UNITS IN ISSUE		113,265,988	99,449,122
		-----Rupees-----	
NET ASSET VALUE PER UNIT		10.6845	10.1261

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

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


Managing Director


Director


Director


Chief Financial Officer

**NIT - SOCIAL IMPACT FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023**

		September 30,	
		2023	2022
		-----Rupees in '000-----	
INCOME	Note		
Income from Term Finance Certificates		4,629	3,277
Profit on bank balances		61,717	30,408
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	5.3	(433)	3,939
Total income		65,913	37,624
EXPENSES			
Remuneration of National Investment Trust Limited - Management Company	7.1	3,587	2,584
Sindh sales tax on Management Company's remuneration	7.2	466	336
Remuneration of Central Depository Company of Pakistan Limited - Trustee		215	155
Sindh Sales Tax on Remuneration of Trustee		28	20
Annual fee - Securities and Exchange Commission of Pakistan		215	41
Central Depository Charges		1	2
Amortisation of preliminary expenses and floatation costs		32	32
Settlement and bank charges		5	22
Auditors' remuneration		82	152
Legal & professional charges		22	10
Mutual Fund rating fee		-	74
Total expenses		4,656	3,428
Net income for the period before taxation		61,257	34,196
Taxation	11	-	-
Net income for the period		61,257	34,196
Allocation of net income for the period			
Net income for the period		61,257	34,196
Income already paid on units redeemed		(3,436)	(802)
		57,821	33,394
Accounting income available for distribution:			
-Relating to capital gains		-	3,847
-Excluding capital gains		57,821	29,547
		57,821	33,394

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

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


Managing Director


Director


Director


Chief Financial Officer

**NIT - SOCIAL IMPACT FUND
 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
 FOR THE QUARTER ENDED SEPTEMBER 30, 2023**

	September 30,	
	2023	2022
Note	-----Rupees in '000-----	
Net income for the period	61,257	34,196
Other comprehensive income for the period	-	-
Total comprehensive income for the period	61,257	34,196

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

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


Managing Director


Director


Director


Chief Financial Officer

NIT - SOCIAL IMPACT FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023

Note	September 30,					
	2023			2022		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
Rupees in '000			Rupees in '000			
Net assets at the beginning of the period	995,840	11,193	1,007,033	723,219	12,000	735,219
Issue of 32,585,128 units (2022: 48,217,157 units)						
Capital value	329,960	-	329,960	482,466	-	482,466
Element of income / (loss)	7,149	-	7,149	15,799	-	15,799
Amount received on issuance of units	337,109	-	337,109	498,265	-	498,265
Issue of units in lieu of refund of capital: Nil (2022: 11,133 units)	-	-	-	111	-	111
Redemption of 18,768,262 units (2022: 13,108,248 units)						
Capital value	(190,049)	-	(190,049)	(131,162)	-	(131,162)
Element of income / (loss)	(1,726)	(3,436)	(5,162)	(2,902)	(802)	(3,704)
Amount paid / payable on redemption of units	(191,775)	(3,436)	(195,211)	(134,064)	(802)	(134,866)
Total comprehensive income for the period	-	61,257	61,257	-	34,196	34,196
Issue of units of CIP units: Nil (2022: 1,037,582 units)	-	-	-	10,382	-	10,382
Final distribution for the year ended June 30, 2023: Nil (2022: Rs. 01615 per unit [(Date of Distribution: 05 July 2022)])	-	-	-	-	(11,567)	(11,567)
Refund of Capital	-	-	-	(111)	-	(111)
Net assets at the end of the period	1,141,174	69,014	1,210,188	1,097,802	33,827	1,131,629
Net assets at the end of the period						
Undistributed income brought forward					12,000	
-Realized income		10,487			-	
-Unrealized income		706			-	
		11,193			12,000	
Accounting income available for distribution						
-Relating to capital gains		-			3,847	
-Excluding capital gains		57,821			29,547	
		57,821			33,394	
Final distribution for the year ended June 30, 2023: Nil (2022: Rs. 01615 per unit [(Date of Distribution: 05 July 2022)])					(11,567)	
Undistributed income carried forward		69,014			33,827	
Undistributed income carried forward comprising						
-Realized income		68,741			29,888	
-Unrealized income		273			3,939	
		69,014			33,827	
Net assets value per unit at beginning of the period			(Rupees)			(Rupees)
			10.1261			10.1676
Net assets value per unit at end of the period			10.6845			10.4328

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

For National Investment Trust Limited
(Management Company)


