

**AWT FINANCIAL SECTOR INCOME  
FUND**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
JUNE 30, 2024**

## INDEPENDENT AUDITOR'S REPORT

### To the Unit Holders of AWT Financial Sector Income Fund

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of **AWT Financial Sector 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 statement of cash flows for the year then ended, 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 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
<b>Existence and valuation of Investments (Refer notes 4.2 and 6 to the financial statements)</b>	
As disclosed in note 6 to the financial statements, investments held by the Fund amounted to Rs. 157.24 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	In addition,





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 listed government securities (i.e. Pakistan investment bonds,) and debt securities (I.e. Term finance certificates and unlisted short term Sukuk (private placements)) 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>(1) Reviewed the processes and key controls relating to existence and valuation and evaluated the design and implementation of such controls;</p> <p>(2)Independently verified existence of investments from the investor Portfolio Services (IPS) account statement and directly confirm from the issuing agents in case of unlisted short term sukus.</p> <p>3) 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>4) 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.

We have not received this information and therefore cannot report in this regard.

### 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 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.



**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:** AR202410414Ci021WrBN

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

		June 30, 2024	June 30, 2023
	Note	----- (Rupees in '000) -----	-----
<b>Assets</b>			
Bank balances	5	757,741	492,714
Investments - net	6	157,243	151,188
Deferred formation cost	7	681	880
Profit receivable	8	15,112	13,914
Advances, deposits and prepayments	9	4,869	3,250
Receivable against sale of units		-	30,800
<b>Total assets</b>		<b>935,646</b>	<b>692,746</b>
<b>Liabilities</b>			
Payable to AWT Investments Limited - Management Company	10	1,311	1,442
Payable to Central Depository Company of Pakistan Limited - Trustee	11	65	225
Payable to Securities and Exchange Commission of Pakistan	12	58	53
Accrued expenses and other liabilities	13	5,031	4,201
Payable against redemption/conversion of units		1,280	-
<b>Total liabilities</b>		<b>7,745</b>	<b>5,921</b>
<b>Net assets</b>		<b>927,901</b>	<b>686,825</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>927,901</b>	<b>686,825</b>
<b>Contingencies and Commitments</b>	14		
		----- (Number) -----	
<b>Number of units in issue</b>	15	<b>9,249,371</b>	<b>6,849,630</b>
		----- (Rupees) -----	
<b>Net assets value per unit</b>		<b>100.3204</b>	<b>100.2718</b>

The annexed notes from 1 to 28 form an integral part of these financial statements

**For AWT Investments Limited  
(Management Company)**

  
Chief Financial Officer

  
Chief Executive Officer

  
Director

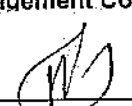
**AWT FINANCIAL SECTOR INCOME FUND**  
**INCOME STATEMENT**  
**FOR THE YEAR/PERIOD ENDED JUNE 30, 2024**

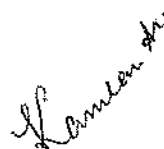
	Note	June 30, 2024	For the period from December 19, 2022 to June 30, 2023
<b>----- (Rupees in '000) -----</b>			
<b>Income</b>			
Return / mark-up calculated using the effective interest method:			
- Bank balances at amortised cost		161,262	36,300
- Sukuk certificates / Term Finance Certificates - Held at fair value		23,803	4,086
- Government Securities		24,333	8,033
- Certificate of Musharika - Held at amortised cost		360	5,534
Other Income		-	61
Realized gain/(loss) on sale of investments - net		6,467	(260)
Unrealised loss on remeasurement of investments classified as fair value through profit or loss - net		(145)	(279)
<b>Total income:</b>		<b>216,080</b>	<b>53,475</b>
<b>Expenses</b>			
Remuneration of the Management Company		12,727	1,796
Sindh Sales Tax on the Management Company's remuneration	10	1,655	233
Remuneration of the Trustee	11	705	199
Sindh Sales Tax on Trustee's remuneration		92	26
Annual fee to the Securities and Exchange Commission of Pakistan		705	53
Annual listing fee		35	27
Rating fee		178	82
Auditors' remuneration	16	414	290
Amortisation of preliminary expenses and floatation cost		199	104
Legal and professional charges		205	89
Brokerage expense		262	4
Settlement and bank charges		124	11
Other expense		25	5
<b>Total operating expenses:</b>		<b>17,326</b>	<b>2,919</b>
<b>Net income for the year/period before taxation</b>		<b>198,754</b>	<b>50,556</b>
Taxation	18	-	-
<b>Net income for the year/period after taxation</b>		<b>198,754</b>	<b>50,556</b>
<b>Allocation of net income for the year/period after taxation</b>			
Net income for the year/period after taxation		198,754	50,556
Income already paid on units redeemed		(85,270)	(20,743)
<b>Accounting income available for distribution</b>		<b>113,484</b>	<b>29,813</b>
<b>Accounting income available for distribution</b>			
- Relating to capital gains		3,283	-
- Excluding capital gains		110,201	29,813
		<b>113,484</b>	<b>29,813</b>

