

Operating as an Open-end Equity Fund Since 1962, NI(U)T is the flagship carrier of a diversified portfolio of Collective Investment Schemes managed by NITL with net assets of PKR 70.77 billion and 48,250 unit holders.



## CORPORATE INFORMATION

### **FUND NAME**

National Investment (Unit) Trust

### **NAME OF AUDITORS**

KPMG Taseer Hadi & Co. Chartered Accountants

### **LIST OF BANKERS**

Allied Bank Limited  
Bank Al Falah Limited  
Bank Al Habib Limited  
Habib Bank Limited  
National Bank of Pakistan  
Summit Bank Limited  
United Bank Limited  
MCB Bank Limited  
Soneri Bank Limited

# NATIONAL INVESTMENT (UNIT) TRUST

## FUND MANAGER REPORT

### 2017-2018

#### NI(U)T Objective

The core objective of NI(U)T is to maximize return for Unit holders, provide a regular stream of current income through dividends, while long term growth is achieved by the management of diversified portfolio and investments into growth and high yielding equity securities.

#### Profile of Investment Manager

National Investment Trust Ltd. (NITL) is the first and among the largest Asset Management Company of Pakistan, formed in 1962. With approximately Rs. 98 billion in net assets as of June 30, 2018, the family of Funds of NIT comprises of 10 funds including 4 equity Funds, 2 fixed Income Funds, 1 money market Fund, 1 Islamic Income Fund, 1 conventional Pension Fund and 1 Islamic Pension Fund. NIT's tally of nationwide branches is 23, yet another milestone, as no other Mutual Fund in Pakistan has such a vast network of nationwide branches. Further, to cater to the matters relating to investments in NIT and day to day inquiries/issues of its unit holders, a state of the art Investors' Facilitation Centre is also in place. The Board of Directors of NITL consists of representatives of leading financial institutions, prominent industrialists and nominee of Govt. of Pakistan. The Company has been assigned an Asset Manager rating of "AM2 + +" by PACRA, which demonstrates that the Asset Manager meets high investment management industry standards and benchmarks with noted strengths in several of the rating factors. All Investment decisions are taken by the Investment Committee of NITL.

#### Fund Information - NI(U)T

• Launch date	12th November 1962	• Minimum Investment:	Rs. 5,000
• Type	Open End Equity Fund	• Management Fee:	1.20%
• Fund Manager	Manzoor Ahmed	• Front End Load*:	3.00%
• Fund Size as on June 30, 2018	Rs. 70.773 billion	• Back End Load:	Nil
• Par Value	Rs. 10	• Auditors:	KPMG Taseer Hadi & Co.
• NAV/unit	Rs. 73.85	• Trustee:	Central Depository Company of Pakistan Ltd.
• Pricing Mechanism	Forward Pricing	• Risk Profile	Moderate / High
• Benchmark	KSE 100 Index	• Asset Manager Rating	AM2+ + (PACRA)

\*No load is charged if investor approaches directly.

#### Fund Performance Analysis:

	2017-18	2016-17
<b>Opening Net Assets (Rs. in billion)</b>	81.794	73.018
<b>Opening NAV /unit (Rs.) (Ex Div)</b>	83.74	65.15
<b>Ending Net Assets (Rs. in billion)</b>	70.773	81.794
<b>Ending NAV/unit (Rs.)</b>	73.85	83.74
<b>Dividend / unit (Rs.) Final /* Interim</b>	2.33	4.50
<b>Total Return (%)</b>	(11.81%)	35.44%
<b>Maximum Funds under management during the year (Rs. in billion)</b>	83.308	94.429

# NATIONAL INVESTMENT (UNIT) TRUST

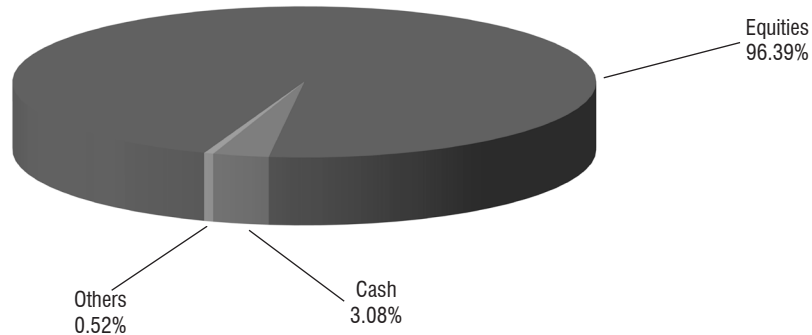
## FUND MANAGER REPORT

### 2017-2018

#### Asset Allocation

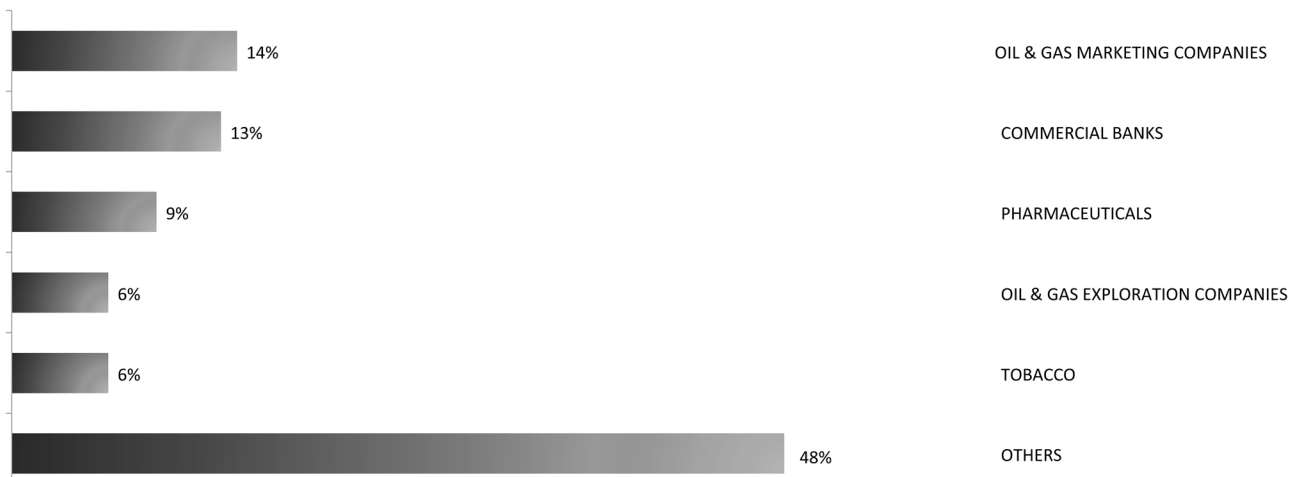
Keeping in view the market conditions, the Fund has been changing its asset allocation during the year. As on 30th June 2018, the Fund was invested to the extent of 96.39% in Equities whereas the remaining exposure was in cash and others. The asset allocation position of the Fund as on 30-06-2018 is depicted in the chart below:

JUNE 2018



#### Sector Wise Breakdown of Equity Portfolio

Sector-wise breakdown of Fund's Equity portfolio as % of total assets as on 30-06-2018 is given below:



During the year, NI(U)T continued to remain substantially invested in the oil & gas marketing sector with an exposure of 14%. It may be pertinent to mention that the Fund's holding in PSO and SNGPL which constitutes about 14% of the portfolio continued to remain frozen under the directive of the Government of Pakistan. OMCs rallied in 2H2017-18 due to increase in OMCs margins and restoration of furnace oil sales.

Exposure in the Banking sector increased from 10% to 13% during the period. Your Fund took new positions in the sector as policy rates have risen by 75 bps since Jan'18 and since the likelihood of further tightening is high, banks shall continue to benefit the most as their profitability will jump on the back of expansion in NIMs. The fund at the same time prudently maneuvered its buying and selling strategies in this sector considering the industry dynamics and suitable opportunities available in the market.

Exposure in Pharmaceutical sector was maintained at 9% whereas exposure in the Oil & gas Exploration sector improved to 6%. Strong oil prices,

# NATIONAL INVESTMENT (UNIT) TRUST

## FUND MANAGER REPORT

### 2017-2018

depreciating PKR and companies continuing exploratory efforts to increase production are likely to drive their earnings going forward.

Tobacco Sector performed exceptionally well on the back of massive appreciation of around 34% in stock price of Pakistan Tobacco Co. Ltd. NI(U)T holds about 6% of Pakistan Tobacco as percentage of its total assets.

The Fund also took buy / sell positions in other sectors during the year to benefit from short term trading opportunities available in the market.

#### Top Ten Holdings

Top ten holdings of the Fund's portfolio as % of total assets as on June 30th 2018 are as follows:

Pakistan State Oil	Bata Pakistan Ltd.
Bank Al-Habib Ltd.	Sui Northern Gas Pipelines
Pakistan Tobacco Co. Ltd.	Packages. Ltd.
Mari Petroleum Ltd.	Habib Metropolitan Bank Ltd.
Fauji Fertilizer Co. Ltd.	Abbott Laboratories Pakistan

#### Categorization of Unit Holders By Size - (JUNE 2018)

Category	NI(U)T Unit Holders	% of Holding
Institutional Investors	886	60.96%
Individual	47,364	39.04%
<b>TOTAL</b>	<b>48,250</b>	<b>100%</b>

#### Stock Market & Fund Performance Review

Pakistan's benchmark index which breezed through milestone of consecutive bull run for eight years finally ended, as KSE-100 index posted negative return of 10% in FY18 (22% in US\$ terms). Deteriorating economic situation, political unrest before general elections and continued sell-off by global funds in emerging markets led to dismal performance of Pakistan market.

During FY17-18, lowest trading activity was witnessed since FY11. Average daily turnover stood at 84mn shares a day (value traded US\$57mn) as compared to FY 2017-18 ADTO of 138mn shares (value traded US\$ 105 mn)

Prior to the start of FY 2018, the domestic equity bourse sky rocketed to its highest ever level of 52,876 points on 24th May '17, a week prior to Pakistan formally entering the MSCI EM space. However, post upgrade, the index witnessed continued downfall. The market's catastrophic performance during the year was mostly attributable to political uncertainty in the wake of ex-Prime Minister's disqualification, deteriorating macroeconomic indicators and lower than expected funds inflow post MSCI upgrade.

Political instability was at its peak in FY17-18, as the fiscal year started off with PANAMA issue which resulted in the disqualification of Prime Minister by the Supreme Court of Pakistan, following which uncertainty at the political front prevailed throughout the outgoing fiscal year as 2018 also happened to be the election year, which made investors extra conscious.

Macro-economic challenges remained at the forefront during the year 2017-18. Foreign exchange reserve declined by USD5.0bn from USD21.4 bn (Jun17) to USD 16.4bn (Jun-18), the rupee devalued by 16% from PKR104.85/USD to PKR 121.6/USD in the interbank market.

In Jun-18, Moody changed its outlook for Pakistan rating to negative from stable. The decision came in the light of heightened external vulnerability risk, foreign exchange reserves having fallen to low levels and absence of significant capital inflows.

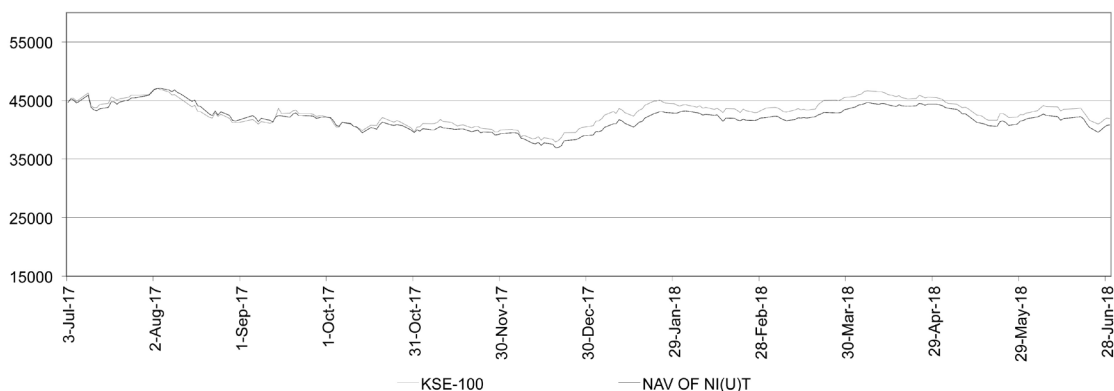
# NATIONAL INVESTMENT (UNIT) TRUST

## FUND MANAGER REPORT

### 2017-2018

FY18 is now a third year in a row that offshore investors remained net sellers on an annual basis in Pakistan market. During FY18, foreigners sold equities amounting USD289mn as compared to 630mn during last year. With Pak Rupee devaluation of 16% in FY18, concern still remains amongst foreigners regarding future dollar returns.

#### Relative Performance of NAV vs. KSE 100



During the period under review, the KSE-100 index declined by 10.00% whereas the NAV of your Fund has fallen by 11.81%, resulting in an underperformance of 1.81%.

#### 10 Year Performance of Fund

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	10yr. Annualized Return
<b>NI(UT) (%)</b>	-41.48%	17.92%	24.00%	7.57%	58.42%	56.98%	20.25%	9.59%	35.44%	-11.81%	13.68%
<b>KSE 100 (%)</b>	-41.72%	35.74%	28.53%	10.45%	52.20%	41.16%	16.01%	9.84%	23.24%	-10.00%	13.05%
<b>Dividend Per Unit (Rs.)</b>	3.25	2.25	4.00	3.50	3.75	4.10	4.25	4.50	4.50	2.33	

#### Dividend declaration for the FY17-18:

The Board of Directors in its meeting held on 05 July 2018 has approved a final distribution of Rs. 2.33 per unit (for full year). The aggregate cash distribution is Rs. 2,199.89 million in addition to refund of capital / element of income by issuing 482,162 additional units to eligible unit holders at zero price as per MUFAP guidelines (duly consented upon by SECP).

#### SWWF Disclosure:

As of 30th June 2018, the Scheme has maintained provisions against Sindh Workers' Welfare Fund's liability to the tune of Rs. 399 million, If the same were not made, the NAV per unit/ year to date return of the Scheme would be higher by Rs. 0.42 / 0.50%. For details, investors are advised to read the latest Financial Statement of the Scheme.

#### Total Expense Ratio:

Total expense ratio (all the expenses, including government levies, incurred during the year divided by average net asset value for the year) is 1.69% per annum. Total expense ratio (excluding government levies) is 1.36% per annum.

# NATIONAL INVESTMENT (UNIT) TRUST

## FUND MANAGER REPORT

### 2017-2018

#### Economic Review:

Pakistan has achieved a thirteen-year high growth rate of 5.8 % in FY17-18. However, moving forward, the challenges to Pakistan's economy have further accentuated. Macroeconomic imbalances and high fiscal deficit remains a major source of concern.

The real GDP grew by 5.8 % during FY17-18, surpassing the decade-high growth of 5.4 % achieved during FY16-17. This was achieved on the back of strong performances by agriculture and services sectors, both of which managed to grow at or above their targets.

The Agriculture sector grew by 3.8 %, higher than both the target of 3.5 % and last year's growth of 2.1 %. The sector benefitted from a strong showing by livestock and healthy production of major Kharif crops such as cotton and sugarcane.

Manufacturing sector grew by 6.2 % compared to growth of 5.8 % achieved in 2016-17. LSM grew by 6.1 % and dominated the overall industrial sector as it accounts for 10.8 % of GDP and 79 % of manufacturing. The growth in LSM came from improved energy supplies, increased domestic demand for consumer durables, private sector credit pickup backed by expansionary monetary policy and growth in construction activities emanating from CPEC investments.

During 2017-18, services remained a leading sector in terms of growth as it met its target of 6.4 %. Services sector growth was achieved due to strong growth in retail & wholesale trade (7.5 %), general government services (11.4 %), and finance & insurance (6.1 %). Other private services showed steady growth of 6.1 % whereas transport, storage & communication grew by 3.6 % and housing services maintained the growth of 4 %.

On average, CPI stood at 3.9 % during FY 2017-18 as compared to 4.2 % during the corresponding period of last year.

The cautious monetary policy stance consolidated the gains from historic-low policy rate at 5.75 % till January, 2018. However, to anchor expected rise in inflation in view of reversal of international oil and commodities prices and to address the domestic demand pressures as well exchange rate movement, the SBP changed its monetary policy stance in January 2018 by increasing the discount rate by 25 bps to 6 % followed by another 50 bps hike in May 2018.

The current account deficit increased to US\$ 18.13 billion in FY 2017-18, the highest the country has seen during a fiscal year. In the same period of last year, the deficit was recorded US\$ 12.62 billion only. Widening of current account gap is an aftereffect of the import pressure spurred up in the last two years with the initiation of power and infrastructure-related projects under CPEC.

