

AWT Income Fund
Financial Statements
For the year ended June 30,2024

INDEPENDENT AUDITOR'S REPORT**To the Unit Holders of AWT Income Fund****Report on the Audit of the Financial Statements****Opinion**

We have audited the financial statements of **AWT Income Fund** (the Fund), which comprise the statement of assets and liabilities as at June 30, 2024, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and the Cash flow statement for the year ended from and notes to the financial statements, including a material accounting policy information and other explanatory information and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2024, and of its financial performance and its cash flows for the period from 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 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

Key audit matter	How the matter was addressed in our audit
Existence and valuation of Investments (Refer notes 4.2 and 6 to the financial statements)	
As disclosed in note 6 to the financial statements, investments held by the Fund amounted to Rs. 1,276.72 million as at June 30, 2024.	In auditing the valuation and existence of investments, we reviewed the processes and key controls relating to existence and valuation and evaluated the design and implementation of such controls.
The total investment amount is the significant account balance on the statement of assets and	

Independent Correspondent Firm to
Deloitte Touche Tohmatsu Limited



Key audit matter	How the matter was addressed in our audit
<p>liabilities. This is a main driver of the Fund's performance and thus risk exists on this balance. The Fund invests primarily in government securities (i.e. Pakistan investment bonds, Treasury bills and listed Government Ijarah Sukuk), debt securities (I.e. Term finance certificates)) and there is a risk that these investments are incorrectly valued.</p> <p>In addition, there is a risk that the Fund may have included investments in its financial statements which are not in the ownership of the Fund and thereby increasing the uncertainty in respect of existence of investments recorded as at year end.</p> <p>In view of the above, we have considered the valuation and existence of Investments as a Key Audit Matter.</p>	<p>In addition,</p> <p>(1)Independently verified existence of investments from the investor Portfolio Services (IPS) account statement and Central Depository Company (CDC) account balance statement and examined reconciling items.</p> <p>(2) Tested valuation of investments held as at June 30, 2024 by verifying the average rates quoted on a widely used electronic quotation system (PKRV, PKFRV) rates and prices quoted at Mutual Fund Association of Pakistan (MUFAP) and other applicable valuation methods.</p> <p>3) We have also evaluated the adequacy of the disclosure as per applicable financial reporting framework.</p>

Information Other than the Financial Statements and Auditor's Report Thereon

Management Company is responsible for the other information. The other information comprises the information included in the annual report in respect of the Fund, but does not include the financial statements and our auditor's report thereon and the information related to any other fund.

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.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management Company 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 Company 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 Company 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.

Board of Directors of the Management Company is responsible for overseeing the Fund's financial reporting process.



Auditor's 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.

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 Company'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 auditor's 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 the Board of Directors of the Management Company 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.

From the matters communicated with the Board of Directors of the Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Y.A.



YOUSUF ADIL

Yousuf Adil
Chartered Accountants

Report on Other Legal and Regulatory Requirements

In our opinion, the accompanying financial statements have been prepared, in all material respects, 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.

The engagement partner on the audit resulting in this independent auditor's report is Syed Asmatullah

Chartered Accountants

Place: Islamabad

Date: September 30, 2024

UDIN: AR2024104140BCyrlDcR

Independent Correspondent Firm to
Deloitte Touche Tohmatsu Limited

AWT INCOME FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2024

June 30, 2024 June 30, 2023
Note ----- (Rupees in '000) -----

ASSETS

Bank balances	5	411,592	446,127
Investments - net	6	1,276,721	1,308,752
Advance income tax	7	2,554	3,236
Deposits and other receivables	8	45,646	41,524
Total assets		1,736,513	1,799,639

LIABILITIES

Payable to AWT Investments Limited - Management Company	9	46,594	42,389
Payable to the Central Depository Company of Pakistan Limited - Trustee	10	236	238
Payable to the Securities & Exchange Commission of Pakistan	11	94	327
Payable against redemption of units		350	30,800
Accrued expenses and other liabilities	12	7,069	3,348
Total liabilities		54,343	77,102

NET ASSETS	1,682,170	1,722,537
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UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)	1,682,170	1,722,537
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Contingencies and Commitments	13	----- (Number) -----
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Number of units in issue	15,201,833	15,628,054
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	----- (Rupees) -----	
Net assets value per unit	<u>110.6557</u>	<u>110.2208</u>

Face value per unit	100.0000	100.0000
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The annexed notes from 1 to 27 form an integral part of these financial statements.

For AWT Investments Limited
(Management Company)



Chief Financial Officer



Chief Executive Officer



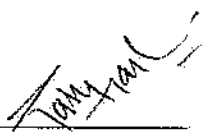
Director

AWT INCOME FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2024

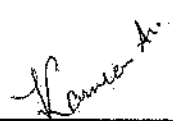
		June 30, 2024	June 30, 2023
	Note	(Rupees in '000)	
INCOME			
Mark-up income	16	386,423	294,666
Other Income		-	902
Realised gain / (loss) on sale of investments - net		3,839	(2,552)
Unrealised gain/ (loss) on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net		1,821	(5,552)
Total income		392,083	287,464
EXPENSES			
Remuneration of the Management Company	9.1	17,238	16,356
Sindh Sales Tax on the Management Company's remuneration	9.2	2,241	2,126
Remuneration of the Trustee	10.1	1,293	1,227
Sindh Sales Tax on Trustee's remuneration		168	159
Annual fee to the Securities and Exchange Commission of Pakistan	11	1,282	327
Selling and marketing expenses		8,522	8,172
Annual listing fee		27	27
Stability rating fee		468	821
Fees and subscription		1,020	453
Auditors' remuneration	15	400	388
Brokerage expenses		49	114
Settlement and other expenses		79	361
Provision against non-performing debt security		-	553
Total expenses		32,787	31,084
Net income for the period before taxation		359,296	256,380
Taxation	18	-	-
Net income for the period after taxation		359,296	256,380
Allocation of income for the period			
Net income for the period after taxation		359,296	256,380
Income already paid on units redeemed		(116,222)	(57,251)
Net income for the period after taxation		243,074	199,129
Accounting income available for distribution			
- Relating to capital gains		2,004	-
- Excluding capital gains		241,070	199,129
		243,074	199,129

The annexed notes from 1 to 27 form an integral part of these financial statements.

For AWT Investments Limited
(Management Company)


Chief Financial Officer


Chief Executive Officer

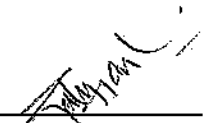

Director

AWT INCOME FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024

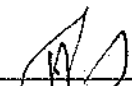
	June 30, 2024	June 30, 2023
	(Rupees in '000)	
Net income for the period after taxation	359,296	256,380
Other comprehensive income for the period	-	-
Total comprehensive income for the period	359,296	256,380

The annexed notes from 1 to 27 form an integral part of these financial statements.