Managing Director


Director


Director


Chief Financial Officer

**NIT - SOCIAL IMPACT FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023**

	2023	2022
	-----Rupees in '000-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	61,257	34,196
(Increase) in assets		
Investments	778	(122,061)
Profit and other receivable	(9,089)	(7,229)
Security deposits	398	-
Receivable against Sale of units	(365)	33
	(8,278)	(129,257)
Increase in liabilities		
Payable to National Investment Trust Limited - Management Company	265	267
Payable to Central Depository Company of Pakistan Limited - Trustee	16	16
Annual fee payable to the Securities and Exchange Commission of Pakistan	(126)	22
Accrued expenses and other liabilities	(1,603)	(48)
	(4,852)	467
Net cash generated from / (used in) operating activities	47,694	(90,655)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issue of units-including CIP	337,109	508,647
Payments on redemption of units	(195,211)	(134,866)
Distribution paid	-	(11,567)
Net cash generated from financing activities	141,898	362,214
Net increase in cash and cash equivalents during the period	189,592	271,559
Cash and cash equivalents at the beginning of the period	920,689	726,240
Cash and cash equivalents at the end of the period	1,110,281	997,799

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

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


Managing Director


Director


Director


Chief Financial Officer

NIT - SOCIAL IMPACT FUND

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 NIT - Social Impact Fund (the Fund) was established under a Trust Deed executed between National Investment Trust Limited (the Management Company) and Central Depository Company of Pakistan Limited as the Trustee. The Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter no. SCD/AMCW/NITL/241/2021 dated May 24, 2021 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules). The Trust Deed was registered under the Sindh Trusts Act, 2020 on August 16, 2022. The Fund is categorised as an Income Scheme as per the criteria for categorisation of open-end collective investment schemes as specified by SECP. The units of the Fund were initially issued at Rs. 10 per unit.
- 1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 6th floor, National Bank of Pakistan Building, I.I. Chundrigar Road, Karachi. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).
- 1.3 The Fund was launched on 16 May, 2022 through initial public offering (IPO) accordingly, these are the first condensed interim Financial Statements and therefore there is no comparative information.
- 1.4 The Fund is an open-ended mutual fund. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.
- 1.5 VIS has assigned initial Fund Stability Rating of A+(f) to the fund dated: December 20, 2022. The Management Company has been assigned a quality rating of "AM1" with 'stable outlook' by VIS Credit Rating Company Limited (VIS) on December 29, 2022 and Pakistan Credit Rating Agency Limited (PACRA) has also assigned an asset manager rating of "AM1" with 'stable outlook' on May 24, 2023.
- 1.6 The objective of NIT Social Impact Fund is to channelise funds of investors to leverage the strength of rated asset pool of microfinance sector for maximum of financial returns and to catalyse financially sustainable social initiatives.
- 1.7 Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

- 2.1.1 This condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Act, 2017 along with part and the requirements VIII A of the repealed Companies Ordinance, 1984 and the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008, (the NBFC Regulations). Where provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations have been followed.
- 2.1.2 This condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the annual financial statements of the Fund as at and for the year ended 30 June 2023.
- 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

- 3.1 The accounting policies adopted and the methods of computation 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, 2023.
- 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 accounting 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 that were applied to the financial statements as at and for the year ended June 30, 2023. 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, 2023.

4 BANK BALANCES

These represent balances with banks in savings accounts carrying rates ranging from 5.50% to 23.75% per annum (30 June 2023: 5.50% to 22.90% per annum)

Note	September 30, 2023 (Unaudited)	June 30, 2023 (Audited)
-----Rupees in '000-----		

5 INVESTMENTS

Fair value through profit or loss

Debt Securities - Unlisted

5.1	76,397	76,742
	<u>76,397</u>	<u>76,742</u>

5.1 Term finance certificates - unlisted

Name of the investee company	Number of certificates				Balance as at 30 September 2023		Market value as a percentage of net assets	Market value as a percentage of total investments
	As at 1 July 2023	Purchased during the period	Sales / matured during the period	As at 30 September 2023	Carrying value	Market value		
U Microfinance Bank Limited	-	1,150	-	1,150	76,830	76,397	6.31	100.00
Total - 30 September 2023	-	1,150	-	1,150	76,830	76,397	6.31	100.00

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

-----(%)------

5.2 Significant terms and conditions of term finance certificates and sukuk 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	Maturity date	Tenor	Secured / (Unsecured)	Rating
Unlisted term finance certificates								
U Microfinance Bank	1,150	100,000	6 Months Kibor + 1.35%	23 June 2021	23 June 2025	5 years	Secured	AA-

September 30, 2023
(Unaudited)
-----Rupees in '000-----

5.3 Net unrealised diminution / appreciation on re-measurement of investments classified as 'fair value through profit or loss'

Market value of investments	76,397	118,122
Less: Carrying value of investments	(76,830)	(114,183)
	<u>(433)</u>	<u>3,939</u>

6 PAYABLE TO NATIONAL INVESTMENT TRUST LIMITED - MANAGEMENT COMPANY

On account of:

-Management remuneration

-Sindh Sales Tax

-Preliminary expenses and flotation cost payable

-Other payable

Note	September 30, 2023 (Unaudited)	June 30, 2023 (Audited)
-----Rupees in '000-----		
6.1	1,246	1,012
6.2	162	131
	643	643
	121	121
	<u>2,172</u>	<u>1,907</u>

6.1 The Management Company has charged its remuneration at the rate of 10% of the gross earnings of the Fund, calculated on a daily basis, subject to the minimum of 0.5% and maximum of 1.25% of the average net assets of the Fund. The remuneration is payable to the Management Company monthly in arrears.