Global economic developments and domestic environment has helped improvement in export performance with double digit growth during ongoing fiscal year. However, challenges on external front were unrelenting due to persistent rise in imports mainly in the context of CPEC and modest growth in remittances. Exports witnessed growth of 12.58 % in FY 2017-18 with a value of US\$ 24.77 billion but this progress was overshadowed by 14.7 % increase in imports, valuing US\$ 55.92 billion resulting in persistent rise in trade and current account deficits; and subsequently enhanced pressure and ultimate draw down of foreign exchange reserves of the country.

During 2017-18, worker's remittances have witnessed a minor growth of 1.4 % as compared to similar period last year. Slowdown in workers' remittances started last year owing to slow economic activity in Gulf Cooperation Council (GCC) countries and Saudi Arabia as well as tight financial regulations in USA along with post Brexit impact, from where the country receives major chunk of its remittances.

Foreign investment picked up its pace from last year's levels, with both direct and portfolio investment contributing to the gains. Net FDI inflows rose to US\$ 2.768 billion in FY2017-18, against US\$ 2.747 billion of the same period last year. While China continued to have a major share (accounting 57 % in overall inflows), significant FDI from other countries like Malaysia and UK also witnessed during this year. Portfolio investment is dominated by official inflows, as government raised US\$ 2.5 billion through Sukuk and Eurobond.

Pakistan's economy remains burdened with the challenges on external account where outlook on FX reserves and Current Account Deficit seems alarming. Thus a vigilant policy is needed domestically and internationally to cope with these challenges. Possibility of seeking for IMF bailout package cannot be ruled out along with the arrangement of decent external financing from friendly countries like China & Saudi Arabia will remain the other options for the incoming government in the period ahead.

# **NATIONAL INVESTMENT (UNIT) TRUST**

## **FUND MANAGER REPORT**

2017-2018

**(Economic data source: Economic Survey of Pakistan, FBS & SBP Website)**

### **Other Disclosures under NBFC Regulations 2008:**

The Fund Manager hereby makes the following disclosures as required under the NBFC Regulations 2008;

- a. The Management Company or any of its delegates did not receive any soft commission (goods & services) from any of its brokers / dealers by virtue of transactions conducted by the Fund.
- b. There was no unit split undertaken during the year.



## TRUSTEE REPORT

### TRUSTEE REPORT TO THE UNIT HOLDERS

#### **Report of the Trustee pursuant to Regulation 41(h) and Clause 9 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of National Investment (Unit) Trust (the Fund) are of the opinion that National Investment Trust Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2018 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

**Sd/-**

**Aftab Ahmed Diwan  
Chief Executive Officer  
Central Depository Company of Pakistan Limited**

**Karachi, September 19, 2018**

# INDEPENDENT AUDITORS' REPORT

## TO THE UNIT HOLDERS OF THE NATIONAL INVESTMENT (UNIT) TRUST

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Opinion

We have audited the financial statements of the National Investment (Unit) Trust ("the Fund"), which comprise the statement of assets and liabilities as at 30 June 2018, income statement, statement of comprehensive income, cash flow statement and statement of movement in unit holders' fund for the year then ended and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 30 June 2018, and of its financial performance and its cash flows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of the Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other information

Management is responsible for the other information. The other information comprises the information included in the Fund's Annual Report for 2018 but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

#### Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## INDEPENDENT AUDITORS' REPORT

As part of an audit, in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Report on other legal and regulatory requirements

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation Rules, 2003) and Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Sd/-

**KPMG Taseer Hadi & Co.**  
**Chartered Accountants**  
**Muhammad Nadeem**  
**Date: September 05, 2018**  
**Karachi**

**NATIONAL INVESTMENT (UNIT) TRUST**  
**STATEMENT OF ASSETS AND LIABILITIES**  
AS AT 30 JUNE 2018

	Note	2018 (Rupees in '000)	2017
<b>Assets</b>			
Bank balances	5	2,248,999	3,541,231
Investments	6	70,296,518	82,934,990
Dividend and other receivables	7	378,087	324,225
Security deposits	8	2,600	2,600
<b>Total assets</b>		<b>72,926,204</b>	<b>86,803,046</b>
<b>Liabilities</b>			
Short term borrowings	9	400,000	1,200,000
Payable to National Investment Trust Limited - Management Company	10	177,272	303,355
Payable to Central Depository Company of Pakistan Limited - Trustee	11	2,687	2,950
Payable to Securities and Exchange Commission of Pakistan	12	70,099	77,978
Payable against redemption of units		7,090	20,960
Accrued expenses and other liabilities	13	847,906	853,897
Dividend payable and unclaimed distribution	14	648,334	2,550,493
<b>Total liabilities</b>		<b>2,153,388</b>	<b>5,009,633</b>
<b>Net assets</b>		<b>70,772,816</b>	<b>81,793,413</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>70,772,816</b>	<b>81,793,413</b>
<b>Contingencies and commitments</b>	15		
		(Number of units in '000)	
<b>Number of units in issue</b>	16	<b>958,341</b>	<b>976,812</b>
		(Rupees)	
<b>Net assets value per unit</b>		<b>73.85</b>	<b>83.74</b>

The annexed notes from 1 to 32 form an integral part of these financial statements.

For National Investment Trust Limited  
(Management Company)

Sd/-  
Managing Director

Sd/-  
Director

Sd/-  
Director

# NATIONAL INVESTMENT (UNIT) TRUST

## INCOME STATEMENT

### FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 (Rupees in '000)	2017
<b>Income</b>			
Dividend income		3,219,181	3,067,453
Gain on sale of investments - net		2,078,365	5,012,682
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.7	(1,524,546)	1,881,425
Profit on bank deposits		95,300	128,544
Income on issue of units		-	4
<b>Total income</b>		<b>3,868,300</b>	<b>10,090,108</b>
<b>Expenses</b>			
Impairment loss on equity securities classified as 'available for sale'	6.8.1	88,193	42,122
Remuneration to National Investment Trust Limited - Management Company	10.1	886,339	892,772
Sindh Sales Tax on remuneration to Management Company	10.2	115,224	116,060
Remuneration to Central Depository Company of Pakistan Limited - Trustee	11.1	29,273	30,939
Sindh Sales Tax on remuneration to Trustee	11.2	3,805	4,022
Annual fee - Securities and Exchange Commission of Pakistan	12	70,099	77,978
Allocation of expenses related to registrar services, accounting, operation and valuation services	10.3	73,884	82,130
Custodian charges of Central Depository Company of Pakistan Limited		2,667	385
Settlement and bank charges		2,088	1,248
Financial charges	9	7,125	13,258
Auditors' remuneration	17	1,088	902
Legal and professional charges		1,860	700
Printing and other charges		177	322
Others		241	450
<b>Total expenses</b>		<b>1,282,063</b>	<b>1,263,288</b>
<b>Net income from operating activities</b>		<b>2,586,237</b>	<b>8,826,820</b>
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net		-	(236,083)
Reversal of provision for Workers' Welfare Fund	13.1	-	507,371
Provision for Sindh Workers' Welfare Fund	13.1	(51,725)	(346,997)
<b>Net income for the year before taxation</b>		<b>2,534,512</b>	<b>8,751,111</b>
Taxation	18	-	-
<b>Net income for the year</b>		<b>2,534,512</b>	<b>8,751,111</b>

**NATIONAL INVESTMENT (UNIT) TRUST**  
**INCOME STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2018**

	Note	2018 (Rupees in '000)	2017
<b>Allocation of net income for the year</b>			
Net income for the year		2,534,512	-
Income already paid on units redeemed		(54,953)	-
		<u>2,479,559</u>	<u>-</u>
<b>Accounting income available for distribution:</b>			
-Relating to capital gains		2,066,982	-
-Excluding capital gains		412,577	-
		<u>2,479,559</u>	<u>-</u>

The annexed notes from 1 to 32 form an integral part of these financial statements.

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

**Sd/-  
Managing Director**

**Sd/-  
Director**

**Sd/-  
Director**

**NATIONAL INVESTMENT (UNIT) TRUST**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2018**

	Note	2018 (Rupees in '000)	2017
Net income for the year		2,534,512	8,751,111
<b>Other comprehensive income</b>			
<b>Items to be reclassified to income statement:</b>			
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'available for sale'	6.8	(12,142,430)	14,319,937
<b>Total comprehensive (loss) / income for the year</b>		<u><b>(9,607,918)</b></u>	<u>23,071,048</u>

The annexed notes from 1 to 32 form an integral part of these financial statements.

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

Sd/-  
**Managing Director**

Sd/-  
**Director**

Sd/-  
**Director**

# NATIONAL INVESTMENT (UNIT) TRUST

## STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND

### FOR THE YEAR ENDED 30 JUNE 2018

	2018				2017			
	Value	Undistributed income	Unrealised appreciation / (diminution) 'available for sale' investments	Total	Value	Undistributed income	Unrealised appreciation / (diminution) 'available for sale' investments	Total
(Rupees in '000)								
Net assets at beginning of the year	56,584,518	10,888,958	14,319,937	81,793,413	6,688,342	7,424,324	52,717,631	66,830,297
<b>Issue of 64,461,918 units</b> (2017: 88,758,864 units)								
Value	4,840,601	-	-	4,840,601				
Element of income	44,175	-	-	44,175				
Amount received on issuance of units	4,884,776	-	-	4,884,776	5,736,944	1,979,772	-	7,716,716
<b>Redemption of 82,933,600 units</b> (2017: 160,260,045 units)								
Value	(6,231,374)	-	-	(6,231,374)				
Element of income:								
- Income already paid	-	(54,953)	-	(54,953)				
- Refund / adjustment on units	(11,128)	-	-	(11,128)				
Amount paid / payable on redemption of units	(6,242,502)	(54,953)	-	(6,297,455)	(10,440,429)	(3,197,674)	-	(13,638,103)
<b>Issue of units under CIP: Nil</b> (2017: 22,472,003 units)								
	-	-	-	-	1,882,030	-	-	1,882,030
Element of loss and capital losses included in the prices of units issued less those in units redeemed - net	-	-	-	-	-	236,083	-	236,083
Interim distribution for the year ended 30 June 2018: Nil [(2017: Rs. 4.5 per unit) (Date of distribution: 22 June 2017)]								
- Cash distribution	-	-	-	-	-	(2,422,628)	-	(2,422,628)
- Issue of units under Cumulative Investment Plan	-	-	-	-	-	(1,882,030)	-	(1,882,030)
Total distribution	-	-	-	-	-	(4,304,658)	-	(4,304,658)
Total comprehensive (loss) / income for the year	-	2,534,512	(12,142,430)	(9,607,918)	-	8,751,111	14,319,937	23,071,048
<b>Net assets at end of the year</b>	<b>55,226,792</b>	<b>13,368,517</b>	<b>2,177,507</b>	<b>70,772,816</b>	<b>3,866,887</b>	<b>10,888,958</b>	<b>67,037,568</b>	<b>81,793,413</b>
Undistributed income brought forward								
- Realised		6,587,350				5,004,141		
- Unrealised		4,301,608				2,420,183		
		10,888,958				7,424,324		
Accounting income available for distribution:								
Relating to capital gains		2,066,982						
Excluding capital gains		412,577						
		2,479,559				8,751,111		
Element of loss and capital losses included in the prices of units issued less those in units redeemed - amount representing loss that form part of unit holders' fund - net						(981,819)		
Interim distribution for the year ended 30 June 2018: Nil [(2017: Rs. 4.5 per unit) (Date of distribution: 22 June 2017)]								
- Cash distribution						(2,422,628)		
- Issue of units under Cumulative Investment Plan						(1,882,030)		
Total distribution						(4,304,658)		
Undistributed income carried forward		13,368,517				10,888,958		
Undistributed income carried forward								
- Realised		10,591,455				6,587,350		
- Unrealised		2,777,062				4,301,608		
		13,368,517				10,888,958		
					(Rupees)			(Rupees)
Net assets value per unit at beginning of the year				83.74				65.15
Net assets value per unit at end of the year				73.85				83.74

The annexed notes from 1 to 32 form an integral part of these financial statements.

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

Sd/-  
Managing Director

Sd/-  
Director

Sd/-  
Director



# NATIONAL INVESTMENT (UNIT) TRUST

## CASH FLOW STATEMENT

### FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 (Rupees in '000)	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income for the year		2,534,512	8,751,111
<b>Adjustments</b>			
Net unrealised diminution / (appreciation) on re-measurement of investments classified 'as 'financial assets at fair value through profit or loss'	6.7	1,524,546	(1,881,425)
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net		-	236,083
Impairment loss on equity securities classified as 'available for sale'	6.8.1	88,193	42,122
		<b>4,147,251</b>	<b>7,147,891</b>
<b>(increase) / decrease in assets</b>			
Investments		(1,116,697)	692,727
Receivable against sale of investments		-	130
Dividend and other receivables		(53,862)	(274,312)
		<b>(1,170,559)</b>	<b>418,545</b>
<b>(Decrease) / increase in liabilities</b>			
Payable to National Investment Trust Limited - Management Company		(126,083)	34,344
Payable to Central Depository Company of Pakistan Limited - Trustee		(263)	366
Payable to Securities and Exchange Commission of Pakistan		(7,879)	16,028
Payable against purchase of investments		-	(39,678)
Accrued expenses and other liabilities		(5,991)	(34,845)
		<b>(140,216)</b>	<b>(23,785)</b>
<b>Net cash generated from operating activities</b>		<b>2,836,476</b>	<b>7,542,651</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Amount received on issuance of units	19	4,884,776	7,716,716
Amount paid on redemption of units		(6,311,325)	(13,632,697)
Short term borrowing		(800,000)	1,200,000
Distribution paid		(1,902,159)	(1,331,553)
<b>Net cash (used in) financing activities</b>		<b>(4,128,708)</b>	<b>(6,047,534)</b>
<b>Net (decrease) / increase in cash and cash equivalents during the year</b>		<b>(1,292,232)</b>	<b>1,495,117</b>
Cash and cash equivalents at beginning of the year		3,541,231	2,046,114
<b>Cash and cash equivalents at end of the year</b>	5	<b>2,248,999</b>	<b>3,541,231</b>

The annexed notes from 1 to 32 form an integral part of these financial statements.

For National Investment Trust Limited  
(Management Company)

Sd/-  
Managing Director

Sd/-  
Director

Sd/-  
Director

# NATIONAL INVESTMENT (UNIT) TRUST

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2018

#### 1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 The National Investment (Unit) Trust (NI(U)T) "the Fund" , was established under a Trust Deed executed between National Investment Trust Limited (NITL) as Management Company and National Bank of Pakistan (NBP) as Trustee. The Trust Deed was executed on 12 November 1962, and was amended vide Supplemental Trust Deeds dated 26 June 1968, 7 June 1981, 27 November 1998, 12 November 2002, 31 December 2003, 18 January 2007, 1 April 2014 and 3 September 2014. The functions of the Fund are governed by the Trust Deed and the National Investment (Unit) Trust Ordinance, 1965. The Central Depository Company of Pakistan has been appointed Trustee of the Fund with effect from 16 May 2014 in place of National Bank of Pakistan. The Fund is categorised as an "Equity Scheme" as per the criteria for categorisation of open end collective investment scheme as specified by Securities and Exchange Commission of Pakistan (SECP) and other allied matters.
- 1.2 The Management Company of the Fund has been classified as a Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the Securities and Exchange Commission of Pakistan (SECP) to undertake Asset Management Services. The registered office of the Management Company is situated at 6th floor, National Bank of Pakistan Building I.I.Chundrigar Road, Karachi.
- 1.3 The Privatisation Commission, Government of Pakistan had invited expressions of interest for the sale of the rights to manage the Fund which exists solely with the Management Company, NITL. The Trustee and the Management Company hold the rights and privileges of the Unit Holders to be paramount. No progress has been made in privatisation of the Fund initiated by Privatisation Commission.
- 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 PACRA has assigned an asset manager rating of "AM2++" to the Management Company. The requirement in respect of rating of the equity fund has been withdrawn. Accordingly, rating of the Fund is not carried out.
- 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

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of International Financial Reporting Standards (IFRS standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017, provisions of and directives issued under the Companies Act, 2017 along with part and the requirements VIIIA 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 VIIIA 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 VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations have been followed.

##### 2.2 Accounting convention

These financial statements are prepared under the historical cost convention except for investments which are carried at fair value.