For AWT Investments Limited
(Management Company)



Chief Financial Officer



Chief Executive Officer




Director


AWT INCOME FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2024

	For the year ended					
	June 30, 2024			June 30, 2023		
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed income	Total
	(Rupees in '000)					
Net assets at beginning of the period	1,759,807	(37,270)	1,722,537	1,529,746	(49,736)	1,480,010
Issuance of 10,576,019 units (2023: 13,458,055 units)						
- Capital value	1,165,697	-	1,165,697	1,423,667	-	1,423,667
- Element of income	100,007	-	100,007	77,295	-	77,295
Total proceeds on issuance of units	1,265,704	-	1,265,704	1,500,962	-	1,500,962
Redemption of 11,002,240 units (2023: 11,362,424 units)						
- Capital value	(1,212,676)	-	(1,212,676)	(1,242,681)	-	(1,242,681)
- Element of loss	(20,301)	(116,222)	(136,523)	(28,220)	(57,251)	(85,471)
Total payments on redemption of units	(1,232,977)	(116,222)	(1,349,199)	(1,270,901)	(57,251)	(1,328,152)
Total comprehensive income for the period:	-	359,296	359,296	-	256,380	256,380
Interim distribution at Rs. 25.0055 per unit declared on June 23, 2024 (2023: Rs. 17.5596 per unit)						
- Cash distribution	-	(236,217)	(236,217)	-	(186,663)	(186,663)
- Refund of capital	(79,951)	-	(79,951)	-	-	-
	(79,951)	(236,217)	(316,168)	-	(186,663)	(186,663)
Net assets as at end of the period	1,712,583	(30,413)	1,682,170	1,759,807	(37,270)	1,722,537
Undistributed (loss) / Income brought forward:						
- Realized (loss)		(31,718)			(49,921)	
- Unrealized (loss) / income		(5,552)			185	
		(37,270)			(49,736)	
Accounting income available for distribution:						
Relating to capital gains	2,004			-		
Excluding capital gains	241,070			199,129		
	243,074			199,129		
Interim distribution at Rs. 25.0055 per unit declared on June 23, 2024 (2023: Rs. 17.5596 per unit)		(236,217)			(186,663)	
Undistributed loss carried forward		(30,413)			(37,270)	
Undistributed loss carried forward comprises of:						
- Realized income		(28,592)			(31,718)	
- Unrealized gain/(loss)		1,821			(5,552)	
		(30,413)			(37,270)	
		(Rupees)			(Rupees)	
Net assets value per unit as at the beginning of the period		110.2208			109.3676	
Net assets value per unit as at the end of the period		110.6557			110.2208	
The annexed notes from 1 to 27 form an integral part of these financial statements.						

For AWT Investments Limited
(formerly Primus Investment Management Limited)
(Management Company)


Chief Financial Officer


Chief Executive Officer


Director

AWT INCOME FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

FOR THE YEAR ENDED JUNE 30, 2024

	June 30, 2024	June 30, 2023
Note	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	359,296	256,380
Adjustments for:		
Mark-up income	16 (386,423)	(294,666)
Other Income	-	(902)
Unrealised (gain)/loss on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	(1,821)	2,552
Realised (gain)/loss on sale of investments - net	(3,839)	5,552
Net cash used in operating activities	(392,083)	(287,464)
(Increase) / decrease in assets		
Investments - net	(72,673)	(1,070,264)
Other receivables	(2,500)	12,598
Advance income tax	682	551
	(74,491)	(1,057,115)
Increase / (decrease) in liabilities		
Payable to AWT Investments Limited - Management Company	4,205	(9,297)
Payable to the Central Depository Company of Pakistan Limited - Trustee	(2)	50
Payable to the Securities & Exchange Commission of Pakistan	(233)	62
Payable against redemption of units	(30,450)	30,800
Accrued expenses and other liabilities	3,721	(6,676)
	(22,759)	14,939
Return on bank balances and placements received	102,585	140,870
Return on government / debt securities received	282,217	131,888
	384,802	272,758
Net cash generated/(used in) from operating activities	254,765	(800,502)
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received on issuance of units	1,185,752	1,500,962
Amount paid on redemption of units	(1,349,199)	(1,328,152)
Dividend paid	(236,217)	(186,663)
Net cash flows from financing activities	(399,664)	(13,853)
Net Increase/(decrease) in cash and cash equivalents during the period	(144,899)	(814,355)
Cash and cash equivalents at the beginning of the period	556,491	1,370,846
Cash and cash equivalents at the end of the period	5.2 411,592	556,491

The annexed notes from 1 to 27 form an integral part of these financial statements.

For AWT Investments Limited
(formerly Primus Investment Management Limited)
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

AWT INCOME FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** AWT - Income Fund (the Fund) has been established under a Trust Deed, dated June 20, 2012, between AWT Investments Limited (Management Company) and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. Securities and Exchange Commission of Pakistan (SECP) registered the Fund as a Notified Entity on August 01, 2012, under Regulation 44 of the Non Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations).
- 1.2** The Management Company of the Fund has been licensed by the SECP to undertake Asset Management Services and Investment Advisory Services as a Non-Banking Finance Company under The Non-Banking Finance Companies (Establishment and Regulation) Rules, 2013 (NBFC Rules). The registered office of Management Company is situated at 3rd Floor, AWT Plaza, I.I. Chundrigar Road, Karachi.
- 1.3** The Fund offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering them to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.
- 1.4** The Fund is categorised as "Income Scheme" as per the Circular 07 of 2009 Issued by Securities and Exchange Commission of Pakistan (SECP) and it primarily invests in Government securities, certificates of investment, certificates of deposits, term deposit receipts, commercial papers, reverse repo, preference shares, spread transactions and corporate debt securities, etc. subject to the guidelines issued by SECP from time to time.
- 1.5** The Pakistan Credit Rating Agency (PACRA) has on July 31, 2024 upgraded the asset manager rating to AM2 (2023: AM3++) of the Management Company. The rating reflects the Company's ability to meet high investment management industry standards and benchmarks with noted strengths in several of the rating factors. Moreover, PACRA has maintained the stability rating of A+ (f) (2023: A+(f)) to the fund.
- 1.6** Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as a Trustee of the Fund.

2. BASIS OF PREPARATION

2.1 Statement of compliance

- 2.1.1** 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 (the Act);
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment & Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of Trust Deed.

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 and the requirements of the Trust Deed 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 and requirements of the Trust Deed have been followed.

- 2.1.2** The SECP / Commission through its letter no. SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 has deferred the applicability of the impairment requirements of IFRS 9 for debt securities on mutual funds. Currently, the Asset Management Companies are required to continue to follow the requirements of Circular 33 of 2012 for impairment of debt securities.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except that certain financial assets are stated at fair value.

2.3 Critical accounting estimates and judgments

The preparation of the financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. The estimates, judgements and associated assumptions are based on the historical experience and various other factors that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the year in which the estimates are revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements as a whole are as follows:

- (a) Classification and measurement of financial assets (Notes 4.2.1, 4.2.2, 4.2.3 and 6);
- (b) Impairment of financial assets (Note 4.2.5);
- (c) Provision for taxation (Notes 4.12 and 18); and

3 NEW ACCOUNTING STANDARDS / AMENDMENTS AND IFRS INTERPRETATIONS

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2024

The following standards, amendments and interpretations are effective for the year ended June 30, 2024. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

- Amendments to IAS 1 'Presentation of Financial Statements' and IFRS practice statement 2 - Disclosure of accounting policies
- Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates
- Amendments to IAS 12 'Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.

Amendments to IAS 12 'Income taxes' - International Tax Reform — Pillar Two Model Rules

3.2 New accounting standards, amendments and IFRS interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Effective from accounting periods
beginning on or after:

- | | |
|--|------------------|
| Amendments to IFRS 16 'Leases' -Clarification on how seller-lessee subsequently measures sale and leaseback transactions | January 01, 2024 |
| Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current along with Non-current liabilities with Covenants | January 01, 2024 |
| Amendments to IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial instruments disclosures' - Supplier Finance Arrangements | January 01, 2024 |
| Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Clarification on how entity accounts when there is long term lack of Exchangeability | January 01, 2025 |
| IFRS 17 – Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17) | January 01, 2026 |
| Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Classification and measurement of financial instruments | January 01, 2026 |

Other than the aforesaid amendments, IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 18 - Presentation and Disclosures in Financial Statements
- IFRS 19 - Subsidiaries without Public Accountability: Disclosures

4. Material Accounting Policy Information

During the year/ period, the Company adopted Disclosure of Accounting Policies (Amendments to IAS 1) from January 01, 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. Although the amendments did not result in any changes to the accounting policies themselves.

4.1 Cash and cash equivalents

Cash and cash equivalents comprises 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.

4.2 Financial Instruments

4.2.1 Classification of financial assets

IFRS 9 contains three principal classification categories for

- Amortized cost ("AC"),
- Fair value through other comprehensive income ("FVOCI") and
- Fair value through profit or loss ("FVTPL").