6.2 During the period, Sindh sales tax at the rate of 13% (June 30, 2023: 13%) was charged on the management remuneration.

7 PAYABLE TO THE CENTRAL DEPOSITORY 'COMPANY OF PAKISTAN LIMITED - TRUSTEE

Trustee remuneration

Sindh Sales Tax on trustee remuneration

Note	September 30, 2023 (Unaudited)	June 30, 2023 (Audited)
-----Rupees in '000-----		
7.1	75	61
7.2	10	8
	<u>85</u>	<u>69</u>

7.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. Accordingly, the Fund has charged Trustee remuneration @ 0.075% (2023: 0.075%) per annum of net assets during the current period.

7.2 During the period, Sindh sales tax at the rate of 13% (June 30, 2023: 13%) was charged on Trustee remuneration.

8 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay fee to the Securities and Exchange Commission of Pakistan (SECP). The Commission vide S.R.O 592(1)/2023 dated, May 17, 2023 has revised the rate of fee at 0.075% of average net assets, payable monthly to the Commission (30 June, 2023: 0.02%).

9 ACCRUED EXPENSES AND OTHER LIABILITIES

	September 30, 2023	June 30, 2023
	(Unaudited)	(Audited)
	-----Rupees in '000-----	
Auditors' remuneration	409	319
Printing charges	-	4
Capital gains tax	240	1,747
Mutual Fund Rating Fee	75	249
Listing Fee	-	8
	<u>724</u>	<u>2,327</u>

10 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2023 & June 30, 2023.

11 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 90% of the accounting income for the year as reduced by accumulated losses and capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the Management Company intends to distribute the income earned by the Fund for the year ending June 30, 2024 to the unit holders in the manner as explained above, accordingly no provision for taxation has been made in these condensed interim financial statements.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Moreover, super tax introduced in the Finance Act, 2015 is also not applicable on funds as per Section 4B of the Income Tax Ordinance, 2001.

12 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period results is 1.62% which includes 0.25% representing Government levies on the Fund such as provision for sales tax, federal excise duties, annual fee to the SECP etc. The prescribed limit for the ratio is 2.5% (excluding Government levies) under the NBFC Regulations for a collective investment scheme categorised as an 'income scheme'.

13 TRANSACTIONS WITH CONNECTED PERSONS

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.

- 13.2 The transactions with connected persons are in the normal course of business, at contracted terms determined in accordance with the market rates.
- 13.3 Remuneration to the Management Company and Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.
- 13.4 The details of significant transactions carried out by the Fund with connected persons and balances with them at the period end are as follows:

	September 30, 2023	2022
	(Unaudited)	
	-----Rupees in '000-----	
Transactions during the period:		
National Investment Trust Limited - Management Company		
Issuance of units under CIP: Nil (2022: 274,854 units)	-	2,750
Management fee for the period	3,587	2,584
Sindh sales tax on management fee	466	336
Central Depository Company of Pakistan Limited - Trustee		
Remuneration to the Trustee	215	155
Sindh Sale tax on Trustee remuneration	28	20
Pakistan Microfinance Investment Company Limited		
Issuance of units under CIP: Nil (2022: 274,854 units)	-	2,750
National Bank of Pakistan		
Issuance of units under CIP: Nil (2022: 323,455 units)	-	3,237
Key management personnel		
Issuance of units: 89,091 (2022: Nil units)	904	-

Amounts outstanding as at the end of the period/year

September 30, 2023 (Unaudited) and June 30, 2023 (Audited) Rupees in '000

	September 30, 2023 (Unaudited)	June 30, 2023 (Audited)
National Investment Trust Limited - the Management Company		
Units held 23,279,703 (June 30, 2023: 23,279,703 units)	248,732	235,733
Management remuneration payable	1,246	1,012
Sindh sales tax payable on management remuneration	162	131
Preliminary expenses and flotation cost payable	643	643
Other payable	121	121
Central Depository Company of Pakistan Limited - the Trustee		
Trustee remuneration payable	75	61
Sindh sales tax payable on Trustee remuneration	10	8
Security deposit	100	100
Pakistan Microfinance Investment Company Limited		
Units held 13,321,540 (June 30, 2023: 13,321,540 units)	142,334	134,895
National Bank of Pakistan		
Units held 23,867,978 (June 30, 2023: 23,867,978 units)	255,017	241,690
Key management personnel		
Units held 89,091 (June 30, 2023: Nil units)	952	-

14 GENERAL

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

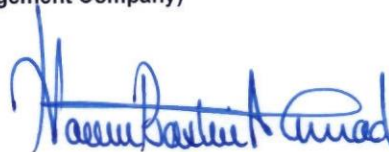
15 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on 20 OCT 2023 by the Board of Directors of the Management Company.

For National Investment Trust Limited (Management Company)


Managing Director


Director


Director


Chief Financial Officer