##### 2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the Fund's functional and presentation currency.

##### 2.4 Critical accounting estimates and judgments

In preparing these financial statements, management has made judgement, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to estimates are recognized prospectively. Information about judgements made in applying accounting policies that have the most significant effects on the amount recognized in the financial statements to the carrying amount of the assets and liabilities and assumptions and estimation uncertainties that have a significant risk resulting in a material adjustment in the subsequent year are set forth below:

# NATIONAL INVESTMENT (UNIT) TRUST

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2018

- Classification and valuation of investments (refer note 4.1 and note 6).
- Element of income (refer note 4)

### 3 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 July 2018:

- Classification and Measurement of Share-based Payment Transactions - amendments to IFRS 2 clarify the accounting for certain types of arrangements and are effective for annual periods beginning on or after 1 January 2018. The amendments cover three accounting areas (a) measurement of cash-settled share-based payments; (b) classification of share-based payments settled net of tax withholdings; and (c) accounting for a modification of a share-based payment from cash-settled to equity-settled. The new requirements could affect the classification and/or measurement of these arrangements and potentially the timing and amount of expense recognized for new and outstanding awards. The amendments are not likely to have an impact on the Fund's financial statements.
- Transfers of Investment Property (Amendments to IAS 40 'Investment Property' - effective for annual periods beginning on or after 1 January 2018) clarifies that an entity shall transfer a property to, or from, investment property when, and only when there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments are not likely to have an impact on the Fund's financial statements.
- Annual Improvements to IFRSs 2014-2016 Cycle [Amendments to IAS 28 'Investments in Associates and Joint Ventures'] (effective for annual periods beginning on or after 1 January 2018) clarifies that a venture capital organization and other similar entities may elect to measure investments in associates and joint ventures at fair value through profit or loss, for each associate or joint venture separately at the time of initial recognition of investment. Furthermore, similar election is available to non-investment entity that has an interest in an associate or joint venture that is an investment entity, when applying the equity method, to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture. The amendments are not likely to have an impact on the Fund's financial statements.
- IFRIC 22 'Foreign Currency Transactions and Advance Consideration' (effective for annual periods beginning on or after 1 January 2018) clarifies which date should be used for translation when a foreign currency transaction involves payment or receipt in advance of the item it relates to. The related item is translated using the exchange rate on the date the advance foreign currency is received or paid and the prepayment or deferred income is recognized. The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) would remain the date on which receipt of payment from advance consideration was recognized. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration. The application of interpretation is not likely to have an impact on the Fund's financial statements.
- IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after 1 January 2019) clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax. The application of interpretation is not likely to have an impact on the Fund's financial statements.
- IFRS 15 'Revenue from contracts with customers' (effective for annual periods beginning on or after 1 July 2018). IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 'Revenue', IAS 11 'Construction Contracts' and IFRIC 13 'Customer Loyalty Programmes'. The Company is currently in the process of analyzing the potential impact of changes required in revenue recognition policies on adoption of the standard. The amendments are not likely to have an impact on the Fund's financial statements.
- IFRS 9 'Financial Instruments' and amendment - Prepayment Features with Negative Compensation (effective for annual periods beginning on or after 1 July 2018 and 1 January 2019 respectively). IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. The management has completed an initial assessment of changes required in classification and measurement of financial instruments on adoption of the standard and has also carried out an initial exercise to calculate impairment required under expected credit loss model and considers that there is no significant change in the classification and carrying amount of financial asset and liabilities. Had impairment loss been recognized as per the requirement of IFRS, the income would be higher

# NATIONAL INVESTMENT (UNIT) TRUST

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2018

by Rs. 88.193 million and other comprehensive income would have been lower by Rs. 88.193 million. However, it does not have any impact on NAV.

- IFRS 16 'Leases' (effective for annual period beginning on or after 1 January 2019). IFRS 16 replaces existing leasing guidance, including IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC-15 'Operating Leases-Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases. The amendments are not likely to have an impact on the Fund's financial statements.
- Amendment to IAS 28 'Investments in Associates and Joint Ventures' - Long Term Interests in Associates and Joint Ventures (effective for annual period beginning on or after 1 January 2019). The amendment will affect companies that finance such entities with preference shares or with loans for which repayment is not expected in the foreseeable future (referred to as long-term interests or 'LTI'). The amendment and accompanying example state that LTI are in the scope of both IFRS 9 and IAS 28 and explain the annual sequence in which both standards are to be applied. The amendments are not likely to have an impact on the Fund's financial statements.
- Amendments to IAS 19 'Employee Benefits'- Plan Amendment, Curtailment or Settlement (effective for annual periods beginning on or after 1 January 2019). The amendments clarify that on amendment, curtailment or settlement of a defined benefit plan, the Fund now uses updated actuarial assumptions to determine its current service cost and net interest for the period; and the effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan and is dealt with separately in other comprehensive income. The application of amendments is not likely to have an impact on the Fund's financial statements.
- Annual Improvements to IFRS Standards 2015–2017 Cycle - the improvements address amendments to following approved accounting standards:
  - IFRS 3 Business Combinations and IFRS 11 Joint Arrangement - the amendment aims to clarify the accounting treatment when the Fund increases its interest in a joint operation that meets the definition of a business. The Fund remeasures its previously held interest in a joint operation when it obtains control of the business. The Fund does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.
  - IAS 12 Income Taxes - the amendment clarifies that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transaction that generates the distributable profits.
  - IAS 23 Borrowing Costs - the amendment clarifies that the Fund treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

The above amendments are effective from annual period beginning on or after 1 January 2019 and are not likely to have an impact on the Fund's financial statements.

#### 4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements have been consistently applied to all periods presented except for the changes in accounting policy as stated below:

##### **New, Amended and Revised Standards and Interpretations of IFRSs**

There are new and amended standards and interpretations that are mandatory for accounting periods beginning 01 July 2017 but are considered not to be relevant or do not have any significant effect on the the Funds' financial statements and are therefore not stated in these financial statements.

##### **Application of Companies Act, 2017**

The Companies Act, 2017 was enacted on 30 May 2017 and SECP vide its circular 23 of 2017 which application has been deferred till 31 December 2017. Therefore, the provision of the Companies Act, 2017 are applicable from 01 January 2018 (refer note 2.1). However, it does not have any significant impact on the Fund's financial statements.

# NATIONAL INVESTMENT (UNIT) TRUST

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2018

#### Element of Income

Up to 30 June 2017, the element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed to the extent that it is represented by income earned during the accounting period is recognized in income statement on net basis and to the extent that it is represented by unrealised appreciation / (diminution) arising during the year on available for sale securities is included in distribution statement on net basis.

Securities & Exchange Commission of Pakistan through its SRO 756(I)/2017 dated 03 August 2017 has made certain amendments in NBFCs and Notified Entities Regulations, 2008. The SRO changed the definition of accounting income in regulation (63) sub-regulation (I) which excludes the element of income from "accounting income". As per SRO, element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. It also specifies that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution.

The said SRO also deleted 'Distribution Statement' and requires additional disclosures with respect to "Income Statement" (relating to allocation of net income for the year) and "Statement of Movement in Unit Holders' Fund" and recording of element of income / loss included in price of unit issued or redeemed directly in Statement of movements in unit holders' fund instead of income statement. "MUFAP, in consultation with the SECP, has specified methodology for determination of income paid on units redeemed (income already paid) during the year under which such income is paid on gross element received and is calculated from the latest date at which the Fund achieved net profitability during the year.

As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management Company has applied the above changes in accounting policy, including the additional disclosures requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', prospectively from 01 July 2017 as clarified by SECP vide its email dated 7 February 2018. Accordingly, corresponding figures have not been restated. Had the element of income been recognised as per the previous accounting policy, the income of the Fund would have been lower by Rs. 21.468 million net off charge for SWWF in respect of element of income and consequently NAV per unit would have been higher by Rs. 0.0005.

#### 4.1 Financial assets

##### 4.1.1 Classification

The Fund classifies its financial assets in the following categories: loans and receivables, at fair value through profit or loss and available for sale. The classification depends on the purpose for which the financial assets were acquired. The Management Company determines the classification of its financial assets at initial recognition.

##### a) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

##### b) Financial assets at fair value through profit or loss

Financial assets that are acquired principally for the purpose of generating profit from short-term fluctuations in prices are classified as held for trading in the 'Financial assets at fair value through profit or loss' category.

##### c) Held to maturity

These are securities with fixed or determinable payments and fixed maturity that the Fund has the positive intent and ability to hold to maturity.

##### d) Available for sale

Available for sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as (a) loans and receivables, (b) financial assets at fair value through profit or loss or (c) held to maturity. These are intended to be held for an indefinite period of time which may be sold in response to the needs for liquidity or change in price.

# NATIONAL INVESTMENT (UNIT) TRUST

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2018

#### 4.1.2 Regular way contracts

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Fund commits to purchase or sell the asset.

#### 4.1.3 Initial recognition and measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed as incurred in the income statement.

#### 4.1.4 Subsequent measurement

Subsequent to initial recognition, financial assets designated by the management as at fair value through profit or loss and available for sale are valued as follows:

##### a) Basis of valuation of equity securities / units of mutual funds

The investment of the Fund in equity securities is valued on the basis of closing quoted market prices available at the stock exchange.

Mutual funds' units are valued by reference to the net assets values (redemption prices) declared by the respective funds.

Investments in unquoted equity securities are carried at lower of investment price or their breakup value.

##### b) Basis of valuation of government securities

The investment of the Fund in government securities is valued on the basis of rates announced by the Financial Markets Association of Pakistan.

Net gains and losses arising from changes in the fair value of financial assets carried at fair value through profit or loss are taken to the 'income statement'.

Net gains and losses arising from changes in fair value of available for sale financial assets are taken to the 'statement of comprehensive income' until these are derecognised or impaired. At this time, the cumulative gain or loss previously recognised directly in the 'statement of comprehensive income' is transferred to the 'income statement'.

##### c) Loans and receivables

Subsequent to initial recognition financial assets classified as 'Loans and receivables' and 'Held to maturity' are carried at amortised cost using the effective interest method.

#### 4.1.5 Impairment of financial assets

The carrying value of the Fund's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the income statement.

Impairment loss on investment other than 'available for sale' is recognised in the Income Statement whenever the carrying amount of investment exceeds its recoverable amount. If in a subsequent period, the amount of an impairment loss recognised decreases the impairment is reversed through the Income Statement.

In case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available for-sale financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value is reclassified from other comprehensive income to income statement. Impairment losses recognised on equity securities in the income statement are not reversed subsequently through income statement.

# NATIONAL INVESTMENT (UNIT) TRUST

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2018

#### 4.1.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and where the Fund has transferred substantially all risks and rewards of ownership.

#### 4.1.7 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Assets and Liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

#### 4.2 Cash and cash equivalents

Cash and cash equivalents comprise of deposits and current accounts maintained with banks. Cash equivalents are short term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

#### 4.3 Derivatives

Derivative instruments are initially recognised at fair value and subsequent to initial measurement each derivative instrument is remeasured to its fair value and the resultant gain or loss is recognised in the income statement.

#### 4.4 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. They are initially recognised at fair value and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

#### 4.5 Provisions

Provisions are recognised when the Fund has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

#### 4.6 Taxation

The income of the Fund 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 ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed among the unit holders. Provided that for the purpose of determining distribution of at least ninety percent of its accounting income for the year, the income distributed through bonus units shall not be taken into account.

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.

The Fund provides for deferred taxation using the balance sheet liability method on all major temporary differences between the amounts used for financial reporting purposes and amounts used for taxation purposes. In addition, the Fund also records deferred tax asset on unutilised tax losses to the extent that it is no longer probable that the related tax benefit will be realised. However, the Fund has not recognised any amount in respect of taxation in these financial statements as the Fund distributes more than ninety percent of its accounting income for the current year and intends to continue availing the tax exemption in future years by distributing at least ninety percent of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders every year.

#### 4.7 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors / Management Company during business hours on the date on which the funds are actually realized against application. The offer price represents the net assets value per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable. The sales load is payable to the investment facilitators, distributors and the Management Company. Transaction costs are recorded as the income of the Fund.

# NATIONAL INVESTMENT (UNIT) TRUST

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2018

Units redeemed are recorded at the redemption price, applicable to units for which the distributors / Management Company receive redemption applications during business hours of that day. The redemption price represents the net assets value per unit as of the close of the business day less any back-end load, any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

#### 4.8 Element of income

Element of Income represents the difference between net assets value on the issuance or redemption date, as the case may be, of units and the Net asset Value (NAV) at the beginning of the relevant accounting period.

Element of Income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund; however, to maintain same ex-dividend net asset value of all units outstanding on accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units (refund of capital) in the same proportion as dividend bears to accounting income available for distribution. As per guideline provided by MUFAP (MUFAP Guidelines consented upon by SECP) the refund of capital is made in the form of additional units at zero price.

MUFAP, in consultation with the SECP, has specified methodology for determination of income paid on units redeemed (income already paid) during the year under which such income is paid on gross element received and is calculated from the latest date at which the Fund achieved net profitability during the year. The income already paid (Element of Income) on redemption of units during the year are taken separately in statement of movement in unitholders' fund.

#### 4.9 Net assets value per unit

The net assets value (NAV) per unit, as disclosed on the Statement of Assets and Liabilities is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

#### 4.10 Earnings per unit (EPU)

Earnings per unit (EPU) has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

#### 4.11 Borrowing costs

Borrowing costs directly attributable to the acquisition of qualifying assets (one that takes substantial period of time to get ready for use or sale) are capitalised as part of the cost of the asset. Other borrowing costs are taken to the income statement in the year in which they are incurred. Currently the Fund does not have any qualifying assets.

#### 4.12 Revenue recognition

- Realised gains / (losses) arising on sale of investments are included in the income statement on the date at which the transaction takes place.
- Unrealised appreciation / (diminution) arising on re-measurement of investments classified as available for sale are included in the statement of comprehensive income in the period in which they arise.
- Unrealised appreciation / (diminution) arising on re-measurement of investments classified as financial assets at 'fair value through profit and loss' are included in income statement in the period in which they arise.
- Dividend income is recognised when the right to receive dividend is established i.e. on the date of book closure of the investee company / institution declaring the dividend.
- Profit on bank deposits, mark-up income on government securities and mark-up income on debt securities is recognised using effective yield method.
- Income from investment in morabaha arrangements, term finance certificates and other redeemable capital is recognised on an accrual basis, except where recovery is doubtful, in which case it is credited to the suspense account.

#### 4.13 Distributions

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared. Based on MUFAP's guidelines (duly consented upon by



# NATIONAL INVESTMENT (UNIT) TRUST

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2018

SECP) distributions for the year is deemed to comprise of the portion of amount of income already paid on units redeemed and the amount of cash distribution for the year.

The distribution per unit is announced based on units that were held for the entire period. The rate of distribution is adjusted with effect of refund of capital if any based on the period of investment made during the year. Resultantly, the rate of distribution per unit may vary depending on the period of investment.

#### 5 BANK BALANCES

		2018	2017
		(Rupees in '000)	
In current accounts	5.1	2,236	2,739
In saving accounts	5.1 & 5.2	2,246,763	3,538,492
		<u>2,248,999</u>	<u>3,541,231</u>

5.1 The above include an amount of Rs. 679.803 million (30 June 2017: Rs. 614.749 million) relating to unclaimed distribution.