Financial assets at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

- 1) the asset is held within a business model whose objective is to hold assets to collect contractual cash
- 2) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

Financial assets at FVOCI

A financial asset is measured at FVOCI only if it meets both of the following conditions and is not designated as FVTPL:

- 1) the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- 2) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition, for an equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent changes in fair value in OCI, only dividend income is recognized in income statement. This election is made on an investment-by-investment basis.

FVOCI financial assets are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in OCI.

Financial assets at FVTPL

All other financial assets are classified at FVTPL (for example: equity held for trading and debt securities not classified either as AC or FVOCI).

In addition, on initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Fund changes its business model for managing financial assets.

4.2.2 Recognition and initial measurement of financial instruments

Financial assets and financial liabilities are recognized in the Fund's statement of assets and liabilities when the Fund becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

4.2.3 Subsequent measurement of financial assets:

Financial assets at amortized cost

Financial assets at amortized cost are subsequently measured at amortized cost. Amortized cost is calculated using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

Financial assets at FVOCI

All financial assets at FVOCI are subsequently measured at fair value. Gains or losses arising due to changes in fair value recognized in other comprehensive income.

For debt instruments classified as financial assets at FVOCI, the amounts in other comprehensive income are reclassified to income statement on derecognition of financial assets. This treatment is in contrast to equity instruments classified as financial assets at FVOCI, where there is no reclassification on derecognition.

Financial assets at FVTPL

All financial assets designated at fair value through profit or loss are subsequently carried at fair value. On initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. Gains or losses arising from changes in fair value recorded in the income statement.

4.2.4 Fair value measurement principles and provision

The fair value of financial instruments is determined as follows:

Basis of valuation of debt securities:

The fair value of debt securities (other than government securities) is based on the value determined and announced by Mutual Funds Association of Pakistan (MUFAP) in accordance with the criteria laid down in Circular No. 1 of 2009 and Circular No. 33 of 2012 issued by SECP. In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorizes them as traded, thinly traded and nontraded securities. The aforementioned circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non performing debt securities.

Basis of valuation of government securities:

The government securities not listed on stock exchange and traded in the interbank market are valued at the average rates quoted on a widely used electronic quotation system (PKRV rates) which are based on the remaining tenor of the security.

Basis of valuation of equity securities:

The equity securities are valued on the basis of closing quoted market prices available at the stock exchange.

4.2.5 Impairment

Under expected credit loss (ECL) model of IFRS 9, the Fund recognises loss allowances for ECLs on financial assets other than debt securities. The Fund measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Financial assets that are determined to have low credit risk at the reporting date; and
- Other financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the asset) has not increased significantly since initial recognition

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and informed credit assessment and including forward-looking information.

As disclosed in note 2.1.2 of these financial statements, the Fund follows requirements of circular 33 of 2012 (the "circular") for impairment of debt securities. Under the circular, provision for non performing debt securities is made on the basis of time based criteria as prescribed under the circular. Impairment losses recognized on debt securities can be reversed through the income statement.

As allowed under circular no. 13 of 2009 dated May 04, 2009 issued by the SECP, the Management Company may also make provision against debt securities over and above minimum provision requirement prescribed in aforesaid circular, in accordance with the provisioning policy approved by the Board of Directors and disseminated by the Management Company on its website.

4.2.6 Classification and measurement of financial liabilities

All financial liabilities are measured subsequently at amortized cost using the effective interest method or at FVTPL. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

4.2.7 Derecognition

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

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expired.

4.2.8 Regular way contracts

All purchases and sales of securities that require delivery within the time frame established by regulation or market convention are recognized at the trade date. Trade date is the date on which the Fund commits to purchase or sell assets.

4.2.9 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 recognized amounts and there is an intention to settle on a net basis or realize the assets and settle the liabilities simultaneously.

4.3 Spread transactions (ready-future transactions)

The Fund enters into transactions involving purchase of an equity security in the ready market and simultaneous sale of the same security in the futures market. The security purchased in ready market is classified as financial assets at fair value through profit or loss and carried on the statement of assets and liabilities at fair value till their eventual disposal, with the resulting gain / loss taken to the income statement. The forward sale of the security in the futures market is treated as a separate derivative transaction and is carried at fair value with the resulting gain / loss taken to the income statement.

4.4 Derivatives

Derivative instruments are initially recognized at fair value and subsequent to initial measurement each derivative instrument is remeasured to its fair value and the resultant gain or loss is recognized in the income statement. Derivatives with positive fair values (unrealized gains) are included in other assets and derivatives with negative fair values (unrealized losses) are included in other liabilities in the statement of assets and liabilities.

4.5 Provisions

Provisions are recognized 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 amount of obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

4.6 Issuance 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 that day. 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.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors 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.

4.7 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 Assets 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 assets value of all units outstanding on accounting date, net element of income contributed on the 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 the guidelines provided by

MUFAP (MUFAP Guidelines consented upon by SECP) the refund of capital is made in the form of additional units at zero price. Income already paid on redemption of units during the year are taken separately in the statement of movement in unit holders' fund.

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 unit holders' fund.

4.8 Net assets value per unit

The net assets value per unit disclosed in the statement of assets and liabilities is calculated by dividing the net assets of the Fund by the number of units in issue at the year end.

4.9 Revenue recognition

- Realized gains / (losses) arising on sale of investments are included in the Income Statement on the date at which transactions take place.
- Unrealized gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are included in the income statement in the year in which they arise.
- Mark-up / return on investments in debt and government securities is recognized using effective yield method.
- Income on bank balances, placements and term deposits are recognized on time proportionate basis.
- Dividend income is recognized when the right to receive the same is established, i.e. on the date of book closure of the investee company / institution declaring the dividend.

4.10 Distributions

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

4.11 Expenses

All expenses including Management fee, Trustee fee and SECP fee are recognized in the Income Statement on accrual basis.

4.12 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realized or unrealized, is distributed among 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.

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

4.13 Collaterals

Cash collaterals provided by the Fund are identified in the statement of assets and liabilities as margin and are not included as a component of cash and cash equivalents. For collaterals other than cash, if the party to whom the collaterals are provided has a right by contract or custom to sell or re-pledge the collaterals, the Fund classifies those collaterals in the statement of assets and liabilities separately from other assets and identifies the assets as pledged collaterals. Where the party to whom the collaterals are provided does not have the right to sell or re-pledge, a disclosure of the collaterals provided is made

		June 30, 2024	June 30, 2023
		----- (Rupees in '000) -----	
5	BANK BALANCES	Note	
	Profit and loss sharing accounts	5.1	<u>411,592</u> <u>446,127</u>
5.1	These accounts carry profit rates ranging from 20% to 24% (June 30, 2023:13.75% to 22%) per annum.		
		June 30, 2024	June 30, 2023
		----- (Rupees in '000) -----	
5.2	CASH AND CASH EQUIVALENTS		
	Bank Balances	411,592	446,127
	Investments	-	110,364
		<u>411,592</u>	<u>556,491</u>
5.3	This represents investments in securities with maturity of less than three months. There are no such securities in the holding as at June 30, 2024. (2023: 110,634)		

INVESTMENTS

Financial assets at 'fair value through profit or loss'

Term Finance Certificate - unlisted	Note	June 30, 2024	June 30, 2023
Sukuk certificate - unlisted	6.1	(Rupees in '000)	
Market Treasury Bills	6.2 & 6.3	234,796	232,986
Pakistan Investment Bonds	6.4	-	397,010
GOP-Ijara-Sukuk-Listed	6.5	236,124	182,886
	6.6	653,806	495,870
		151,995	-
		1,276,721	1,308,752