5.2 These accounts carry return at rates ranging from 3.75% to 7.35% per annum (30 June 2017: 3.75% to 6.50% per annum).

#### 6 INVESTMENTS

##### At fair value through profit or loss - held for trading

Investment in shares / units of mutual funds 6.1.1 2,982,554 4,556,802

##### Available for sale

Investment in shares / units of mutual funds 6.2.1 67,313,964 78,378,188

##### Held to maturity

	6.3	2018	2017
- Morabaha arrangements		54,125	54,125
- Participation term certificates		10,500	10,500
- Term finance certificates		8,880	8,880
		73,505	73,505
Less: Provision for impairment loss on held to maturity investments		(73,505)	(73,505)
		<u>70,296,518</u>	<u>82,934,990</u>

#### 6.1 At fair value through profit or loss - Held for trading

##### 6.1.1 Equity shares / units of mutual funds

Name of Investee Companies	As at 01 July 2017	Purchases during the year	Bonus shares issued during the year	Right shares purchased/ subscribed during the year	Merger/ demerger adjusting effects	Sales during the year	As at 30 June 2018	Carrying value as at 30 June 2018	Market value as at 30 June 2018	Market value / carrying value as a percentage of net assets	Market value / carrying value as a percentage of investments	Percentage of paid-up capital of the investee company held
<b>Close - End Mutual Fund</b>												
PICIC Growth Fund	37,442	-	-	-	-	-	37,442	1,161	1,678	0.00	0.00	0.01
	<u>37,442</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,442</u>	<u>1,161</u>	<u>1,678</u>	<u>0.00</u>	<u>0.00</u>	
<b>Modarabas</b>												
Alnoor Modarba First	608,440	-	-	-	-	-	608,440	2,519	1,825	0.00	0.00	2.90
B.R.R. Guardian Modarba	1,824,274	-	-	-	-	-	1,824,274	17,203	15,944	0.02	0.02	2.34
Elite Capital Modarba First	392,620	-	-	-	-	-	392,620	1,649	1,276	0.00	0.00	3.46
First Fidelity Leasing Modarba	495,078	-	-	-	-	-	495,078	1,609	2,728	0.00	0.00	1.87
IBL Modarba First	1,078,774	-	-	-	-	-	1,078,774	4,747	4,714	0.01	0.01	5.34
KASB Modaraba	392,245	-	-	-	-	-	392,245	981	671	0.00	0.00	0.82
Orix Modaraba	1,729,098	-	-	-	-	-	1,729,098	40,340	28,721	0.04	0.04	3.81
U.D.L. Modaraba First	600,625	-	-	-	-	78,000	522,625	19,703	9,747	0.01	0.01	1.98
	<u>7,121,154</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>78,000</u>	<u>7,043,154</u>	<u>88,751</u>	<u>65,626</u>	<u>0.09</u>	<u>0.09</u>	
<b>Leasing Companies</b>												
English Leasing	707,261	-	-	-	-	-	707,261	-	-	-	-	8.84
	<u>707,261</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>707,261</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
<b>Financial Services</b>												
Invest Capital Investment Bank Limited	1,338,138	-	-	-	-	-	1,338,138	2,823	2,516	0.00	0.00	0.47
	<u>1,338,138</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,338,138</u>	<u>2,823</u>	<u>2,516</u>	<u>0.00</u>	<u>0.00</u>	

# NATIONAL INVESTMENT (UNIT) TRUST

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### FOR THE YEAR ENDED 30 JUNE 2018

Name of Investee Companies	As at 01 July 2017	Purchases during the year	Bonus shares issued during the year	Right shares purchased/ subscribed during the year	Merger/ demerger adjusting effects	Sales during the year	As at 30 June 2018	Carrying value as at 30 June 2018	Market value as at 30 June 2018	Market value / carrying value as a percentage of net assets	Market value / carrying value as a percentage of investments	Percentage of paid-up capital of the investee company held
	(Number of shares)						(Rupees in '000)			%		
<b>Commercial Banks</b>												
MCB Bank Limited	9,800	-	-	-	-	9,800	-	-	-	-	-	-
	<b>9,800</b>	-	-	-	-	<b>9,800</b>	-	-	-	-	-	-
<b>Textile Spinning</b>												
D.S.Industries Limited	295,102	-	-	-	-	295,102	1,130	1,355	0.00	0.00	0.35	
Din Textile Mills Limited	22,920	-	-	-	-	22,920	2,591	2,172	0.00	0.00	0.10	
Maqbool Textile Mills Limited	245,873	-	-	-	-	245,873	7,561	10,398	0.01	0.01	1.46	
	<b>563,895</b>	-	-	-	-	<b>563,895</b>	<b>11,282</b>	<b>13,925</b>	<b>0.02</b>	<b>0.02</b>		
<b>Textile Composite</b>												
Fateh Textile Mills Limited	58,125	-	-	-	-	58,125	-	-	-	-	4.65	
Gul Ahmed Textile Mills Limited (Note 6.6)	4,509,848	-	-	-	20,000	4,489,848	183,994	192,749	0.27	0.27	1.26	
Kohinoor Mills	293,229	-	-	-	21,500	271,729	12,896	8,038	0.01	0.01	0.53	
Mehmood Textile Mills Limited	128,063	-	-	-	-	128,063	28,737	40,340	0.06	0.06	0.85	
Sapphire Fibers Limited	362,871	-	-	-	-	362,871	435,445	334,748	0.47	0.48	1.84	
Sapphire Textile Mills Limited	571,112	-	-	-	-	571,112	1,136,770	653,238	0.92	0.93	2.84	
	<b>5,923,248</b>	-	-	-	<b>41,500</b>	<b>5,881,748</b>	<b>1,797,842</b>	<b>1,229,113</b>	<b>1.74</b>	<b>1.75</b>		
<b>Woolen</b>												
Bannu Woolen Mills Limited	431,637	-	-	-	-	431,637	29,567	21,474	0.03	0.03	4.54	
	<b>431,637</b>	-	-	-	-	<b>431,637</b>	<b>29,567</b>	<b>21,474</b>	<b>0.03</b>	<b>0.03</b>		
<b>Synthetic &amp; Rayon</b>												
Pakistan Synthetics Limited	2,077,283	-	-	-	-	19,500	2,057,783	60,190	51,630	0.07	0.07	3.67
	<b>2,077,283</b>	-	-	-	-	<b>19,500</b>	<b>2,057,783</b>	<b>60,190</b>	<b>51,630</b>	<b>0.07</b>	<b>0.07</b>	
<b>Tobacco</b>												
Pakistan Tobacco Company Limited	18,164	-	-	-	-	18,164	-	-	-	-	-	
	<b>18,164</b>	-	-	-	-	<b>18,164</b>	-	-	-	-	-	
<b>Power Generation &amp; Distribution</b>												
Kohinoor Energy Limited	465,867	-	-	-	-	465,867	20,065	18,635	0.03	0.03	0.27	
	<b>465,867</b>	-	-	-	-	<b>465,867</b>	<b>20,065</b>	<b>18,635</b>	<b>0.03</b>	<b>0.03</b>		
<b>Oil &amp; Gas Marketing Companies</b>												
Sui Northern Gas Pipelines Limited (note 6.5)	47,432	-	-	-	-	47,432	7,064	4,754	0.01	0.01	0.01	
	<b>47,432</b>	-	-	-	-	<b>47,432</b>	<b>7,064</b>	<b>4,754</b>	<b>0.01</b>	<b>0.01</b>		
<b>Cable &amp; Electric Goods</b>												
Siemens Pakistan Engineering Company Limited	34,713	-	-	-	-	34,713	23,952	35,242	0.05	0.05	0.42	
	<b>34,713</b>	-	-	-	-	<b>34,713</b>	<b>23,952</b>	<b>35,242</b>	<b>0.05</b>	<b>0.05</b>		
<b>Transport</b>												
Pakistan International Airlines Corp.	202,650	-	-	-	-	202,650	1,183	829	0.00	0.00	0.01	
	<b>202,650</b>	-	-	-	-	<b>202,650</b>	<b>1,183</b>	<b>829</b>	<b>0.00</b>	<b>0.00</b>		
<b>Fertilizer</b>												
Dawood Hercules Corporation Limited	474,256	-	-	-	-	474,256	64,670	52,538	0.07	0.07	0.10	
	<b>474,256</b>	-	-	-	-	<b>474,256</b>	<b>64,670</b>	<b>52,538</b>	<b>0.07</b>	<b>0.07</b>		
<b>Pharmaceuticals</b>												
Abbot Laboratories (Pakistan) Limited	13,259	-	-	-	-	5,000	8,259	7,720	5,657	0.01	0.01	0.01
Highnoon Laboratories Limited (note 6.6)	120	-	14	-	-	-	134	76	55	0.00	0.00	0.00
	<b>13,379</b>	-	<b>14</b>	-	-	<b>5,000</b>	<b>8,393</b>	<b>7,796</b>	<b>5,712</b>	<b>0.01</b>	<b>0.01</b>	
<b>Chemical</b>												
Linde Pakistan Limited (Boc)	15,560	-	-	-	-	15,560	-	-	-	-	-	
	<b>15,560</b>	-	-	-	-	<b>15,560</b>	-	-	-	-	-	
<b>Leather &amp; Tanneries</b>												
Service Industries Limited	1,559,125	-	-	-	-	1,559,125	2,150,033	1,223,882	1.73	1.74	12.96	
	<b>1,559,125</b>	-	-	-	-	<b>1,559,125</b>	<b>2,150,033</b>	<b>1,223,882</b>	<b>1.73</b>	<b>1.74</b>		
<b>Foods &amp; Personal Care Products</b>												
Nestle Pakistan Limited	2,556	-	-	-	-	2,556	26,071	29,394	0.04	0.04	0.01	
	<b>2,556</b>	-	-	-	-	<b>2,556</b>	<b>26,071</b>	<b>29,394</b>	<b>0.04</b>	<b>0.04</b>		
<b>Glass &amp; Ceramics</b>												
Ghani Glass Mills Limited	5,261	-	-	5,724	-	-	10,985	900	678	0.00	0.00	0.01
Ghani Glass Mills Limited-right	5,724	-	-	(5,724)	-	-	-	-	-	-	-	-
	<b>10,985</b>	-	-	-	-	-	<b>10,985</b>	<b>900</b>	<b>678</b>	<b>0.00</b>	<b>0.00</b>	
<b>Miscellaneous</b>												
Pakistan Services Limited	210,756	-	-	-	-	-	210,756	190,207	207,595	0.29	0.30	0.65
Tri Pack Films Limited	85,372	-	-	-	-	14,000	71,372	15,987	9,778	0.01	0.01	0.18
	<b>296,128</b>	-	-	-	-	<b>14,000</b>	<b>282,128</b>	<b>206,194</b>	<b>217,373</b>	<b>0.31</b>	<b>0.31</b>	

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### FOR THE YEAR ENDED 30 JUNE 2018

Name of Investee Companies	As at 01 July 2017	Purchases during the year	Bonus shares issued during the year	Right shares purchased/subscribed during the year	Merger/demerger adjusting effects	Sales during the year	As at 30 June 2018	Carrying value as at 30 June 2018	Market value as at 30 June 2018	Market value / carrying value as a percentage of net assets	Market value / carrying value as a percentage of investments	Percentage of paid-up capital of the investee company held
	(Number of shares)						(Rupees in '000')		%			
<b>Delisted / Unquoted Companies</b>												
Callmate Telips Telecom	83	-	-	-	-	-	83	-	-	-	-	0.00
Sapphire Holding Limited	571,112	-	-	-	-	-	571,112	5,711	5,710	0.01	0.01	2.84
National Asset Leasing Corporation	265,013	-	-	-	-	-	265,013	-	-	-	-	2.78
Natover Lease & Refinance	729,349	-	-	-	-	-	729,349	-	-	-	-	8.31
Unilever Brothers Preference	123	-	-	-	-	-	123	1,845	1,845	0.00	0.00	-
	<b>1,565,680</b>	-	-	-	-	-	<b>1,565,680</b>	<b>7,556</b>	<b>7,555</b>	<b>0.01</b>	<b>0.01</b>	
<b>Total - 30 June 2018</b>	<b>22,916,353</b>	-	<b>14</b>	-	-	<b>201,524</b>	<b>22,714,843</b>	<b>4,507,100</b>	<b>2,982,554</b>	<b>4.21</b>	<b>4.24</b>	
Total - 30 June 2017	23,506,118	-	120	757,364	-	1,347,249	22,916,353	2,675,377	4,556,802	5.57	5.49	

6.1.2 All shares are fully paid up ordinary shares of Rs 10 each unless otherwise stated.

## 6.2 Available for sale

### 6.2.1 Equity shares / units of mutual funds

Name of Investee Companies	As at 01 July 2017	Purchases during the year	Bonus shares issued during the year	Right shares purchased/subscribed during the year	Merger/demerger adjusting effects	Sales during the year	As at 30 June 2018	Carrying value as at 30 June 2018	Market value as at 30 June 2018	Market value / carrying value as a percentage of net assets	Market value / carrying value as a percentage of investments	Percentage of paid-up capital of the investee company held	
	(Number of shares)						(Rupees in '000')		%				
<b>Close - End Mutual Fund</b>													
Dominion Stock Fund	157,629	-	-	-	-	-	157,629	-	-	-	-	3.15	
Investec Mutual Fund	172,406	-	-	-	-	-	172,406	-	-	-	-	1.72	
PICIC Growth Fund	6,429,358	-	-	-	-	-	6,429,358	35,940	288,164	0.41	0.41	2.27	
PICIC Investment Fund	10,108,128	-	-	-	-	-	10,108,128	20,519	193,874	0.27	0.28	3.56	
	<b>16,867,521</b>	-	-	-	-	-	<b>16,867,521</b>	<b>56,459</b>	<b>482,038</b>	<b>0.68</b>	<b>0.69</b>		
<b>Modarabas</b>													
B.R.R. Guardian Modarba	1,858,077	-	-	-	-	-	1,858,077	2,397	16,240	0.02	0.02	2.38	
Habib Modarba First	1,584,070	-	-	-	-	314,500	1,269,570	7,198	13,648	0.02	0.02	0.63	
Orix Modaraba	1,948,462	-	-	-	-	-	1,948,462	13,269	32,364	0.05	0.05	4.29	
	<b>5,390,609</b>	-	-	-	-	<b>314,500</b>	<b>5,076,109</b>	<b>22,864</b>	<b>62,252</b>	<b>0.09</b>	<b>0.09</b>		
<b>Leasing Companies</b>													
Orix Leasing Pakistan	360,080	-	-	302,815	-	428,500	234,395	4,538	10,189	0.01	0.01	0.29	
Orix Leasing Pakistan Right	302,815	-	-	(302,815)	-	-	-	-	-	-	-	-	
Security Leasing Corporation	291,526	-	-	-	-	217,500	74,026	118	859	0.00	0.00	0.20	
Saudi Pak Leasing	347,752	-	-	-	-	-	347,752	-	-	-	-	0.77	
	<b>1,302,173</b>	-	-	-	-	<b>646,000</b>	<b>656,173</b>	<b>4,656</b>	<b>11,048</b>	<b>0.02</b>	<b>0.02</b>		
<b>Financial Services</b>													
786 Investment Limited	663,832	-	-	-	-	-	663,832	-	-	-	-	4.43	
Next Capital Limited	699,500	-	-	-	-	104,500	595,000	3,959	5,653	0.01	0.01	1.32	
Pakistan Stock Exchange Limited	-	727,000	-	-	-	143,500	583,500	11,987	11,524	-	-	-	
First Capital Securities Corporation	3,869,059	-	-	-	-	25,000	3,844,059	6,963	9,226	0.01	0.01	1.21	
First Dawood Investment Bank	1,585,564	-	-	-	-	-	1,585,564	1,205	5,740	0.01	0.01	1.07	
Invest Capital Investment Bank Limited	8,271,554	-	-	-	-	-	8,271,554	1,654	15,550	0.02	0.02	2.90	
IGI Investment Bank	5,004,579	-	-	-	5,004,579	-	10,009,158	-	-	-	-	4.72	
Investec Securities Limited	98,518	-	-	-	-	-	98,518	-	-	-	-	0.60	
J.O.V. & Company	1,775,606	-	-	-	-	-	1,775,606	-	-	-	-	3.49	
Jahangir Siddiqui & Company	575,441	-	-	-	-	-	575,441	2,905	10,467	0.01	0.01	0.06	
Prudential Investment Bank	326,292	-	-	-	-	-	326,292	-	-	-	-	3.26	
Security Investment Bank	2,262,698	-	-	-	-	192,500	2,070,198	2,587	13,063	0.02	0.02	4.02	
	<b>25,132,643</b>	<b>727,000</b>	-	-	<b>5,004,579</b>	<b>465,500</b>	<b>30,398,722</b>	<b>31,260</b>	<b>71,223</b>	<b>0.08</b>	<b>0.08</b>		
<b>Commercial Banks</b>													
Allied Bank Limited	1,433,604	-	-	-	-	-	1,433,604	90,895	147,876	0.21	0.21	0.13	
Askari Bank Limited	24,471,856	-	-	-	-	350,000	24,121,856	220,443	527,545	0.75	0.75	1.91	
Bank Al - Falah Limited	588,409	817,500	-	-	-	-	670,500	735,409	25,917	38,455	0.05	0.05	0.05
Bank Al - Habib Limited	66,213,829	-	-	-	-	4,999,500	61,214,329	663,416	4,825,526	6.82	6.86	5.51	
Bankislami Pakistan	247,816	-	-	-	-	-	247,816	-	-	-	-	-	
Faysal Bank Limited (Note 6.6)	1,046,588	-	145,738	-	-	-	150,000	1,042,326	4,465	27,101	0.04	0.04	0.08
Habib Bank Limited	1,137,433	572,300	-	-	-	-	345,000	1,364,733	227,146	0.32	0.32	0.09	
Habib Metropolitan Bank Limited	46,190,107	-	-	-	-	4,418,000	41,772,107	635,070	1,810,821	2.56	2.58	3.99	
JS Bank Limited	8,558,161	-	-	-	-	-	8,558,161	16,468	71,375	0.10	0.10	0.80	
MCB Bank Limited	449,242	620,800	-	-	11,793	40,200	1,041,635	206,004	206,004	0.29	0.29	0.09	
National Bank Of Pakistan	363,078	-	-	-	-	-	363,078	10,795	17,199	0.02	0.02	0.02	
NIB Bank Limited	1,651,532	-	-	-	(1,651,532)	-	-	-	-	-	-	-	

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### FOR THE YEAR ENDED 30 JUNE 2018

Name of Investee Companies	As at 01 July 2017	Purchases during the year	Bonus shares issued during the year	Right shares purchased/s subscribed during the year	Merger/ demerger adjusting effects	Sales during the year	As at 30 June 2018	Carrying value as at 30 June 2018	Market value as at 30 June 2018	Market value / carrying value as a percentage of net assets	Market value / carrying value as a percentage of investments	Percentage of paid-up capital of the investee company held
	(Number of shares)					(Rupees in '000')			%			
Samba Bank Limited	2,973,804	-	-	-	-	604,000	2,369,804	6,094	18,129	0.03	0.03	0.24
Silkbank Limited	20,880,417	-	-	-	-	-	20,880,417	28,397	28,397	0.04	0.04	0.23
Summit Bank Limited	506,978	-	-	-	-	-	506,978	1,060	1,090	0.00	0.00	0.03
Soneri Bank Limited	107,774,049	-	-	-	-	3,351,000	104,423,049	333,546	1,354,367	1.91	1.93	9.47
United Bank Limited	966,099	590,000	-	-	-	117,500	1,438,599	243,094	243,094	0.34	0.35	0.12
	<b>285,453,002</b>	<b>2,600,600</b>	<b>145,738</b>	-	<b>(1,639,739)</b>	<b>15,293,516</b>	<b>271,266,085</b>	<b>2,712,810</b>	<b>9,544,125</b>	<b>13.48</b>	<b>13.57</b>	
<b>Insurance</b>												
IGI Holding Limited	-	54,397	-	-	-	-	54,397	4,504	15,666	0.02	0.02	
<b>Textile Spinning</b>												
Adil Textile Mills Limited	93,592	-	-	-	-	-	93,592	-	4,680	0.01	0.01	1.21
Amtex Limited	363,523	-	-	-	-	-	363,523	436	473	0.00	0.00	0.14
Al - Qaim Textile Mills Limited	358,753	-	-	-	-	-	358,753	-	-	-	-	4.81
Asim Textile Mills Limited	1,041,800	-	-	-	-	106,500	935,300	-	10,616	0.02	0.02	6.16
Babri Cotton Mills Limited	80,578	-	-	-	-	-	80,578	392	4,109	0.01	0.01	2.21
Brothers Textile Mills Limited	579,461	-	-	-	-	-	579,461	-	-	-	-	5.91
Crescent Cotton Mills Limited	1,048,579	-	62,914	-	-	-	1,111,493	5,637	27,943	0.04	0.04	5.20
Crescent Fibres Limited	852,681	-	-	-	-	-	852,681	-	21,752	0.03	0.03	6.87
Colony Textile Mills Limited	1,069,498	-	-	-	-	-	1,069,498	1,351	3,861	0.01	0.01	0.21
Chakwal Spinning Mills Limited	742,008	-	-	-	-	79,500	662,508	-	2,140	0.00	0.00	1.66
Data Textile Limited	618,595	-	-	-	-	-	618,595	-	-	-	-	6.24
Din Textile Mills Limited	340,301	-	-	-	-	1	340,300	3,847	32,250	0.05	0.05	1.52
Dewan Khalid Textile Mills Limited	224,486	-	-	-	-	-	224,486	224	763	0.00	0.00	2.34
Dewan Mushtaq Textile Mills Limited	192,424	-	-	-	-	-	192,424	385	774	0.00	0.00	2.93
D. M. Textile Mills Limited	304,614	-	-	-	-	25,000	279,614	503	12,722	0.02	0.02	9.16
D.S.Industries Limited	44,780	-	-	-	-	-	44,780	34	206	0.00	0.00	0.05
Dar-Es-Salaam Textile Mills Limited	259,287	-	-	-	-	-	259,287	570	2,113	0.00	0.00	3.24
Ellicot Spinning Mills Limited	704,380	-	-	-	-	-	704,380	7,482	50,293	0.07	0.07	6.43
Fatima Enterprises Limited	628,671	-	-	-	-	-	628,671	-	-	-	-	4.42
Fazal Cloth Mills Limited	1,768,488	-	-	-	-	-	1,768,488	13,415	264,725	0.37	0.38	5.89
Gadoon Textile Mills	132,499	-	-	-	-	2	132,497	1,231	33,389	0.05	0.05	0.47
Globe Textile Mills Limited	2,472	-	-	-	-	-	2,472	-	-	-	-	0.02
Gulshan Spinning Mills Limited	1,137,974	-	-	-	-	-	1,137,974	-	-	-	-	5.12
Gulistan Textile Mills Limited	734,617	-	-	-	-	-	734,617	-	-	-	-	3.87
Hajra Textile Mills Limited	518,063	-	-	-	-	-	518,063	-	-	-	-	3.77
Ideal Spinning Mills Limited	658,396	-	-	-	-	20,000	638,396	894	5,075	0.01	0.01	6.44
Indus Dyeing Manufacturing Company Ltd.	525,295	-	-	-	-	-	525,295	5,509	327,595	0.46	0.47	2.91
J. A. Textile Mills Limited	127,361	-	-	-	-	-	127,361	-	646	0.00	0.00	1.01
Karim Cotton Mills Limited	110,562	-	-	-	-	-	110,562	-	-	-	-	9.34
Kohinoor Spinning Mills Limited	535,827	-	-	-	-	35,000	500,827	-	1,462	0.00	0.00	0.39
Khalid Siraj Textile Mills Limited	682,998	-	-	-	-	-	682,998	-	-	-	-	6.38
Land Mark Spinning Industries Limited	355,437	-	-	-	-	100,000	255,437	-	1,430	0.00	0.00	2.11
Mehr Dastgir Textile Mills Limited	259	-	-	-	-	-	259	-	-	-	-	0.00
Maqbool Textile Mills Limited	1,420,216	-	-	-	-	-	1,420,216	11,362	60,061	0.08	0.09	8.45
Premium Textile Mills Limited	726,823	-	-	-	-	111,200	615,623	6,713	123,125	0.17	0.18	9.99
Reliance Cotton Spinning Mills Limited	465,638	-	-	-	-	-	465,638	3,824	74,311	0.10	0.11	4.52
Ruby Textile Mills Limited	297,664	-	-	-	-	-	297,664	-	2,381	0.00	0.00	0.57
Saif Textile Mills Limited	1,769,371	-	-	-	-	96,500	1,672,871	4,132	29,275	0.04	0.04	6.33
Salfi Textile Mills Limited	104,645	-	-	-	-	-	104,645	956	17,266	0.02	0.02	3.13
Salman Noman Enterprises Limited	291,399	-	-	-	-	51,000	240,399	-	962	0.00	0.00	5.38
Service (Textile) Industries Limited	162,908	-	-	-	-	-	162,908	-	2,284	0.00	0.00	3.66
Shadab Textile Mills Limited	94,207	-	-	-	-	-	94,207	-	5,181	0.01	0.01	3.14
Sajjad Textile Mills Limited	316,932	-	-	-	-	-	316,932	-	1,268	0.00	0.00	1.49
Sally Textile Mills Limited	348,279	-	-	-	-	-	348,279	-	3,483	0.00	0.00	3.97
Sana Industries Limited	423,001	-	-	-	-	-	423,001	3,926	16,074	0.02	0.02	4.92
Sargodha Spinning Mills Limited	588,202	-	-	-	-	10,000	578,202	-	-	-	-	1.85
Saritow Spinning Mills Limited	1,309,435	-	-	-	-	-	1,309,435	-	10,410	0.01	0.01	4.39
Sunshine Cotton Mills Limited	426,521	-	-	-	-	-	426,521	-	-	-	-	5.43
Sunrays Textile Mills Limited	318,842	-	-	-	-	-	318,842	2,741	54,347	0.08	0.08	4.62
Tata Textile Mills Limited	2,138,998	-	-	-	-	302,500	1,836,498	15,501	67,950	0.10	0.10	10.60
	<b>28,041,340</b>	-	<b>62,914</b>	-	-	<b>937,203</b>	<b>27,167,051</b>	<b>91,065</b>	<b>1,277,395</b>	<b>1.78</b>	<b>1.81</b>	
<b>Textile Weaving</b>												
Ayaz Textile Mills Limited	210,188	-	-	-	-	-	210,188	-	-	-	-	2.46
Hakkim Textile Mills Limited	257,368	-	-	-	-	-	257,368	-	-	-	-	4.77
Sadoon Textile Mills Limited	985	-	-	-	-	-	985	-	-	-	-	0.03
Service Fabrics Limited	1,349,180	-	-	-	-	-	1,349,180	-	4,992	0.01	0.01	8.56
Shahtaj Textile Mills Limited	475,726	-	-	-	-	-	475,726	4,370	38,053	0.05	0.05	4.92
	<b>2,293,447</b>	-	-	-	-	-	<b>2,293,447</b>	<b>4,370</b>	<b>43,045</b>	<b>0.06</b>	<b>0.06</b>	
<b>Textile Composite</b>												
Ahmed Hassan Textile Mills Limited	913,009	-	-	-	-	-	913,009	10,966	34,840	0.05	0.05	6.34
Azgard Nine Limited	98,357	-	-	-	-	98,357	-	-	-	-	-	-







# NATIONAL INVESTMENT (UNIT) TRUST

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2018

Name of Investee Companies	As at 01 July 2017	Purchases during the year	Bonus shares issued during the year	Right shares purchased/s subscribed during the year	Merger/ demerger adjusting effects	Sales during the year	As at 30 June 2018	Carrying value as at 30 June 2018	Market value as at 30 June 2018	Market value / carrying value as a percentage of net assets	Market value / carrying value as a percentage of investments	Percentage of paid-up capital of the investee company held
	(Number of shares)					(Rupees in '000')				%		
Shabbir Tiles & Ceramics Limited	5,254,471	-	-	-	-	960,000	4,294,471	24,734	90,442	0.13	0.13	1.31
	<b>8,297,561</b>	-	-	-	-	<b>960,000</b>	<b>7,337,561</b>	<b>77,879</b>	<b>272,592</b>	<b>0.39</b>	<b>0.39</b>	
<b>Miscellaneous</b>												
Dadabhoy Construction Technology Ltd.	69,085	-	-	-	-	-	69,085	-	-	-	-	2.97
GOC (Pak) Limited	315,909	-	-	-	-	-	315,909	4,072	18,797	0.03	0.03	4.30
Hashmi Can Company Limited	160,986	-	-	-	-	-	160,986	-	-	-	-	9.86
Pace ( Pakistan ) Limited	525,716	-	-	-	-	100,000	425,716	553	1,443	0.00	0.00	0.15
Pakistan Services Limited	893,795	-	-	-	-	-	893,795	101,044	880,388	1.24	1.25	2.75
Synthetic Product Enterprise Limited	194,300	-	-	-	-	5,000	189,300	5,222	9,673	0.01	0.01	0.22
Tri-Pack Films Limited	528,125	-	-	-	-	-	528,125	57,891	72,353	0.10	0.10	1.36
United Distributors Pakistan Ltd. (Note 6.6)	1,183,643	-	118,364	-	-	-	1,302,007	5,291	63,161	0.09	0.09	5.37
	<b>3,871,559</b>	-	<b>118,364</b>	-	-	<b>105,000</b>	<b>3,884,923</b>	<b>174,073</b>	<b>1,045,815</b>	<b>1.47</b>	<b>1.48</b>	
<b>Delisted / Unquoted Companies</b>												
Accord Textile Limited	458,109	-	-	-	-	-	458,109	-	-	-	-	4.93
Adamjee Floorings	59,110	-	-	-	-	-	59,110	-	-	-	-	2.46
Adamjee Industries	121	-	-	-	-	-	121	-	-	-	-	0.00
Adamjee Paper	269,806	-	-	-	-	-	269,806	-	-	-	-	6.45
Adil Polypropylene Limited	136,201	-	-	-	-	-	136,201	-	-	-	-	2.46
Afsar Textile Mills	64,184	-	-	-	-	-	64,184	-	-	-	-	3.85
Al-Hussany Industries Limited	61,573	-	-	-	-	-	61,573	-	-	-	-	2.46
Alif Textile Mills Limited	320,085	-	-	-	-	-	320,085	-	-	-	-	8.21
Allied Textile Mills Limited	107,510	-	-	-	-	-	107,510	-	-	-	-	5.50
Amazai Textile Mills Limited	299	-	-	-	-	-	299	-	-	-	-	0.01
Apex Fabrics Limited	284,101	-	-	-	-	-	284,101	-	-	-	-	4.93
Arag Industries Limited	189,220	-	-	-	-	-	189,220	-	-	-	-	-
Aslo Electronics	39,407	-	-	-	-	-	39,407	-	-	-	-	1.97
Aswan Tentage Limited	168,712	-	-	-	-	-	168,712	-	-	-	-	2.61
Automobile Equipment Manufacturing Company Limited	37,750	-	-	-	-	-	37,750	-	-	-	-	9.44
Awan Textile Mills Limited	213,390	-	-	-	-	-	213,390	-	-	-	-	2.46
Bahawalpur Textile Mills Limited	64,250	-	-	-	-	-	64,250	-	-	-	-	6.43
Balochistan Tower	74,114	-	-	-	-	-	74,114	-	-	-	-	1.49
Baluchistan Textile Mills Limited	200,000	-	-	-	-	-	200,000	-	-	-	-	10.00
Bank Of Bahawalpur Limited	2,690	-	-	-	-	-	2,690	-	-	-	-	0.54
Bankers Equity Limited	3,408,091	-	-	-	-	-	3,408,091	-	-	-	-	5.20
Bawany Textile Mills	84,233	-	-	-	-	-	84,233	-	-	-	-	4.81
Bela Engineering Limited	266,145	-	-	-	-	-	266,145	-	-	-	-	7.83
Casspak Industries Limited	54,184	-	-	-	-	-	54,184	-	-	-	-	2.46
Central Cotton	34,948	-	-	-	-	-	34,948	-	-	-	-	0.45
Chemical Limited	40,000	-	-	-	-	-	40,000	-	-	-	-	5.08
Chemphur Pakistan Limited	17,972	-	-	-	-	-	17,972	-	-	-	-	1.80
Chilya C. Board	43,200	-	-	-	-	-	43,200	-	-	-	-	6.17
Crescent Knitwear	81,277	-	-	-	-	-	81,277	-	-	-	-	-
Crescent Spinning Mills Limited	727,080	-	-	-	-	-	727,080	-	-	-	-	4.80
Crown Textile	317,647	-	-	-	-	-	317,647	-	-	-	-	4.92
Dadabhoy Leasing	370,674	-	-	-	-	-	370,674	-	-	-	-	4.93
Elmac Limited	24,600	-	-	-	-	-	24,600	-	-	-	-	2.46
Fazal Vegetable Ghee Mills Limited	42,005	-	-	-	-	-	42,005	-	-	-	-	2.10
Ghaffar Text Mills	45,835	-	-	-	-	-	45,835	-	-	-	-	9.17
Ghulam Muhammad Dadabhoy	49,259	-	-	-	-	-	49,259	-	-	-	-	0.99
Greaves Aircondition	59,110	-	-	-	-	-	59,110	-	-	-	-	-
Gypsum Corporation	165,017	-	-	-	-	-	165,017	-	-	-	-	5.00
H-Shaikh	113,022	-	-	-	-	-	113,022	-	-	-	-	-
H.M Silk Mills Limited	158,350	-	-	-	-	-	158,350	-	-	-	-	10.56
Harum Textile Mulls Limited	58,248	-	-	-	-	-	58,248	-	-	-	-	0.62
Hyderabad Electronic	98,518	-	-	-	-	-	98,518	-	-	-	-	3.28
Indus Assurance Company Limited	3,300	-	-	-	-	-	3,300	-	-	-	-	0.02
Indus Bank Limited	147	-	-	-	-	-	147	-	-	-	-	0.00
Indus Polyester Company Limited	4	-	-	-	-	-	4	-	-	-	-	0.00
Industrial Development Bank	1,970	-	-	-	-	-	1,970	-	-	-	-	0.04
Innovative Investment Bank Limited	35,227	-	-	-	-	-	35,227	-	-	-	-	0.35
Islamic Investment Bank	139,990	-	-	-	-	-	139,990	-	-	-	-	0.71
Itti Textile Mills Limited	163,151	-	-	-	-	-	163,151	-	-	-	-	2.46
Junaid Cotton Mills Limited	37,436	-	-	-	-	-	37,436	-	-	-	-	1.50
Karachi Pipe	156,102	-	-	-	-	-	156,102	-	-	-	-	7.81
Karim Silk Mills Limited	19,223	-	-	-	-	-	19,223	-	-	-	-	1.97
Kohinoor Cotton	62,553	-	-	-	-	-	62,553	-	-	-	-	5.57
Kohinoor Looms Limited	169,648	-	-	-	-	-	169,648	-	-	-	-	1.57
Lafayette Industries Synthetics Limited	92,360	-	-	-	-	-	92,360	-	-	-	-	2.59
LTV Capital Modaraba	321	-	-	-	-	-	321	-	-	-	-	0.00
Medi Glass Limited	295,554	-	-	-	-	-	295,554	-	-	-	-	3.89
Marr Fabrics Limited	118,221	-	-	-	-	-	118,221	-	-	-	-	4.93
Mehran Bank Limited	738,590	-	-	-	-	-	738,590	-	-	-	-	2.46