6.1 Term Finance Certificates - unlisted at fair value through profit or loss

As at June 30, 2024							Market value of investments as a percentage of			
Name of Investee Company	As at July 01, 2023	Purchased during the period	Disposed during the period	As at June 30, 2024	Carrying Value	Market value	Unrealized gain / (loss) on revaluation	Total investments	Net assets	
		Number of certificates				Rupees in '000				%
Bank Al-Habib Limited (Tier-II)	20,000	-	-	20,000	100,720	101,051	331	7.91%	6.01%	
Soneri Bank Limited (Tier-II)	1,350	-	-	1,350	132,173	133,745	1,572	10.48%	7.95%	
Total	21,350	-	-	21,350	232,893	234,796	1,903	18.39%	13.96%	
June 30, 2023					234,953	232,986	(1,967)	17.80%	13.53%	

6.1.1 Significant Terms and Conditions of term finance certificate are as follows:

Name of Security	Number of certificates	Face value per certificate	Mark-up rate per annum	Maturity date	Secured/ Unsecured	Rating
Bank Al-Habib Limited (Tier-II)	20,000	5,000	6 months KIBOR + 1.35%	23-Dec-32	Unsecured	AA+
Soneri Bank Limited (Tier-II)	1,350	99,940	6 months KIBOR + 1.70%	26-Dec-32	Unsecured	A+

Sukuk Certificates- Unlisted (Long term) at fair value through profit or loss

6.2

As at June 30, 2024							Market value of investments as a percentage of			
Name of Investee Company	As at July 01, 2023	Purchased during the period	Disposed during the period	As at June 30, 2024	Carrying Value	Market value	Unrealized gain / (loss) on revaluation	Total investment	Net assets	
		(Number of certificates)				Rupees in '000				%
Aspin Pharma (Private) Limited	500	-	(500)	-	-	-	-	0.00%	0%	
Total	500	-	(500)	-	-	-	-	0.00%	0%	
June 30, 2023					5,434	5,010	(424)	0.38%	0.29%	

6.3 Sukuk Certificates- Short Term Sukuks Privately Placed at fair value through profit or loss

Name of Investee Company	As at June 30, 2024						Market value of investments as a percentage of	
	As at July 01, 2023	Purchased during the period	Disposed during the period	As at June 30, 2024	Carrying Value	Market value	Unrealized gain / (loss) on revaluation	Total investment
	(Number of certificates)						(Rupees in '000)	%
The Hub Power Company	6,600	-	(6,600)	-	-	-	-	0%
K-Electric STS-15	33,000	-	(33,000)	-	-	-	-	0%
Lucky Electric Power Company STS-8	12,400	-	(12,400)	-	-	-	-	0%
K-Electric Limited (STS-19)	-	18	(18)	-	-	-	-	0%
K-Electric Limited (STS-20)	-	155	(155)	-	-	-	-	0%
June 30, 2023	52,000	173	(52,173)	-	-	-	-	0%
June 30, 2024					392,000	392,000	-	29.95%
Government Securities - Market Treasury Bills at fair value through profit or loss								22.76%

6.4 Government Securities - Market Treasury Bills at fair value through profit or loss

Tenor	As at June 30, 2024						Market value of investments as a percentage of	
	As at July 01, 2023	Purchased during the period	Sold/ matured during the period	As at June 30, 2024	Carrying Value	Market value	Unrealized gain / (loss) on revaluation	Total investments
	(Rupees in '000)						(Rupees in '000)	%
- 3 months	115,000	49,420,000	(49,535,000)	-	-	-	-	0.00%
- 6 months	-	1,570,000	(1,520,000)	50,000	47,174	47,189	15	3.70%
- 1 Year	77,500	3,637,500	(3,525,000)	190,000	188,934	188,935	1	14.80%
Total	192,500	54,627,500	(54,580,000)	240,000	236,108	236,124	16	18.50%
June 30, 2023					184,843	182,886	(1,957)	13.97%
Government Securities - Pakistan Investment Bonds								10.62%

6.5 Government Securities - Pakistan Investment Bonds

Tenor	As at June 30, 2024						Market value of investments as a percentage of	
	As at July 01, 2023	Purchased during the period	Sold/ matured during the period	As at June 30, 2024	Carrying Value	Market value	Unrealized gain / (loss) on revaluation	Total investments
	(Rupees in '000)						(Rupees in '000)	%
-2-yrs	300,000	250,000	(450,000)	100,000	99,155	99,240	85	7.77%
-3-yrs	200,000	1,046,000	(1,046,000)	200,000	194,605	194,205	(400)	15.21%
-5-yrs	-	825,000	(450,000)	375,000	361,588	360,361	(1,227)	28.23%
Total	500,000	2,121,000	(1,946,000)	675,000	655,348	653,806	(1,542)	51.21%
June 30, 2023					497,074	495,870	(1,204)	38.86%

6.6 Government Ijara Sukuk -listed at fair value through profit or loss

Name of Investee Company	Face Value					As at June 30, 2024				Market value of investments as a percentage of
	As at July 01, 2023	Purchased during the period	Disposed during the period	As at June 30, 2024	Carrying Value	Market Value	Unrealized gain / (loss) on revaluation	Total investments	Net assets	
	(Rupees in '000)									
GOP-Ijarah SUK-041223 - FRR	-	150,000	-	150,000	150,551	151,995	1,444	11.91%	9.04%	
Total	-	150,000	-	150,000	150,551	151,995	1,444	11.91%	9.04%	
June 30, 2023										

6.6.1

Name of security	Number of Certificate	Face Value	Mark-up rate (per annum)	Secured / unsecured	Repayment Term	Rating
GOP-Ijarah SUK-041223 - FRR	30,000	5,000	15.75%	Secured	Interest and Principal is Payable on maturity	N/A

		June 30, 2024	June 30, 2023
	Note	'-----(Rupees in '000)----	
7	ADVANCE INCOME TAX		
	Income tax recoverable	<u>2,554</u>	<u>3,236</u>
7.1	The Fund is exempt under clause 47(B) of Part IV of Second Schedule of the Income Tax Ordinance, 2001 (the Ordinance) from withholding of tax under section 150, 150A, 151 and 233 of the Ordinance. The Federal Board of Revenue (FBR) through circular "C.No.1 (43) DG (WHT) / 2008 - Vol.II - 66417-R" dated May 12, 2015, made it mandatory to obtain exemption certificates under section 159(1) of the Ordinance from Commissioner Inland Revenue (CIR). Prior to receiving the tax exemption certificates from CIR, various withholding agents have deducted advance tax under section 151 of the Ordinance. The management is confident that the same shall be refunded in future years.		
		June 30, 2024	June 30, 2023
	Note	'-----(Rupees in '000)----	
8	DEPOSITS AND OTHER RECEIVABLES		
	Security Deposit to:		
	-Central Depository Company of Pakistan Limited	100	100
	-National Clearing Company of Pakistan	2,500	-
	Profit receivable on:		
	- Bank balances	8,566	7,917
	- Term finance certificates / sukuk	2,528	19,528
	- Government securities	31,952	13,979
		<u>45,646</u>	<u>41,524</u>
		June 30, 2024	June 30, 2023
	Note	'-----(Rupees in '000)----	
9	PAYABLE TO AWT INVESTMENTS LIMITED - MANAGEMENT COMPANY		
	Management remuneration payable	2,479	4,412
	Sindh Sales Tax on Management's remuneration	2,394	2,645
	Federal Excise Duty	20,813	20,813
	Payable against selling and marketing expenses	20,908	14,519
		<u>46,594</u>	<u>42,389</u>
9.1	Management Company has charged remuneration at the rate of 1% per annum based on the daily net assets of the Fund during the year ended June 30, 2024		
		June 30, 2024	June 30, 2023
		'-----(Rupees in '000)----	
	Balance as of July 01,	4,412	5,059
	Remuneration for the year	17,238	16,356
	Paid during the year	(19,171)	(17,003)
	Balance as of June 30,	<u>2,479</u>	<u>4,412</u>
9.2	This represents amount payable in respect of Sindh Sales Tax at the rate of 13% (2023: 13%) on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.		
9.3	As per the requirements of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16 percent on the remuneration of the Management Company was applied with effect from June 13, 2013. The Management Company is of the view that since the remuneration is already subject to the 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 Funds Association of Pakistan (MUFAP) with the Sindh High Court (SHC) on September 04, 2013.		
	While disposing the above petition through order dated July 16, 2016, the SHC declared the said provisions to be ultra vires and as a result no FED is payable with effect from July 01, 2011. However, the tax authorities subsequently filed appeal against the decision of the SHC in the Supreme Court of Pakistan, which is pending for the decision.		
	Further, the Finance Act 2016 also introduced an amendment to the Federal Excise Act, 2005 whereby FED was withdrawn on services of different industries including Non Banking Financial Institutions, which are already subject to provincial sales tax. The amount is payable to the Management Company for onward payment to the Government.		