# NATIONAL INVESTMENT (UNIT) TRUST

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2018

Name of Investee Companies	As at 01 July 2017	Purchases during the year	Bonus shares issued during the year	Right shares purchased/ subscribed during the year	Merger/ demerger adjusting effects	Sales during the year	As at 30 June 2018	Carrying value as at 30 June 2018	Market value as at 30 June 2018	Market value / carrying value as a percentage of net assets	Market value / carrying value as a percentage of investments	Percentage of paid-up capital of the investee company held
	(Number of shares)						(Rupees in '000')			%		
Mehran Jute Mills Limited	121,543	-	-	-	-	-	121,543	-	-	-	-	3.96
Mian Muhammed Sugar Mills Limited	172,406	-	-	-	-	-	172,406	-	-	-	-	1.17
Mohib Textile Mills Limited	159,813	-	-	-	-	-	159,813	-	-	-	-	1.33
Mubarik Dairies Limited	416	-	-	-	-	-	416	-	-	-	-	0.01
National Match Industries	26,452	-	-	-	-	-	26,452	-	-	-	-	7.56
National Overseas	24,629	-	-	-	-	-	24,629	-	-	-	-	-
Naveed Textile Mills	70,637	-	-	-	-	-	70,637	-	-	-	-	3.62
Norrie Textile Mills Limited	136,500	-	-	-	-	-	136,500	-	-	-	-	2.81
Northern Foundry And Engineering Work Limited	94,868	-	-	-	-	-	94,868	-	-	-	-	18.97
Nowshera Engineering	26,057	-	-	-	-	-	26,057	-	-	-	-	5.21
Nusrat Textile Mills	306,342	-	-	-	-	-	306,342	-	-	-	-	6.81
Pak Ghee Industries Limited	58,618	-	-	-	-	-	58,618	-	-	-	-	2.66
Pak Paper Corporation	103,848	-	-	-	-	-	103,848	-	-	-	-	-
Pearl Fabrics	229,970	-	-	-	-	-	229,970	-	-	-	-	2.64
Polyron Limited	147	-	-	-	-	-	147	-	-	-	-	0.00
Premier Board	29,998	-	-	-	-	-	29,998	-	-	-	-	-
Premier Ceramics Limited	5,350	-	-	-	-	-	5,350	-	-	-	-	1.07
Punjab Building	443,845	-	-	-	-	-	443,845	-	-	-	-	-
Punjab Cotton	56,155	-	-	-	-	56,155	-	-	-	-	-	-
Punjab Lamp	108,468	-	-	-	-	-	108,468	-	-	-	-	-
Qayyum Spinning Mills Limited	149	-	-	-	-	-	149	-	-	-	-	0.00
Pan Islamic Steamship Company Limited	1,136	-	-	-	-	-	1,136	-	-	-	-	0.02
RCD Ball	19,716	-	-	-	-	-	19,716	-	-	-	-	1.31
Refri's Manufacturing Company	26	-	-	-	-	-	26	-	-	-	-	0.00
Rex Baren Battery	56,155	-	-	-	-	-	56,155	-	-	-	-	1.50
Saif Nadeem Kawasaki Motors Limited	482	-	-	-	-	-	482	-	-	-	-	0.02
Saitex Spinning Mills Limited	358,212	-	-	-	-	-	358,212	-	-	-	-	4.84
Saleem Denim(Kaytex Mills)	162,160	-	-	-	-	-	162,160	-	-	-	-	3.77
Sapphire Holding Limited	352,976	-	-	-	-	-	352,976	3,530	0.00	0.01	1.76	
Shahpur Textile Mills Limited	890,850	-	-	-	-	-	890,850	-	-	-	-	6.37
Shahyar (O.E.)	78,469	-	-	-	-	-	78,469	-	-	-	-	3.79
Shahyar Textile Mill	222,109	-	-	-	-	-	222,109	-	-	-	-	5.14
Siftaq International Limited	108,222	-	-	-	-	-	108,222	-	-	-	-	3.59
Sind Alkalis Limited	704,745	-	-	-	-	-	704,745	-	-	-	-	9.42
Spencer And Company (Pakistan) Ltd.	4,986	-	-	-	-	-	4,986	-	-	-	-	0.50
Standard Bank Limited	538	-	-	-	-	-	538	-	-	-	-	0.03
Sunrise Textile Mills Limited	15,024	-	-	-	-	-	15,024	-	-	-	-	0.14
Sunshine Cloth Mills Limited	440,918	-	-	-	-	-	440,918	-	-	-	-	5.62
Synthetic Chemical Company Limited	82,125	-	-	-	-	-	82,125	-	-	-	-	1.46
Taga Pakistan Limited	96,055	-	-	-	-	-	96,055	-	-	-	-	3.69
Tariq Cotton Mills Limited	43,100	-	-	-	-	-	43,100	-	-	-	-	6.16
Tawakkal Garments Industries Limited	118,664	-	-	-	-	-	118,664	-	-	-	-	0.98
Tawakkal Limited	113,264	-	-	-	-	-	113,264	-	-	-	-	0.81
Tawakkal Modaraba Ist.	474,032	-	-	-	-	-	474,032	-	-	-	-	1.83
Taxila Engineering Company Limited	206,888	-	-	-	-	-	206,888	-	-	-	-	4.87
Turbo Tec Limited	170,879	-	-	-	-	-	170,879	-	-	-	-	1.71
Union Insurance Company Of Pakistan Ltd.	306	-	-	-	-	-	306	-	-	-	-	0.00
Uqab Breeding Farms Limited	139,748	-	-	-	-	-	139,748	-	-	-	-	5.27
Zaffar Textile	66,844	-	-	-	-	-	66,844	-	-	-	-	6.68
Zahur Textile Mills Limited	412,147	-	-	-	-	-	412,147	-	-	-	-	0.55
	<b>18,560,831</b>	-	-	-	-	<b>56,155</b>	<b>18,504,676</b>	-	<b>3,530</b>	<b>0.00</b>	<b>0.01</b>	
<b>Total - 30 June 2018</b>	<b>690,364,292</b>	<b>14,349,696</b>	<b>7,225,081</b>	<b>3,216,672</b>	<b>3,364,840</b>	<b>35,815,759</b>	<b>682,704,822</b>	<b>12,418,826</b>	<b>67,313,964</b>	<b>95.03</b>	<b>95.75</b>	
<b>Total - 30 June 2017</b>	<b>748,036,273</b>	<b>3,183,260</b>	<b>1,510,113</b>	<b>4,545,134</b>	<b>(4,614,257)</b>	<b>62,296,231</b>	<b>690,364,292</b>	<b>11,340,620</b>	<b>78,378,188</b>	<b>95.82</b>	<b>94.51</b>	

**6.2.1.1** All Shares have a nominal face value of Rs. 10 each except for shares of Chakwal Spinning Mills Limited, Kohinoor Spinning Mills Limited, Nimir Resins Limited, Sardar Chemical Industries Limited, Shabbir Tiles & Ceramics Limited, Chakwal Spinning Mills Limited, Habib Sugar Mills Limited, Dynea Pakistan Limited, Agriauto Industries Limited, Thal Limited and Habib Modarba First which have a face value of Rs. 5 and for the shares of Karachi Electric Supply Company Limited which has a face value of Rs. 3.5.

# NATIONAL INVESTMENT (UNIT) TRUST

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#### 6.3 Investments - 'held to maturity'

	At cost		Percentage of net assets	
	As at 01 July 2017	Redemptions during the year		As at 30 June 2018
	(Rupees in '000)		(%)	
<b>Investment in securities classified as - 'held to maturity'</b>				
<b>Investment under Morabaha Arrangements</b>				
Textile Management (Private) Limited	4,125	-	4,125	0.01
Pak China Fertilizers Limited	27,000	-	27,000	0.04
Quaidabad Woolen Mills Limited	23,000	-	23,000	0.03
	54,125	-	54,125	0.08
Less : Provision for impairment loss	(54,125)	-	(54,125)	(0.08)
	-	-	-	-
<b>Participation Term Certificates</b>				
Adamjee Paper & Board Mills Limited	10,500	-	10,500	0.01
Less: Provision for impairment loss	(10,500)	-	(10,500)	(0.01)
	-	-	-	-
<b>Term Finance Certificates and Redeemable Capital</b>				
Adamjee Paper & Board Mills Limited	8,125	-	8,125	0.01
Naimat Basal Oil & Gas Securitization Company Limited	2	-	2	-
Pakistan Telecommunication Limited (PTC) / BEL	753	-	753	-
	8,880	-	8,880	0.01
Less : Provision for impairment loss	(8,880)	-	(8,880)	(0.01)
	-	-	-	-
Total	73,505	-	73,505	0.10
Less : Provision for impairment loss	(73,505)	-	(73,505)	(0.10)
	-	-	-	-

6.4 Investments include shares with market value of Rs. 857.835 million (30 June 2017: Rs. 692.501 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 22 October 2007 issued by the Securities and Exchange Commission of Pakistan.

6.4.1 As at 30 June 2018 market value of Rs. 1,110.454 million securities have been given as collateral against short term finances (30 June 2017: Rs. 5,655.455 million).

6.5 The investment portfolio of the Fund includes 24,089,398 shares of Pakistan State Oil Company Limited and 18,338,031 shares of Sui Northern Gas Pipelines Limited, which have been frozen by the Government of Pakistan (GoP) for sale in the equity market due to their proposed privatisation. The 24,089,398 frozen shares and 31,800 free shares (Total = 24,121,199 shares) of Pakistan State Oil Company Limited (PSO) having market value of Rs. 7,678.02 million as on 30 June 2018 out of total 12,673,295 shares of PSO are held physically by CDC-Trustee and remaining 11,447,905 shares of PSO are physically held by National Bank of Pakistan (the former Trustee) having title National Bank of Pakistan - Trustee Wing.

6.6 Finance Act 2014 has introduced tax on bonus shares issued by the Companies. Most Equity Funds including NI(UT) Fund have challenged the applicability of withholding tax provision on bonus shares before Honorable High Court of Sindh ("the Court") on various legal grounds and have sought relief from the Court. The Court, in its order dated 25 November 2014, has granted interim relief by passing the restraining order whereby the Defendants, (issuers of the bonus shares) have refrained from deducting and / or transferring 5% withholding tax on bonus shares issued by them.

As an abundant caution, the NI(UT) Fund has made payments which is equivalent to 5% value of the respective bonus shares, determined on the basis of day-end price on the first day of book closure. These payments have been recorded as part of cost of respective investments. Detail is as follows:

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	5% (No. of bonus shares)	Market value / carrying value as on 30 June 2018	Payment made to investee companies
	(Rupees in '000)		
Security Papers Limited *	21,958	2,657	1,446
Searle Pakistan Limited *	36,230	12,300	6,856
Suraj Cotton Mills Limited *****	2,357	336	256
Suraj Cotton Mills Limited *****	2,840	405	355
Faysal Bank Limited *	41,151	1,070	630
Shezan International Limited *	6,904	3,935	6,317
Gul Ahmed Textile Mills Limited **	49,732	2,135	-
Mari Petroleum Company Limited **	38,238	57,593	-
Searle Pakistan Limited**	14,154	4,805	-
United Distributors Pakistan Limited **	9,946	482	-
Synthetic Product Enterprise Limited **	990	51	-
Jauharabad Sugar Mills Limited **	3,600	175	-
Highnoon Laboratories Limited **	2,563	1,052	-
Suraj Cotton Mills Limited *****	2,582	368	403
Faysal Bank Limited ***	5,837	152	125
Highnoon Laboratories Limited***	2,299	944	1,044
Highnoon Laboratories Limited ***	2,671	1,096	663
Kohinoor Textile Mills Limited***	16,963	933	1,172
Searle Pakistan Limited ***	20,958	7,115	10,472
Searle Pakistan Limited ***	16,348	5,550	9,919
Searle Pakistan Limited ***	22,656	7,692	9,216
United Distributors Pakistan Limited***	4,520	219	144
Pakistan State Oil Limited****	202,020	64,305	-
United Distributors Pakistan Limited****	5,918	287	-
Searle Pakistan Limited ****	35,491	12,049	-
Crescent Cotton Mills Limited****	3,146	79	-
Treet Corporation Limited****	51,062	1,746	-
Faysal Bank Limited ****	7,287	190	-
Highnoon Laboratories Limited ****	2,859	1,174	-
Suraj Cotton Mills Limited *****	3,125	446	375
		<b>191,341</b>	<b>49,393</b>

\* Security Papers Limited, Searle Pakistan Limited, Suraj Cotton Mills Limited, Faysal Bank Limited and Shezan International Limited have released the above mentioned bonus shares and have retained the payments.

\*\* Gul Ahmed Textile Mills Limited and Mari Petroleum Company Limited have returned the payments on 05 December 2014 and 14 January 2015 respectively and have not released the shares due to court order and recorded as liability. Searle Pakistan Limited, United Distributor Pakistan Limited, Synthetic Product Enterprise Limited, Jauharabad Sugar Mill Limited, Highnoon Laboratories Limited & Suraj Cotton Mills Limited has not demanded the payment due to filing of petition by the fund, however the management has recorded a payable under prudence basis (refer note 12).

\*\*\* Faysal Bank Limited , Highnoon Laboratories Limited, Kohinoor Textile Mills Limited, Searle Pakistan Limited & United Distributors Pakistan Limited has not released the bonus shares and retained the payment due to court order.

\*\*\*\* Pakistan State Oil Company Limited, United Distributors Pakistan Limited, Searle Pakistan Limited, Crescent Cotton Mills Limited, Treet Corporation Limited, Faysal Bank Limited, Hinoon Laboratories Limitedhas not released the shares due to Litigation has been filed by the Fund and payment has also not been made by the Fund.

\*\*\*\*\* Suraj Cotton Mills Limited have released the bonus shares after deducting payment of 5% bonus share from Dividend announced by the company.

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		2018	2017
		(Rupees in '000)	
<b>6.7</b>	<b>Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'</b>		
	Market value of investments	2,982,554	4,556,802
	Less: Carrying value of investments	<u>(4,507,100)</u>	<u>(2,675,377)</u>
		<u><b>(1,524,546)</b></u>	<u><b>1,881,425</b></u>
<b>6.8</b>	<b>Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'available for sale'</b>		
	Market value / carrying value of investments	67,313,964	78,378,188
	Less:		
	Carrying cost of investments	32,022,450	30,880,274
	Provision for impairment thereagainst	<u>(19,603,624)</u>	<u>(19,539,654)</u>
		<u><b>12,418,826</b></u>	<u><b>11,340,620</b></u>
		<u><b>54,895,138</b></u>	<u><b>67,037,568</b></u>
	Less: Net unrealised appreciation on re-measurement investments at the beginning of the year	<u>(67,037,568)</u>	<u>(52,717,631)</u>
	Net unrealised (diminution) / appreciation during the year	<u><b>(12,142,430)</b></u>	<u><b>14,319,937</b></u>
<b>6.8.1</b>	<b>Provision for impairment against equity securities</b>		
	Balance as at 1 July	19,539,654	19,511,888
	Charge for the year	88,193	42,122
	Reversal of impairment of securities sold	<u>(24,223)</u>	<u>(14,356)</u>
	Balance as at 30 June	<u><b>19,603,624</b></u>	<u><b>19,539,654</b></u>
<b>7</b>	<b>DIVIDEND AND OTHER RECEIVABLES</b>		
	Dividend receivable	377,966	323,936
	Profit on term finance certificates	23,705	23,705
	Less: Provision against doubtful receivables	<u>(23,705)</u>	<u>(23,705)</u>
		<u><b>51,267</b></u>	<u><b>51,267</b></u>
	Profit on Morabaha arrangements	51,267	51,267
	Less: Provision against doubtful profit on Morabaha arrangements	<u>(51,267)</u>	<u>(51,267)</u>
		<u><b>-</b></u>	<u><b>-</b></u>
	Mark-up receivable on bank deposits	121	289
	Advance against pre-IPO investment	150,000	150,000
	Less: Provision against doubtful receivables	<u>(150,000)</u>	<u>(150,000)</u>
		<u><b>-</b></u>	<u><b>-</b></u>
	Other receivables	14,694	14,694
	Less: Provision against doubtful receivables	<u>(14,694)</u>	<u>(14,694)</u>
		<u><b>-</b></u>	<u><b>-</b></u>
		<u><b>378,087</b></u>	<u><b>324,225</b></u>

**7.1** This represents Rs. 150 million (2016: Rs. 160 million) which the Fund had subscribed towards the term finance certificates of an issuer as Pre-IPO on 13 March 2008. Under the agreement, the issuer was required to complete the public offering by 23 November 2008. However no public offering has been carried out by the issuer. In addition, profit on the advance against subscription, due after six months from the date of subscription, has also not been received by the Fund. As a matter of prudence, the Fund has made a provision of 100% against this advance.

**7.2** In prior years, provision has been made against certain unreconciled balances.

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	2018	2017
	(Rupees in '000)	
<b>8 SECURITY DEPOSITS</b>		
Central Depository Company of Pakistan Limited	100	100
National Clearing Company of Pakistan Limited	2,500	2,500
	<u>2,600</u>	<u>2,600</u>

#### 9 SHORT TERM BORROWINGS

During the year short term loan financing amounting to Rs. 735 million was obtained from various commercial banks under mark-up arrangement ranging from 6.28% to 6.70% per annum. The principle on these loans were partially repaid during the year along with the loan outstanding as at 30 June 2017 amounting to Rs 1.535 billion. Therefore, Rs. 0.4 billion is outstanding as at 30 June 2018.

		2018	2017
		(Rupees in '000)	
<b>10 PAYABLE TO NATIONAL INVESTMENT TRUST LIMITED - MANAGEMENT COMPANY</b>			
On account of:			
- Management remuneration	10.1	145,586	85,144
- Sindh Sales Tax on management remuneration	10.2	18,928	11,070
- Preliminary charges and handling fee		-	2
- Allocation of expenses related to registrar services, accounting, operation and valuation services	10.3	12,143	7,139
- Redemption of units		-	200,000
- Others		615	-
		<u>177,272</u>	<u>303,355</u>

**10.1** Under the revised Non-Banking Finance Companies & Notified Entities Regulations 2008, notified on 25 November 2015, the Management Company of the Fund is entitled to a remuneration of an amount not exceeding 2 percent of average annual net assets. The Management Company has charged its remuneration at the rate of 1.2 percent per annum (30 June 2017: 1.20%). The remuneration is paid on a monthly basis in arrears.

**10.2** The Sindh Provincial Government levied Sindh Sales Tax on the remuneration of the Management Company and sales load through Sindh Sales Tax on Services Act, 2011, effective from 01 July 2011. During the year, Sindh Sales Tax at the rate of 13% (30 June 2017: 13%) was charged on management remuneration and sales load.

**10.3** Securities and Exchange Commission of Pakistan through its SRO 1160(I)/2015 dated 25 November 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.

#### 11 PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

Trustee remuneration	11.1	2,378	2,611
Sindh Sales Tax on remuneration to Trustee	11.2	309	339
		<u>2,687</u>	<u>2,950</u>

**11.1** The Trustee is entitled to a monthly remuneration 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 June 2018 is as follows:

Net assets	Tariff per annum
Upto Rs 1 billion	0.2% p.a. of net assets
Rs. 1 billion to Rs. 10 billion	Rs. 2 million plus 0.1% of net assets exceeding Rs. 1 billion
Rs. 10 billion to Rs. 20 billion	Rs. 11 million plus 0.06% of net assets exceeding Rs. 10 billion
Rs. 20 billion to Rs. 35 billion	Rs. 17 million plus 0.03% of net assets exceeding Rs. 20 billion
Over Rs. 35 billion	Rs. 21.5 million plus 0.02% of net assets exceeding Rs. 35 billion

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The remuneration is paid to the Trustee monthly in arrears.

- 11.2 The Sindh Provincial Government levied Sindh Sales Tax on the remuneration of the Trustee through Sindh Sales Tax on Services Act, 2011, effective from 1 July 2015. During the year, Sindh Sales Tax at the rate of 13% (30 June 2017: 13%) was charged on Trustee remuneration.

#### 12 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Under the provisions of the Non Banking Finance Companies and Notified Entities Regulations, 2008, a collective investment scheme categorised as Equity scheme is required to pay as annual fee to the SECP, an amount equal to 0.095 percent of the average annual net assets of the Fund.

#### 13 ACCRUED EXPENSES AND OTHER LIABILITIES

		2018	2017
		(Rupees in '000)	
Provision for Sindh Workers' Welfare Fund	13.1	398,722	346,997
Federal Excise Duty	13.2	289,563	289,563
Excess dividend received		25,777	23,416
Distribution not claimed by unit holders		5,479	5,479
Brokerage payable against purchase of shares		2,406	4,392
Financial charges payable	9	1,358	13,258
Auditors' remuneration		671	578
Legal and professional charges		-	314
Zakat		9,623	35,824
Capital gain tax		886	1,624
Withholding tax		42	103,260
Printing charges payable		-	238
Payable to National Clearing Company of Pakistan Limited		-	20
Payable against bonus shares		113,379	28,934
		<b>847,906</b>	<b>853,897</b>

- 13.1 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. 507.371 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 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. 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, 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. 0.4159 (30 June 2017: Rs. 0.3552).

- 13.2 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, hence a petition was collectively filed by the Mutual Fund Association of Pakistan with the Honorable Sindh High Court (SHC) on 4 September 2013.

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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 inter alia 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. 306.89 million out of which Rs. 17.327 million have been paid to the Management Company. Had the provision not been made, the Net Asset Value per unit of the Fund would have been higher by Rs. 0.3202 (30 June 2017: Rs. 0.3142) per unit.

#### 14 DIVIDEND PAYABLE AND UNCLAIMED DISTRIBUTION

As at each accounting date, the amount of cash required to affect distribution of profits amongst holders of registered and bearer units, is transferred to a special account titled Distribution account. The aggregate balance in such accounts for the years 1997-98 and earlier in case of distribution to registered unit holders and 1999-2000 and earlier in case of distribution to bearer unit holders exceeds the liability for unclaimed distribution by approximately Rs. 31.469 million. This amount represents payments of dividend out of accounts other than the relevant Distribution account. However due to unreconciled subsidiary record of unclaimed dividend for the period mentioned above, this amount has been kept separately.

#### 15 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 30 June 2018 (2017: Nil).

#### 16 NUMBER OF UNITS IN ISSUE

	30 June 2018			30 June 2017
	Registered	Bearer	Total	Total
	------(Number of units)-----			
Total outstanding at the beginning of the year	956,279,137	20,533,100	976,812,237	1,025,841,415
Add: Sales during the year	64,461,918	-	64,461,918	88,758,864
Units issued under Cumulative Investment Plan (CIP) during the year	-	-	-	22,472,003
Conversion of bearer units into registered units	-	-	-	-
	<b>1,020,741,055</b>	<b>20,533,100</b>	<b>1,041,274,155</b>	<b>1,137,072,282</b>
Less: Repurchases during the year	(82,933,600)	-	(82,933,600)	(160,260,045)
<b>Total units in issue at the end of the year</b>	<b>937,807,455</b>	<b>20,533,100</b>	<b>958,340,555</b>	<b>976,812,237</b>

#### 17 AUDITORS' REMUNERATION

	2018	2017
	(Rupees in '000)	
Annual audit fee	578	578
Half yearly review	252	252
Out of pocket expenses and others including government levy	258	72
	<b>1,088</b>	<b>902</b>

#### 18 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 not less than 90% of its accounting income for the year, the income distributed through bonus units 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

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required to distribute 90% of the net accounting income other than capital gains to the unit holders. The Board of Directors of the Management Company in their meeting held on 5 July 2018 (refer note 30) has distributed more than ninety percent of the Fund's accounting income for the year ended 30 June 2018 as reduced by capital gains, whether realised or unrealised, to its unit holders during the year. Accordingly no provision has been made in the financial statements for the year ended 30 June 2018.

#### 19 RECONCILIATION OF LIABILITIES ARISING OUT OF FINANCING ACTIVITIES

	Short Term Borrowing	Receivable against issuance of units	Payable against redemption of units	Dividend payable and unclaimed Dividend	Total
(Rupees in '000)					
Opening balance as at 1 July 2017	1,200,000	-	20,960	2,550,493	3,771,453
Financing obtained during the year	735,000	-	-	-	735,000
Receivable against issuance of units	-	4,884,776	-	-	4,884,776
Payable against redemption of units	-	-	6,297,455	-	6,297,455
	735,000	4,884,776	6,297,455	-	11,917,231
Amount received on issuance of units	-	(4,884,776)	(6,311,325)	-	(11,196,101)
Amount paid on redemption of units	-	-	-	-	-
Dividend paid	-	-	-	(1,902,159)	(1,902,159)
Repayment of short term borrowing	(1,535,000)	-	-	-	(1,535,000)
	(1,535,000)	(4,884,776)	(6,311,325)	(1,902,159)	(14,633,260)
Closing balance as at 30 June 2018	400,000	-	7,090	648,334	1,055,424

#### 20 TOTAL EXPENSE RATIO

Total expense ratio (all the expenses, including government levies, incurred during the year divided by average net asset value for the year ) is 1.69% per annum. Total expense ratio (excluding government levies) is 1.36% per annum.

#### 21 FINANCIAL INSTRUMENTS BY CATEGORY

	As at 30 June 2018			
	Loans and receivables	Fair value through profit or loss	Available for sale	Total
(Rupees in '000)				
<b>Assets</b>				
Bank balances	2,248,999	-	-	2,248,999
Investments	-	2,982,554	67,313,964	70,296,518
Dividend and other receivables	378,087	-	-	378,087
Security deposits	2,600	-	-	2,600
	2,629,686	2,982,554	67,313,964	72,926,204

	As at 30 June 2018		
	Liabilities at fair value through profit or loss	At amortised cost	Total
(Rupees in '000)			
<b>Liabilities</b>			
Short term borrowings	-	400,000	400,000
Payable to National Investment Trust Limited - Management Company	-	177,272	177,272
Payable to Central Depository Company of Pakistan Limited - Trustee	-	2,687	2,687
Payable against redemption of units	-	7,090	7,090
Accrued expenses and other liabilities	-	149,237	149,237
Dividend payable and unclaimed distribution	-	648,334	648,334
	-	1,384,620	1,384,620



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As at 30 June 2017			
Loans and receivables	Fair value through profit or loss	Available for sale	Total
(Rupees in '000)			
<b>Assets</b>			
Bank balances	3,541,231	-	3,541,231
Investments	-	4,556,802	82,934,990
Dividend and other receivables	324,225	-	324,225
Security deposits	2,600	-	2,600
	<u>3,868,056</u>	<u>4,556,802</u>	<u>86,803,046</u>

As at 30 June 2017		
Liabilities at fair value through profit or loss	At amortised cost	Total
(Rupees in '000)		
<b>Liabilities</b>		
Short term borrowings	-	1,200,000
Payable to National Investment Trust Limited - Management Company	-	303,355
Payable to Central Depository Company of Pakistan Limited - Trustee	-	2,950
Payable against redemption of units	-	20,960
Accrued expenses and other liabilities	-	76,629
Dividend payable and unclaimed distribution	-	2,550,493
	<u>-</u>	<u>2,954,387</u>

**22 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS**

- 22.1** 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 directors and officers of the Management Company and unit holders holding 10 percent or more units of the Fund.
- 22.2** The transactions with connected persons are in the normal course of business, at contracted terms determined in accordance with the market rates.
- 22.3** Remuneration to the Management Company and the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.
- 22.4** The details of significant transactions carried out by the Fund with connected persons and balances with them at year end are as follows:

<b>22.5 Transactions during the year</b>	<b>2018</b>	<b>2017</b>
	(Rupees in '000)	
<b>National Investment Trust Limited - Management Company</b>		
Issue of Nil units under CIP (2017: 4,008,379 units)	-	335,702
Issuance of 5,123,175 units (2017: Nil)	<b>375,000</b>	-
Redemption of 5,893,210 units (2017: 12,449,797 units)	<b>450,000</b>	1,050,000
Remuneration to the Management Company	<b>886,339</b>	892,772
Sindh Sales Tax on management remuneration	<b>115,224</b>	116,060
Sales load on issue of units	-	9
Allocation of expenses related to registrar services, accounting, operation and valuation services	<b>73,884</b>	82,130
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration to the Trustee	<b>29,273</b>	30,939
Sindh Sales Tax on remuneration to Trustee	<b>3,805</b>	4,022
Custodian charges	<b>2,667</b>	385

# NATIONAL INVESTMENT (UNIT) TRUST

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	(Rupees in '000)	
<b>Directors and key management personnel</b>		
Issue of 86,811 units (2017: 67,559 units)	6,557	6,170
Issue of Nil units under CIP (2017: 6,565 units)	-	388
Redemption of 123,500 units (2017: 229,570 units)	8,929	17,644
<b>National Investment Trust Limited Pension Fund</b>		
Issue of 23,191 units (2017: Nil units)	1,686	
Redemption of Nil units (2017: 282,280 units)	-	26,209
Issue of Nil units under CIP (2017: 94,882 units)	-	7,946
<b>22.6 Amounts outstanding as at year end</b>	<b>2018</b>	<b>2017</b>
	(Rupees in '000)	
<b>National Investment Trust Limited - Management Company</b>		
86,100,722 units held (2017: 86,870,757 units)	6,358,538	7,274,557
Management remuneration payable	145,586	85,144
Sindh Sales Tax payable	18,928	11,070
Preliminary charges and handling fee payable	-	2
Allocation of expenses related to registrar services, accounting, operation and valuation services	12,143	7,139
Payable against redemption of units	-	200,000
Others	615	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee remuneration payable	2,378	2,611
Sindh Sales Tax on remuneration to Trustee	309	339
<b>National Investment Trust Limited Pension Fund</b>		
2,136,205 units held (2017: 2,113,014 units)	157,759	176,944
<b>Directors and key management personnel</b>		
61,160 units held (2017: 97,849 units)	4,517	8,194

## 23 FINANCIAL RISK MANAGEMENT

The Fund's activities expose it to a variety of financial risks; which includes market risk, credit risk and liquidity risk.

### 23.1 Market risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market prices.

The Management Company manages the market risk through diversification of the investment portfolio by exposures and by following the internal guidelines established by the investment committee and regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

#### 23.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund, at present is not exposed to currency risk as its operations are geographically restricted to Pakistan and all transactions are carried out in Pak Rupees.

#### 23.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

# NATIONAL INVESTMENT (UNIT) TRUST

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2018

#### a) Sensitivity analysis for variable rate instruments

Presently, the Fund does not hold any variable rate instruments and is not exposed to cash flow interest rate risk.

#### b) Sensitivity analysis for fixed rate instruments

Presently, the Fund does not hold any fixed rate instruments and is not exposed to cash flow interest rate risk.

Yield / interest rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet instruments is based on settlement date.