However, 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 aggregating to Rs. 20.813 million (2023: Rs. 20.813 million). Had the provision not been made, NAV per unit of the Fund as at June 30, 2024 would have been higher by Rs. 1.37 (2023: Rs. 1.33) per unit.

- 9.4 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS). Accordingly, the Management Company can charge allocated expenses to the CIS based on its discretion, provided the Total Expense Ratio (refer note 17) prescribed by the SECP vide SRO 639 (I) / 2019 dated June 20, 2019 is complied with.

The Management Company based on its own discretion has charged these expenses at the rate of 0.50% (2023: 0.50%) per annum of the daily net assets.

	Note	June 30, 2024	June 30, 2023
		'-----(Rupees in '000)----	
10 PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE			
Trustee remuneration	10.1	209	211
Sindh Sales Tax on Trustee remuneration	10.2	27	27
		<u>236</u>	<u>238</u>

- 10.1 With effect from July 01, 2019, Central Depository Company of Pakistan Limited (The Trustee) is entitled to a monthly remuneration 0.075% of daily net assets for services rendered to the Fund.
Details of the movement in balance payable to the trustee is as follows.

	June 30, 2024	June 30, 2023
	'-----(Rupees in '000)----	
Balance as of 1 July	211	166
Remuneration for the year	1,293	1,227
Paid during the year	(1,295)	(1,182)
Balance as of 30 June	<u>209</u>	<u>211</u>

- 10.2 Sales tax at the rate of 13% (2021: 13%) on the remuneration of the Trustee is applied under the provisions of Sindh Sales Tax on Services Act, 2011.

11 PAYABLE TO THE SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

In accordance with NBFC Regulations, a collective investment scheme classified as open end scheme is required to pay to the SECP an amount equal to 0.075% (2023: 0.02%) of the daily net assets of the Fund as monthly fee.

	Note	June 30, 2024	June 30, 2023
		'-----(Rupees in '000)----	
12 ACCRUED EXPENSES AND OTHER LIABILITIES			
National Clearing Company of Pakistan Ltd		393	258
Auditors' remuneration payable		351	285
Mutual Fund Rating fee payable		143	560
Withholding tax payable		5,564	1,683
Brokerage Payable		29	-
Annual listing fee		55	28
Other payables		<u>534</u>	<u>534</u>
		<u>7,069</u>	<u>3,348</u>

13 CONTINGENCIES AND COMMITMENTS

- 13.1 Deputy Commissioner Inland Revenue [DCIR] passed the order under section 161 of the Ordinance dated December 31, 2018, for Tax Year 2016 and raised tax demand of Rs. 18,399,388 by alleging that the Fund did not deduct/ partially deducted taxes from various payments. The DCIR also imposed penalty and default surcharge amounting to Rs.1,839,939 and Rs. 1,905,471 respectively.

An appeal under section 127 along with a request for condonation of delay in filing of appeal against the order was filed before the Commissioner Inland Revenue Appeals (CIRA). The CIRA rejected a request for condonation in delay and dismissed the appeal through an order dated March 3, 2019. Being aggrieved, the Fund filed an appeal before the Appellate Tribunal Inland Revenue [ATIR]. The ATIR remanded back the case to the CIRA vide its Order No. ITA No. 358/KB/2019/ dated June 21, 2021, for re-adjudication, proceedings for which have not yet been started. Resultantly, there is no more demand in the field.

On the basis of the direction of ATIR for re-examining and re-verification of the Case. On re-examination, CIRA verified and found that the officer had charged a flat rate without properly examining and considering the nature of the transactions involved. Therefore the case was remanded back by the CIRA to the officer for re-examine and re-verification of the case vide order dated June 20, 2023. No further correspondence has been received from the department.

13.2 Commitments

There is no commitments as of June 30, 2024 (2023: Nil)

	Note	June 30, 2024 '-----(Rupees in '000)----	June 30, 2023
14 NUMBER OF UNITS IN ISSUE			
As at July 01,		15,628,054	13,532,423
Issued during the year		10,576,019	13,458,055
Redemptions during the year		(11,002,240)	(11,362,424)
As at June 30,		<u>15,201,833</u>	<u>15,628,054</u>

14.1 This includes 725,385 units (2023: 440,792 units) issued at zero value as refund of capital.

14.2 The Management Company on June 23, 2024 declared final distribution of Rs.23:3086 per unit (2023: Rs. 17.5596 per unit) for the year ended June 30, 2024. The aggregate cash distribution amounted to Rs. 236.217 million (2023: Rs. 186.663 million) was in addition to refund of capital / element of income by issuing 725,385 units (2023: 440,792 units) additional units to eligible unitholders at zero price as per MUFAP guidelines (duly consented upon by SECP) included in units issued above.

	Note	June 30, 2024 '-----(Rupees in '000)----	June 30, 2023
15 AUDITOR'S REMUNERATION			
Annual audit fee		276	263
Half yearly review fee		124	121
		<u>400</u>	<u>383</u>

		June 30, 2024 '-----(Rupees in '000)----	June 30, 2023
16 MARK-UP INCOME			
Bank balances		103,234	129,783
Clean placements at amortised cost		13,519	8,551
Government Securities - Held at fair value through profit or loss		160,289	91,244
Sukuk certificates / Term Finance Certificates - held at fair value through profit or loss		109,381	62,302
Modaraba - Held at amortised cost		-	2,786
		<u>386,423</u>	<u>294,666</u>

17 TOTAL EXPENSE RATIO

Total expense ratio (comprising all the expenses, including government levies, incurred during the period divided by average net asset value for the period) of the Fund for the period ended June 30, 2024 is 1.90% (2023: 1.90%), which includes 0.21% (2023: 0.14%) representing government levies on collective investment scheme such as , sales taxes, SECP fee, etc. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for collective investment scheme categorized as an income fund.

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 at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008. Since the management has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2024 to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements during the year. The Fund is also exempt from the provision of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

19 EARNINGS PER UNIT

Earnings per unit (EPU) has not been disclosed in these financial statements as in the opinion of the Management, the determination of the cumulative weighted average number of outstanding units for calculation of EPU is not practicable.

20 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Connected persons / related parties include AWT Investments Limited being the Management Company, Central Depository Company of Pakistan Limited being the trustee, Army Welfare Trust which is the parent entity of the Management Company, other funds managed by the Management Company, associated companies of the management company / parent entity of the management company, entities in which the above parties or their connected persons have a material interest, Key Management Personnel and includes entities holding 10% or more units of the Fund as at June 30, 2024. It also includes the staff retirement benefit funds of the above related parties / connected persons. Details of the transactions and balances with the related parties / connected persons, other than those which has been disclosed elsewhere are as follows:

	Note	June 30,2024	June 30,2023
		------(Rupees in '000)-----	
20.1 Details of balances with related parties /connected persons as at period end			
AWT Investments Limited - Management Company			
Remuneration payable to the Management Company, including sales tax	9	4,873	7,057
Selling and Marketing and Backoffice Expense		<u>20,908</u>	<u>14,519</u>
Army Welfare Trust - parent entity of the Management Company			
Units held 2,108,887 units (2023: 2,049,702 units)		<u>233,360</u>	<u>225,920</u>
Askari Securities Limited Employees Provident Fund - common directorship of the Management Company			
Units held 43,396 units (2023: 35,372 units)		<u>4,802</u>	<u>3,899</u>
Askari Securities Limited- Employee Gratuity Fund- common directorship of the Management Company			
Units held 348,545 units (June 2023: 284,093 units)		<u>38,568</u>	<u>31,313</u>
MAL Pakistan Limited -Staff Provident Fund - common directorship of the Management Company			
Units held 8,741 units (June 2023: 7,125 units)		<u>967</u>	<u>785</u>
MAL Pakistan Limited- Staff Gratuity Fund - common directorship of the Management Company			
Units held 84,834 units (June 2023: 71,119 units)		<u>9,387</u>	<u>7,839</u>
Central Depository Company of Pakistan Limited - Trustee of the Fund			
Remuneration payable to the Trustee, including sales tax		236	238
Security deposit		<u>100</u>	<u>100</u>
Key Management Personnel of the Management Company			
Units held 34 units (June 2023: 897 units)	20.5	<u>4</u>	<u>98</u>
Unitholders holding 10% or more units in issue			
Units held 1,879,381 units (June 2023: 3,402,436 units)		<u>207,964</u>	<u>375,019</u>
[Representing 12.36% of the net assets as of June 30, 2024 (2023:43.49%)			
	Note	June 30,2024	June 30,2023
		------(Rupees in '000)-----	
20.2 Detail of transactions with connected persons during the period are as follows:			
AWT Investments Limited - Management Company			
Remuneration of Management Company		19,479	18,442
Issuance of Nil units (2023 : 479,111 units)		-	53,033
Redemption of Nil units (2023: 479,111 units)		-	53,248
Selling & Marketing & Backoffice Expense		<u>8,522</u>	<u>8,172</u>

	Note	June 30, 2024 -----{Rupees in '000}-----	June 30, 2023
Army Welfare Trust - Ultimate Parent Company			
Issuance of 1,718,920 units (2023 : 1,987,148 units)		200,000	224,171
Refund of capita 95,619 units (2023: 62,555 units)		10,539	6,841
Redemption of 2,049,702 units (2023 : 1,926,718 units)		238,346	218,097
Dividend		32,443	4,979
Askari General Insurance Company Limited			
Issuance of Nil units (2023 :602,514 units)		-	72,036
Redemption of Nil units (2023 :602,514 units)		-	72,107
Askari Securities Limited Employees Provident Fund - common directorship of the Management Company			
Issuance of Nil units (2023 :129,969 units)		-	14,849
Redemption of Nil units (2023 :94,98 units)		-	11,210
Dividend Re-invested		884	-
Askari Securities Limited- Employee Gratuity Fund- common directorship of the Management Company			
Issuance of Nil units (2023 :984,287 units)		-	112,451
Redemption of Nil units (2023 :700,194 units)		-	82,879
Dividend Re-invested		7,104	-
MAL Pakistan Limited -Staff Provident Fund - common directorship of the Management Company			
Issuance of Nil units (2023 :856 units)		-	94
Dividend Re-invested		1,512	15
MAL Pakistan Limited- Staff Gratuity Fund - common directorship of the Management Company			
Issuance of Nil units (2023 :7,185 units)		-	786
Dividend Re-invested		178	126
Central Depository Company of Pakistan Limited - Trustee			
Remuneration of the Trustee		1,293	1,227
Sindh sales tax on trustee remuneration **		168	159
CDC Settlement Charges		23	15
Key Management Personnel of the Management Company			
Issuance of 1,285 units (2023: 2,992 units)		150	320
Refund of capital Nil Units (2023: 2 units)		-	2
Redemption of 2,153 units (2023: 2,053 units)		275	236
Entities holding 10% or more of unit in issue			
Redemption of 1,870,583 units (2023: 327,689 units)		213,684	39,384
Dividend		38,304	-
AWT Money Market Fund			
Sale of T-Bills (3 Month- Face Value)		159,000	-
Sale of T-Bills (12 Month- Face Value)		77,500	-
Sale of Paksitan Investment Bond (3Y- Face Value)		200,000	-
Purchahse of T-Bills (3 Month- Face Value)		522,000	-
Purchase of T-Bills (12 Month- Face Value)		77,500	-
AWT Islamic Income Fund			
Sale of Hub Power Company STS-01		165,000	-
AWT Financial Sector Income Fund			
Sale of Lucky Electric Power Company STS-08		50,000	-
20.3	Remuneration payable to the Management Company and the Trustee have been determined in accordance with the provisions of NBFC Regulations and the Trust Deed respectively.		
20.4	Purchase and redemption of units of the Fund by related parties / connected persons are recorded at the applicable net assets value per unit. Other transactions are at agreed rates.		

- 20.5 This represent key management personnel holding units of the fund as at June 30, 2024.
- 20.6 As required under S.R.O 592(1)/2023 dated May 17, 2023, the Management Company has developed a policy (without any exemption) to align the interest of its key employees i.e (Chief Executive Officer and Managers) with those of the unit holders of the CISs managed by the Management Company. Accordingly, 5% of bonus paid (net of tax) to these employees were retained and invested in the CIS managed by the Management Company. Included in the units above, bonus paid to the key employees in the form of units of the fund includes nil units held by the Chief Executive Officer and nil units held by the Fund Manager. (2023: NIL)

21 FINANCIAL INSTRUMENTS BY CATEGORY

The financial assets and liabilities carried on the Statement of Assets and Liabilities are categorised as follows:

	June 30,2024	June 30,2023
	------(Rupees in '000)-----	
Financial assets		
At fair value through profit or loss		
Investments	1,276,721	1,308,752
At amortised cost		
Bank balances	411,592	446,127
Security deposit	2,600	100
Profit receivable	43,046	41,424
	<u>457,238</u>	<u>487,651</u>
Total financial assets	<u>1,733,959</u>	<u>1,796,403</u>
Financial liabilities		
Payable to AWT Investments Limited - Management Company	25,781	21,576
Payable to Central Depository Company of Pakistan Limited - Trust	236	238
Payable against redemption of units	350	30,800
Accrued expenses and other liabilities	1,505	1,665
Total financial liabilities	<u>27,872</u>	<u>54,279</u>

22. FINANCIAL RISK MANAGEMENT

Introduction and overview

The Board of directors of the Management Company has the overall responsibility for the establishment and oversight of the Fund's risk management framework.

Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily setup based on the limits established by the Management Company, Fund's constitutive documents and the regulations and directives of the SECP. The policies are established to identify and analyze the risks faced by the Fund, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Fund's activities.

The audit committee oversees how the management monitors compliance with the Fund's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Fund. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes regular reviews of risk management controls and procedures, the results of which are reported to the audit committee.

Asset purchases and sales are determined by the Fund's Investment Manager, who has been authorized to manage the distribution of the assets to achieve the Fund's investment objectives. Compliance with the target asset allocations and the composition of the portfolio is monitored by the Investment Committee. In instances where the portfolio has diverged from target asset allocations, the Fund's Investment Manager is obliged to take actions to rebalance the portfolio in line with the established targets, within prescribed time limits.

The Fund has exposure to following risks from financial instruments:

- credit risk (refer note 22.1)
- liquidity risk (refer note 22.2)
- market risk (refer note 22.3)

22.1 Credit risk

Credit risk is the risk of financial loss to the Fund if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from bank balances, other receivables, investments and security deposits.

The carrying amount of financial assets represents the maximum credit exposure.

Management of credit risk

The Fund's policy is to enter into financial contracts in accordance with the investment guidelines approved by the Investment Committee, its Trust Deed and the requirements of NBFC rules and regulations. Before making investment decisions, the credit rating and credit worthiness of the issuer is taken into account along with the financial background so as to minimize the risk of default.

Credit risk is managed and controlled by the Management Company of the Fund in the following manner:

- Where the investment committee makes an investment decision, the credit rating and credit worthiness of the issuer is taken into account along with the financial background so as to minimise the risk of default.
- Analysing of credit ratings and obtaining adequate collaterals wherever appropriate / relevant
- The risk of counterparty exposure due to failed trades causing a loss to the Fund is mitigated by a yearly review of the credit ratings and financial statements on a regular basis.
- Cash is held only with reputable banks with high quality external credit enhancements.
- Investment transactions are carried out with a large number of brokers, whose credit worthiness is taken into account so as to minimise the risk of default and transactions are settled or paid for only upon delivery.