As at 30 June 2018					
Effective yield / interest rate (%)	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
	Up to three months	More than three months and up-to one year	More than one year		

(Rupees in '000)

#### On-balance sheet financial instruments

##### Financial assets

Bank balances	3.75 - 7.35	2,246,763	-	-	2,236	2,248,999
Investments		-	-	-	70,296,518	70,296,518
Dividend and other receivables		-	-	-	378,087	378,087
Security deposits		-	-	-	2,600	2,600
		2,246,763	-	-	70,679,441	72,926,204

##### Financial liabilities

Short term borrowings		400,000	-	-	-	400,000
Payable to National Investment Trust Limited - Management Company		-	-	-	177,272	177,272
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	2,687	2,687
Payable against redemption of units		-	-	-	7,090	7,090
Accrued expenses and other liabilities		-	-	-	149,237	149,237
Dividend payable and unclaimed distribution		-	-	-	648,334	648,334
		400,000	-	-	984,620	1,384,620

#### On-balance sheet gap

		1,846,763	-	-	69,694,821	71,541,584
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#### Off-balance sheet financial instruments

		-	-	-	-	-
--	--	---	---	---	---	---

#### Off-balance sheet gap

		-	-	-	-	-
--	--	---	---	---	---	---

#### Total interest rate sensitivity gap

		1,846,763	-	-	69,694,821	71,541,584
--	--	-----------	---	---	------------	------------

#### Cumulative interest rate sensitivity gap

		1,846,763	1,846,763	1,846,763		
--	--	-----------	-----------	-----------	--	--

As at 30 June 2017					
Effective yield / interest rate (%)	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
	Up to three months	More than three months and up-to one year	More than one year		

(Rupees in '000)

#### On-balance sheet financial instruments

##### Financial assets

Bank balances	3.75 - 6.50	3,538,492	-	-	2,739	3,541,231
Investments		-	-	-	82,934,990	82,934,990
Investments		-	-	-	324,225	324,225
Security deposits		-	-	-	2,600	2,600
Security deposits		3,538,492	-	-	83,264,554	86,803,046

**NATIONAL INVESTMENT (UNIT) TRUST**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

As at 30 June 2017					
Effective yield / interest rate (%)	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
	Up to three months	More than three months and up-to one year	More than one year		

(Rupees in '000)

**Financial liabilities**

Short term borrowings	1,200,000	-	-	-	1,200,000
Payable to National Investment Trust Limited - Management Company	-	-	-	303,355	303,355
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	2,950	2,950
Payable against redemption of units	-	-	-	20,960	20,960
Payable against purchase of investments	-	-	-	-	-
Accrued expenses and other liabilities	-	-	-	76,629	76,629
Dividend payable and unclaimed distribution	-	-	-	2,550,493	2,550,493
	1,200,000	-	-	2,954,387	4,154,387

**On-balance sheet gap**

	2,338,492	-	-	80,310,167	82,648,659
--	-----------	---	---	------------	------------

**Off-balance sheet financial instruments**

	-	-	-	-	-
--	---	---	---	---	---

**Off-balance sheet gap**

	-	-	-	-	-
--	---	---	---	---	---

**Total interest rate sensitivity gap**

	2,338,492	-	-	80,310,167	82,648,659
--	-----------	---	---	------------	------------

**Cumulative interest rate sensitivity gap**

	2,338,492	2,338,492	2,338,492		
--	-----------	-----------	-----------	--	--

**23.1.3 Price risk**

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Fund is exposed to equity price risk because of investments held by the Fund and classified on the statement of assets and liabilities' as available for sale and at fair value through profit or loss. To manage its price risk arising from investments in equity securities, the Fund diversifies its portfolio within the eligible stocks prescribed in the Trust Deed. The NBFC Regulations also limit individual equity securities to no more than 10% of net assets, or issued capital of the investee company and sector exposure limit to 30% of net assets or index weight of the security whichever is higher, subject to maximum of 35% of the net assets.

In case of 5% increase / decrease in PSX 100 index on 30 June 2018, with all other variables held constant, net income of the Fund for the year would increase / (decrease) by Rs. 149.128 million (2017: Rs. 227.840 million) as a result of gains / (losses) on equity securities classified as fair value through profit or loss. Other components of equity of the Fund would increase / decrease by Rs. 3,365.698 million (2017: Rs. 3,918.909 million) as a result of gains / (losses) on equity securities classified as available for sale. Accordingly, the net assets of the Fund would increase / (decrease) as a result of gains / (losses) on investment in equity securities by Rs. 3,514.826 million (2017: 4,146.750 million).

The analysis is based on the assumption that equity index had increased / decreased by 5% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the PSX 100 Index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the PSX 100 Index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of 30 June 2018 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the PSX 100 Index.

**23.2 Credit risk**

Credit risk represents the risk of a loss if the counter parties fail to perform as contracted. Credit risk arises from deposits with banks and financial institutions, credit exposure arising as a result of dividends receivable on equity securities, receivable against sale of investments and investments in debt securities. For banks and financial institutions, only reputed parties are accepted. Credit risk on dividend receivable is minimal due to statutory protection. All transactions in listed securities are settled / paid for upon delivery using the National Clearing Company of Pakistan Limited. The risk of default is considered minimal due to inherent

# NATIONAL INVESTMENT (UNIT) TRUST

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2018

systematic measures taken therein. Risk attributable to investment in Treasury Bills is limited as these are guaranteed by the Federal Government.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. The Fund does not expect to incur material credit losses on its financial assets.

The analysis below summarises the credit quality of the Fund's financial assets as at 30 June 2018 and 30 June 2017:

Name of the bank	Balance as at 30 June 2018	Rating agency	Published rating	Percentage of total bank balances
(Rupees in '000)				
Allied Bank Limited	327	PACRA	AA+	0.01
Bank Al-Habib Limited	2,208,163	PACRA	AA+	98.19
Bank Al-Falah Limited	472	PACRA	AA+	0.02
NIB Bank Limited	3	PACRA	AA-	0.00
Soneri Bank Limited	272	PACRA	AA-	0.01
MCB Bank Limited	2,427	PACRA	AAA	0.11
National Bank of Pakistan	5	PACRA	AAA	0.00
Summit Bank Limited	22,345	JCR-VIS	A-	0.99
United Bank Limited	904	JCR-VIS	AAA	0.04
Habib Bank Limited	14,081	JCR-VIS	AAA	0.63
	<b>2,248,999</b>			<b>100.00</b>

Name of the bank	Balance as at 30 June 2017	Rating agency	Published rating	Percentage of total bank balances
(Rupees in '000)				
National Bank of Pakistan	613	PACRA	AAA	0.02
United Bank Limited	913	JCR-VIS	AAA	0.03
MCB Limited	18,493	PACRA	AAA	0.52
Bank Al-Habib Limited	3,498,549	PACRA	AA+	98.79
Allied Bank Limited	1,360	PACRA	AA+	0.04
Bank Al-Falah Limited	529	PACRA	AA+	0.01
Soneri Bank Limited	211	PACRA	AA-	0.02
Summit Bank Limited	20,563	JCR-VIS	A-	0.58
	<b>3,541,231</b>			<b>100.00</b>

The maximum exposure to credit risk before any credit enhancement as at 30 June 2018 is the carrying amount of the financial assets. Investments in equity securities, however, are not exposed to credit risk.

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

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

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

IFRS 13, 'Fair Value Measurement' requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

# NATIONAL INVESTMENT (UNIT) TRUST

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2018

- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

		30 June 2018					Fair value			
		Carrying value			Total	Level 1	Level 2	Level 3	Total	
Available-for-sale	fair value through profit or loss	Loans and receivables	Other financial liabilities							
----- (Rupees in '000) -----										
<b>On-balance sheet financial instruments</b>										
<b>Financial assets measured at fair value</b>										
	Investments - Shares / units of mutual funds	67,313,964	2,982,554	-	-	70,296,518	70,285,432	-	11,086	70,296,518
<b>Financial assets not measured at fair value</b>										
25.1	Bank balances	-	-	2,248,999	-	2,248,999	-	-	-	-
	Dividend and other receivables	-	-	378,087	-	378,087	-	-	-	-
	Security deposits	-	-	2,600	-	2,600	-	-	-	-
		-	-	2,629,686	-	2,629,686	-	-	-	-
<b>Financial liabilities not measured at fair value</b>										
25.1	Short term borrowings	-	-	-	400,000	400,000	-	-	-	-
	Payable to National Investment Trust Limited - Management Company	-	-	-	177,272	177,272	-	-	-	-
	Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	2,687	2,687	-	-	-	-
	Payable against redemption of units	-	-	-	7,090	7,090	-	-	-	-
	Accrued expenses and other liabilities	-	-	-	149,237	149,237	-	-	-	-
	Dividend payable and unclaimed distribution	-	-	-	648,334	648,334	-	-	-	-
		-	-	-	1,384,620	1,384,620	-	-	-	-
----- (Rupees in '000) -----										
		30 June 2017					Fair value			
		Carrying value			Total	Level 1	Level 2	Level 3	Total	
Available-for-sale	fair value through profit or loss	Loans and receivables	Other financial liabilities							
----- (Rupees in '000) -----										
<b>On-balance sheet financial instruments</b>										
<b>Financial assets measured at fair value</b>										
	Investments - Shares / units of mutual funds	78,378,188	4,556,802	-	-	82,934,990	82,923,904	-	11,086	82,934,990
<b>Financial assets not measured at fair value</b>										
	Bank balances	-	-	3,541,231	-	3,541,231	-	-	-	-
	Dividend and other receivables	-	-	324,225	-	324,225	-	-	-	-
	Security deposits	-	-	2,600	-	2,600	-	-	-	-
		-	-	3,868,056	-	3,868,056	-	-	-	-
<b>Financial assets not measured at fair value</b>										
	Short term borrowings	-	-	-	1,200,000	1,200,000	-	-	-	-
	Payable to National Investment Trust Limited - Management Company	-	-	-	303,355	303,355	-	-	-	-
	Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	2,950	2,950	-	-	-	-
	Payable against redemption of units	-	-	-	20,960	20,960	-	-	-	-
	Accrued expenses and other liabilities	-	-	-	76,629	76,629	-	-	-	-
	Dividend payable and unclaimed distribution	-	-	-	2,550,493	2,550,493	-	-	-	-
		-	-	-	4,154,387	4,154,387	-	-	-	-

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

# NATIONAL INVESTMENT (UNIT) TRUST

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2018

#### 26 TRANSACTIONS WITH BROKERS / DEALERS

List of top ten brokers by percentage of commission paid for the year ended 30 June 2018:

Particulars	Percentage (%)
JS Global Capital Limited	5.58
Arif Habib Limited	5.35
AKD Securities Limited	5.34
Concordia Securities (Private) Limited	3.63
BMA Capital Management Limited	3.37
Al-Habib Capital Markets (Private) Limited	3.06
Next Capital Limited	3.06
Cassim Investment (Private) Limited	2.85
Habib Metro Financial Services Limited	2.64
Lakhani Securities (Private) Limited	2.64

List of top ten brokers by percentage of commission paid during year ended 30 June 2017:

Particulars	Percentage (%)
Arif Habib Limited	3.10
AKD Securities Limited	3.08
JS Global Capital Limited	3.00
Concordia Securities (Private) Limited	2.65
Al-Habib Capital Markets (Private) Limited	2.56
Elixir Securities Pakistan (Private) Limited	2.54
Cassim Investment (Private) Limited	2.54
Lakhani Securities (Private) Limited	2.52
BMA Capital Management Limited	2.50
Habib Metro Financial Services Limited	2.32

#### 27 PARTICULARS OF INVESTMENT COMMITTEE AND FUND MANAGER

Details of members of the investment committee of the Fund are as follows:

As at 30 June 2018

S.No.	Name	Designation	Qualification	Experience (years)
1	Mr. Manzoor Ahmed	Chief Operating Officer / Managing Director	MBA, DAIBP & Candidate for CFA Level III	29
2	Mr. Aamir Amin	Head of Finance	FCA	21
3	Mr. Syed Ali Raza Bukhari	Head of Marketing	MBA	11
4	Syed Raza Abbas Jaffery	Head of Trading	MBA	21
5	Mr. Ali Kamal	Head of Research	MBA	10
6	Mr. Ammar Habib	Manager/In-charge Risk Management	MS and FRM	8
7	Mr. Faisal Aslam	Head of Compliance Management	MBA (finance), BBA (hons), CIMA-ADIMA (UK)	12

\* Mr. Manzoor Ahmed is the Manager of the Fund and he is also managing NIT - State Enterprise Fund.

# NATIONAL INVESTMENT (UNIT) TRUST

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2018

#### 28 ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 329th , 330th , 331st , 332nd , 333rd, 334th, 335th, and 336th Board meetings were held on 28 August 2017, 11 September 2017, 26 September 2017, 26 October 2017, 27 December 2017, 27 February 2018, 24 April 2018 , 26 June 2018 respectively. Information in respect of attendance by the Directors in the meetings is given below:

S.No.	Name of Director	Number of meetings			Meetings not attended
		Held during tenor of directorship	Attended	Leave granted	
1	Mr. Manzoor Ahmed	6	6	-	
2	Mr. Jamal Nasim	8	8	-	
3	Mian Nusrat Nasim	5	5	-	
4	Mr. Muhtasim Ahmad Ashai	8	8	-	
5	Mr Iqbal Adamjee	8	8	-	
6	Mr. Yameen Kerai	1	1	-	
7	Mr. Arshad Ahmad	5	5	-	
8	Mr Khalid Mohsin Shaikh	8	4	4	331st, 334th, 335th & 336th meeting
9	Mr. Saeed Ahmed	8	8	-	
10	Mr. Ahmad Aqeel	5	5	-	
11	Mr. Saeed Iqbal	4	2	2	333rd & 334th Meeting
12	Mr. Shakeel Ahmed Mangnejo	3	2	1	335th Meeting
13	Mr. Amir Mohyuddin	3	3	-	

#### 29 PATTERN OF UNIT HOLDING

Category	As at 30 June 2018		
	Number of unit holders	Investment amount	Percentage
	(Rupees in '000)		
Individuals	47,364	27,639,065	39.06
Associated Companies / Directors	5	1,548	-
Insurance Companies	15	7,800,338	11.02
Banks / Development Finance Institutions	33	1,607,374	2.27
Non-Banking Finance Institutions	15	6,382,653	9.02
Retirement funds	330	20,126,760	28.44
Public Limited Companies	7	413,145	0.58
Others	481	6,801,933	9.61
	<b>48,250</b>	<b>70,772,816</b>	<b>100.00</b>

Category	As at 30 June 2017		
	Number of unit holders	Investment amount	Percentage
	(Rupees in '000)		
Individuals	47,000	30,945,319	37.83
Associated Companies / Directors	5	19,260	0.02
Insurance Companies	16	8,846,447	10.82
Banks / Development Finance Institutions	33	1,387,650	1.70
Non-Banking Finance Institutions	15	7,332,482	8.96
Retirement funds	338	23,902,791	29.22
Public Limited Companies	8	488,000	0.60
Others	485	8,871,464	10.85
	<b>47,900</b>	<b>81,793,413</b>	<b>100.00</b>

#### 30 SUBSEQUENT EVENT - NON ADJUSTING

The Board of Directors in its meeting held on 05 July 2018 has approved a final distribution of Rs. 2.33 per unit (for full year). The aggregate cash distribution is Rs. 2,199.89 million is in addition to refund of capital / element of income by issuing 482,162 additional units to eligible unitholders at zero price as per MUFAP guidelines (duly consented upon by SECP).



# **NATIONAL INVESTMENT (UNIT) TRUST**

## **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 30 JUNE 2018**

The financial statements of the Fund for the year ended 30 June 2018 do not include the effect of the final distribution which will be accounted for in the financial statements of the Fund for the year ending 30 June 2019.

#### **31 DATE OF AUTHORISATION FOR ISSUE**

These financial statements were authorised for issue on September 05, 2018 by the Board of Directors of the Management Company.

#### **32 GENERAL**

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

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

**Sd/-  
Managing Director**

**Sd/-  
Director**

**Sd/-  
Director**

# NATIONAL INVESTMENT (UNIT) TRUST

## PERFORMANCE TABLE

### LAST 3 YEARS

		JUNE 18	JUNE 17	JUNE 16
Total Net Asset Value Ex-Dividend	(Rs. In 000's)	68,539,881	81,793,413	66,830,297
Net Asset Value per Unit Ex-dividend	(Rs./unit)	71.52	83.74	65.15
Last Issue Price per Unit *	(Rs./unit)	76.10	90.75	71.60
Last Repurchase Price per Unit *	(Rs./unit)	73.85	88.24	69.65
Highest Issue Price During the year	(Rs./unit)	87.70	101.45	70.25
Lowest Issue Price During the year	(Rs./unit)	68.80	67.65	61.15
Highest Repurchase Price During the year	(Rs./unit)	85.15	98.49	68.17
Lowest Repurchase Price During the year	(Rs./unit)	66.76	65.65	59.35
Total Return of the Fund	%	(11.81)	35.44	9.59
Capital Growth	%	(14.59)	28.53	2.53
Income Distribution	%	2.78	6.91	7.06
Distribution per Unit	(Rs./unit)	2.33	4.50	4.50
Distribution Date		5-Jul-18	22-Jun-17	15-Jun-16
KSE 100 Index Return	%	(10.00)	23.24	9.84
Average Annual Return				
One Year	%	(11.81)	35.44	9.59
Two Years	%	11.82	22.52	14.92
Three Years	%	11.07	21.76	28.94

Note: All investments in Mutual Funds and securities are subject to Market Risk. Our target return/dividend range can not be guaranteed. NIT's unit price is neither guaranteed nor administered/managed. It is based on Net Asset Value (NAV) and the NAV of NIT units may go up or down depending upon the factors and forces affecting the stock market. Past performance is not indicative of future returns.

\* These are cum-dividend prices of 30th June.

## PROXY VOTED BY CIS

### SUMMARY OF ACTUAL PROXY VOTED BY CIS

#### National Investment (Unit) Trust - (NI(U)T):

	<b>Resolutions</b>	<b>For</b>	<b>Against</b>	<b>Abstain</b>
<b>Numbers</b>	203	201	2	-
<b>Percentage</b>		99%	1%	-

The proxy voting policy of the NIT is available on the website of the National Investment Trust Limited and detailed information regarding actual proxies voted by NIT in respect of NI(U)T Fund is also available without charge, upon request, to all unit holders.

During the period =73= General Meetings were attended . The other meetings which were not participated, were either due to nominal holdings or routine matters etc.