Exposure to credit risk

The below table analyses the fund's maximum exposure to credit risk:

	2024		2023	
	Balance as per the Statement of Assets and Liabilities	Maximum Exposure	Balance as per the Statement of Assets and Liabilities	Maximum Exposure
	(Rupees in '000)			
Bank Balances including accrued profit	420,158	420,158	454,044	454,044
Investments (including profit due)	1,311,201	237,324	1,342,259	649,524
Security deposits and other receivables	100	100	100	100
Security deposit with National Clearing Company of Pakistan Limited (NCCPL)	2,500	2,500	-	-
	1,733,959	660,082	1,796,403	1,103,668

22.1.1 Difference in the balance as per the Statement of Assets and Liabilities and maximum exposure as at June 30, 2024 comprises of Government Securities of Rs. 1,073.88 million (2023: Rs. 692.74 Million).

Credit ratings

The Fund's balances with banks have the following credit ratings:

Rating	2024		2023	
	(Rupees in '000)	(%)	(Rupees in '000)	(%)
AAA	8,974	2.14%	4,922	1.08%
AA+	3,347	0.80%	1,500	0.33%
AA	647	0.15%	727	0.16%
AA-	147	0.03%	109	0.02%
A+	406,974	96.86%	443,956	97.78%
A-	69	0.02%	2,830	0.62%
A	-	0.00%	-	0.00%
Suspended	-	0.00%	-	0.00%
Total balance including profit due	420,158	100.00%	454,044	100.00%

Above ratings are on the basis of available ratings assigned by PACRA and VIS.

For credit ratings of investments, refer note 6.

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors affects the group of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio exposed to credit risk primarily consists of bank deposits and debt securities.

Details of Fund's concentration of credit risk of financial instruments by economic sectors are as follows:

	2024		2023	
	(Rupees in '000)	(%)	(Rupees in '000)	(%)
Commercial banks (including profit due and Term Finance Certificates)	259,025	39.24%	662,178	60.00%
Microfinance Bank (including profit due)	398,457	60.36%	436,196	39.52%
Pharmaceutical	-	0.00%	5,194	0.47%
Oil and Gas	-	0.00%	-	0.00%
Technology & Communication	-	0.00%	-	0.00%
Utilities	-	0.00%	-	0.00%
National Clearing Company of Pakistan Limited - security deposit and cash margin	2,500	0.38%	-	0.00%
Central Depository Company of Pakistan Limited - security deposit	100	0.02%	100	0.01%
	660,082	100.00%	1,103,668	100.00%

Settlement risk

The Fund's activities may give rise to risk at the time of settlement of transactions. Settlement risk is the risk of loss due to the failure of an entity to honour its obligations to deliver cash, securities or other assets as contractually agreed on sale.

For the vast majority of transactions the Fund mitigates this risk by conducting settlements through a broker to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations.

22.2 Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Fund's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation.

The Fund aims to maintain the level of cash and cash equivalents and other highly marketable securities at an amount in excess of expected cash outflows on financial liabilities. The Fund is exposed to cash redemptions of its units on a regular basis. Units are redeemable at the holder's option based on the Fund's net assets value per unit at the time of redemption calculated in accordance with the Fund's constitutive document and guidelines laid down by SECP.

Management of liquidity risk

The Fund's policy is to manage this risk by investing majority of its assets in investments and other financial instruments that are traded in an active market and can be readily disposed. As a result, the Fund may be able to liquidate quickly its investment in these instruments at an amount close to their fair value to meet its liquidity requirement.

In addition, the Fund has the ability to borrow, with prior approval of trustee, for meeting redemption. No such borrowings were made during the year. The maximum amount available to the Fund from borrowings is limited to the extent of 15% of net assets at the time of borrowing with repayment within 90 days of such borrowings.

In order to manage the Fund's overall liquidity, the Fund can also withhold daily redemption request in excess of ten percent of the units in issue and such requests would be treated as redemption request qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue.

Maturity analysis for financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

<u>June 30, 2024</u>	<u>Contractual cash flows</u>	
	<u>Carrying amount</u>	<u>Less than 3 months</u>
	<u>----- (Rupees in '000) -----</u>	
Financial liabilities		
Payable to AWT Investments Limited - Management Company*	25,781	25,781
Payable to the Central Depository Company of Pakistan Limited - Trustee	236	236
Payable against redemption of units	350	350
Accrued expenses and other liabilities**	1,505	1,505
	<u>27,872</u>	<u>27,872</u>
Unit holders' fund	<u>1,682,170</u>	<u>1,682,170</u>

* excluding provision for federal excise duty on Management Company's remuneration, and

** Withholding Tax Payable

<u>June 30, 2023</u>	<u>Contractual cash flows</u>	
	<u>Carrying amount</u>	<u>Less than 3 months</u>
	<u>----- (Rupees in '000) -----</u>	
Financial liabilities		
Payable to AWT Investments Limited - Management Company*	21,576	21,576
Payable to the Central Depository Company of Pakistan Limited - Trustee	238	238
Payable against redemption of units	30,800	30,800
Accrued expenses and other liabilities**	1,665	1,665
	<u>54,279</u>	<u>54,279</u>
Unit holders' fund	<u>1,722,537</u>	<u>1,722,537</u>

Above financial liabilities do not carry any mark-up.

* excluding provision for federal excise duty on Management Company's remuneration, and

** Withholding Tax Payable

22.3 Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices - will affect the Fund's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Management of market risks

The Fund manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and regulations laid down by the Securities and Exchange Commission of Pakistan. The maximum risk resulting from financial instruments equals their fair values.

The Fund is exposed to interest rate and price risks.

22.3.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instruments will fluctuate because of changes in interest rates. Risk management procedures are the same as those mentioned in the credit risk management.

Exposure to interest rate risk

Interest rate profile of the Fund's interest-bearing financial instruments as reported to the management of the Fund is as follows:

	June 30,2024	June 30,2023
	------(Rupees in '000)-----	
Variable rate instruments:		
Financial assets (bank balances)	411,592	446,127
Financial assets (Sukuk certificates and term finance certificates)	234,796	629,996
Financial assets (Pakistan investment Bond- Floating Rate)	653,806	-
	<u>1,300,194</u>	<u>1,076,123</u>
Fixed rate instrument		
Financial assets (Pakistan Investment Bonds- Fixed Rate, Government Ijarah Sukuk, Market Treasury Bills)	<u>388,119</u>	<u>678,756</u>

Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased unit holder fund and income statement by Rs. 13.00 million (2023: Rs. 10.76 million). The analysis assumes that all other variables, in particular foreign currency exchange rates,

Fair value sensitivity analysis for fixed rate instruments

Market Treasury Bills and Government Ijarah Sukuk which are classified as fair value through profit or loss', expose the Fund to fair value interest rate risk. In case of 100 basis points increase / decrease in mark-up rates on June 30, 2024, would decrease / increase unit holders' fund and income by Rs. 3.88 million (2023: Rs. 6.79 million)

None of the other assets and Fund's liabilities are subject to interest rate risk.

22.3.2 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate 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. A 5% increase or decrease in the instrument (other than those arising from interest rate risk or currency risk) (2023: Rs. 397.010 million) at the year end would have increased or decreased the income by Rs. Nil (2023: Rs. 19.851 million).

23 UNIT HOLDER'S FUND RISK MANAGEMENT

Management's objective when managing unit holders' funds is to safeguard the Fund's ability to continue as a going concern so that it can continue to provide optimum returns to its unit holders' and to ensure reasonable safety of unit holders' funds.

The Fund manages its portfolio and other assets by monitoring return on net assets and makes adjustments to it in the light of changes in markets' conditions. Under the NBFC regulations 2008, the minimum size of an open end scheme shall be one hundred million rupees at all the times during the life of the scheme. The Fund size depends on the issuance and redemption of units.

In order to maintain or adjust the unit holders' fund structure, the Fund's policy is to perform the following:

- Monitors the level of daily issuance and redemptions relative to the liquid assets and adjusts the amount of distributions the Fund pays to unit holders;
- Redeem and issue units in accordance with the constitutive documents of the Fund, which include the ability to restrict redemptions and require certain minimum holdings and issuance; and
- The Fund Manager / Investment Committee members and Chief Executive of the Management Company critically track the movement of 'Assets under Management'. The Board of Directors is updated about the Fund yield and movement of NAV and total fund size at the end of each quarter.

Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. 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.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values. 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 Measurements' 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 that the entity can access at the measurement date (level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (level 2).
- Unobservable inputs for the asset or liability (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.

On-balance sheet financial instruments	Note	Carrying amount			Fair value				
		Fair value through profit or loss	Loans and receivable	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
June 30, 2024									
(Rupees in '000)									
Financial assets measured at fair value									
Investments		1,276,721	-	-	1,276,721	-	1,276,721	-	1,276,721
Financial assets not measured at fair value	24.1								
Bank balances		-	411,592	-	411,592	-	-	-	-
Deposits and other receivables *		-	45,646	-	45,646	-	-	-	-
		-	457,238	-	457,238	-	-	-	-
Financial liabilities not measured at fair value	24.1								
Payable to the Management Company		-	-	25,781	25,781	-	-	-	-
Remuneration payable to the Trustee		-	-	236	236	-	-	-	-
Accrued expenses and other liabilities		-	-	1,505	1,505	-	-	-	-
		-	-	27,522	27,522	-	-	-	-

On-balance sheet financial instruments	Note	Carrying amount			Fair value				
		Fair value through profit or loss	Loans and receivable	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)									
June 30, 2023									
Financial assets measured at fair value									
Investments		1,308,752	-	-	1,308,752	-	1,308,752	-	1,308,752
Financial assets not measured at fair value	24.1								
Bank balances		-	446,127	-	446,127	-	-	-	-
Deposits and other receivables *		-	41,524	-	41,524	-	-	-	-
		-	487,651	-	487,651				
Financial liabilities not measured at fair value	24.1								
Payable to the Management Company		-	-	21,576	21,576	-	-	-	-
Remuneration payable to the Trustee		-	-	238	238	-	-	-	-
Accrued expenses and other liabilities		-	-	1,665	1,665	-	-	-	-
Payable against redemption of units		-	-	30,800	30,800	-	-	-	-
		-	-	54,279	54,279	-	-	-	-

24.1

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

25 ADDITIONAL NON-FINANCIAL INFORMATION

The information regarding pattern of unit holding, list of top ten brokers, meetings of the Board of Directors of the Management Company and members of the Investment Committee are as follows:

25.1 Unit holding pattern of the Fund

Category	2024			
	Number of unit holders	Number of units held	Investment amount (Rupees in '000)	Percentage of investment --- (%) ---
Individuals	1,045	5,741,828	635,366	38%
Associates	3	2,500,828	276,731	16%
Other Corporates	58	6,959,177	770,073	46%
	<u>1,106</u>	<u>15,201,833</u>	<u>1,682,170</u>	<u>100%</u>

Category	2023			
	Number of unit holders	Number of units held	Investment amount (Rupees in '000)	Percentage of investment --- (%) ---
Individuals	1,040	5,526,017	609,082	35%
Associates	1	2,049,702	225,920	13%
Other Corporates	69	8,052,335	887,535	52%
	<u>1,110</u>	<u>15,628,054</u>	<u>1,722,537</u>	<u>100%</u>

25.2 List of top brokers by percent of the commission paid

The list of brokers by percentage of the commission paid during the year ended June 30, 2024 are as follows:

Name of broker	Percentage of commission / brokerage --- (%) ---
- ALFALAH SEC	0.50%
- C&M	1.49%
- DD	0.73%
- IOML	80.41%
- NEXT CAP LTD	1.87%
- OMPL	4.94%
- PARAMOUNT	1.77%
- PSL	6.14%
- SUMMIT	2.14%

The list of brokers by percentage of the commission paid during the year ended June 30, 2023 were as follows:

Name of broker	Percentage of commission / brokerage --- (%) ---
- AKD Securities Ltd	8.11%
- BIPL Securities Ltd	4.06%
- Bright Capital Pvt Ltd	18.75%
- Continental Exchange Pvt Ltd	13.02%
- Invest One Markets Limited	8.36%
- JS Global	4.06%
- Paramount Capital	4.06%
- Pearl Securities Ltd	10.38%
- Summit Capital	10.66%
- Vector Capital	18.55%

25.3 BRIEF PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER

S. No.	Name	Designation	Experience	Qualification
1	Mr. Sajjad Anwar	Chief Executive Officer Head of Fixed	21	CFA / MBA
2	Mr. Wahaj Ahmed	Income / Fund Manager (25.3.1)	11	CFA (Level 1) / MBA
3	Mr. Salman Hashmi	Chief Financial Officer	21	ACMA/ Masters in Economics
4	Mr. Farrukh Yasin	Head of Risk	10	CFA & ACCA

25.3.1 He is managing following funds:

AWT Money Market Fund
AWT Islamic Income Fund
AWT Financial Sector Income Fund

25.4 Directors meeting attendances

Following are the dates and name of persons who attended the meeting of the Board of Directors during the year:

For the year ended June 30, 2024

Name of directors	Number of Meetings Attended	Dates of meeting			
		September 25, 2023	October 24, 2023	February 21, 2024	April 29, 2024
Lt. Naveed Mukhtar (Retd.) *	2	1	1	N/A	N/A
AVM Muhammad Akhtar Shams (Retd.) **	2	1	1	N/A	N/A
Lt. Gen. Nauman Mahmood (Retd.) ***	2	N/A	N/A	1	1
Maj. Gen. Kamran Ali (Retd.) ****	1	N/A	N/A	N/A	1
Mr. Malik Riffat Mehmood	4	1	1	1	1
Mr. Raheel Qamer Ahmed	4	1	1	1	1
Ms. Maleeha Humayun Khan	4	1	1	1	1
Mr. Sajjad Anwar (CEO)	4	1	1	1	1
Members attended		6	6	5	6

* Lt. Gen Naveed Mukhtar resigned w.e.f. 20 Feb 2024

** AVM Athar Shams resigned w.e.f. 04 March 2024

*** Lt. Gen Nauman Mahmood appointed w.e.f. 21 Feb 2024

****Maj Gen Kamran Ali appointed w.e.f. 04 March 2024

For the year ended June 30, 2023

Name of directors	Number of Meetings Attended	Dates of meeting			
		September 21, 2022	October 31, 2022	February 23, 2023	April 18, 2023
Lt. Naveed Mukhtar (Retd.) Air Vice Marshal Muhammad Akhtar Shams (Retd.)	4	1	1	1	1
Mr. Malik Riffat Mehmood	4	1	1	1	1
Mr. Raheel Qamer Ahmed	4	1	1	1	1
Ms. Maleeha Humayun Khan	4	1	1	1	1
Mr. Sajjad Anwar (CEO)	4	1	1	1	1
Members attended		6	6	6	5

26 **GENERAL**

26.1 Certain prior year's figures have been re-arranged / re-classified, wherever necessary, to facilitate comparison in the presentation in the current year. However, there are no material re-arrangements / re-classifications to report.

27 **DATE OF AUTHORISATION FOR ISSUE**

These financial statements were authorised for issue on 26 SEP 2024 by the Board of Directors of the Management Company.

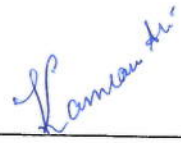
For AWT Investments Limited
(Management Company)



Chief Financial Officer



Chief Executive Officer



Director