'The annexed notes from 1. to 28 form an integral part of these financial statements'

**For AWT Investments Limited**  
**(Management Company)**

  
**Chief Financial Officer**

  
**Chief Executive Officer**

  
**Director**

**AWT FINANCIAL SECTOR INCOME FUND  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR/PERIOD ENDED JUNE 30, 2024**


	June 30, 2024	For the period from December 19, 2022 to June 30, 2023
	----- (Rupees in '000) -----	
Net income for the year/period after taxation	198,754	50,556
Other comprehensive income for the year/period	-	-
Total comprehensive income for the year/period	<u>198,754</u>	<u>50,556</u>

The annexed notes from 1 to 28 form an integral part of these financial statements

**For AWT Investments Limited  
(Management Company)**

  
\_\_\_\_\_  
Chief Financial Officer

  
\_\_\_\_\_  
Chief Executive Officer

  
\_\_\_\_\_  
Director



**AWT FINANCIAL SECTOR INCOME FUND**  
**STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND**  
**FOR THE YEAR/PERIOD ENDED JUNE 30, 2024**

	June 30, 2024			For the period from December 19, 2022 to June 30, 2023		
	Capital value	Undistributed Income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)					
Net assets at beginning of the period	684,996	1,829	686,825	-	-	-
Issuance of 10,359,694 units (2023: 19,022,812 units)						
- Capital value	1,038,785	-	1,038,785	1,902,280	-	1,902,280
- Element of income	100,522	-	100,522	39,620	-	39,620
Total proceeds on issuance of units	1,139,307	-	1,139,307	1,941,900	-	1,941,900
Redemption of 7,959,953 units (2023: 12,173,182)						
- Capital value	(798,159)	-	(798,159)	(1,217,318)	-	(1,217,318)
- Element of loss	(33,006)	(85,270)	(118,276)	(16,035)	(20,743)	(36,778)
Total payments on redemption of units	(831,165)	(85,270)	(916,435)	(1,233,353)	(20,743)	(1,254,096)
Total comprehensive income for the year/ period	-	198,754	198,754	-	50,556	50,556
First Interim distribution at Rs. 23.3086 per unit declared on June 23, 2024 (2023: 12,173,182 units)						
- Cash distribution	-	(110,310)	(110,310)	-	(4,154)	(4,154)
- Refund of capital	(67,508)	-	(67,508)	(3,246)	-	(3,246)
	(67,508)	(110,310)	(177,818)	(3,246)	(4,154)	(7,400)
Second Interim distribution at Rs. 0.2961 per unit declared on June 29, 2024 (2023: 12,173,182 units)						
- Cash distribution	-	(2,732)	(2,732)	-	(23,830)	(23,830)
- Refund of capital	-	-	-	(20,305)	-	(20,305)
	-	(2,732)	(2,732)	(20,305)	(23,830)	(44,135)
Net assets as at end of the period	925,630	2,271	927,901	684,996	1,829	686,825
Undistributed Income brought forward:						
- Realized		2,108			-	
- Unrealized (loss)		(279)			-	
		1,829			-	
Accounting income available for distribution:						
Relating to capital gains		3,283			-	
Excluding capital gains		110,201			29,813	
		113,484			29,813	
Distribution during the period		(113,042)			(27,984)	
Undistributed income carried forward		2,271			1,829	
Undistributed Income carried forward comprises of:						
- Realized		2,126			1,550	
- Unrealized		(145)			(279)	
		2,271			1,829	
			Rupees			Rupees
Net assets value per unit as at the beginning of the year/period.			100.2718			100.0000
Net assets value per unit as at the end of the year/period.			100.3204			100.2718

The annexed notes from 1 to 28 form an integral part of these financial statements

For AWT Investments Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

**AWT FINANCIAL SECTOR INCOME FUND  
STATEMENT OF CASH FLOWS  
FOR THE YEAR/PERIOD ENDED JUNE 30, 2024**

June 30, 2024

For the period  
from December  
19, 2022 to June  
30, 2023

Note ----- (Rupees in '000) -----

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net income for the year/period before taxation	198,754	50,556
<b>Adjustments for:</b>		
- Bank balances at amortised cost	(161,262)	(36,300)
Sukuk certificates / Term Finance Certificates - Held at fair value	(23,803)	(4,086)
- Government Securities	(24,333)	(8,033)
- Certificate of Musharika - Held at amortised cost	(360)	(5,534)
Other Income		(61)
Amortization of deferred formation cost	199	104
Unrealised loss on remeasurement of investments classified as fair value through profit or loss - net	145	260
Realized (gain)/loss on sale of investments	(6,467)	279
	(215,881)	(53,371)
<b>(Increase) / decrease in assets</b>		
Investments - net	(17,733)	(133,727)
Advances, deposits and prepayments	(1,619)	(3,250)
Preliminary expenses and floatation cost	-	(984)
Receivable against sale of units	30,800	(30,800)
	11,448	(168,761)
<b>Increase / (decrease) in liabilities</b>		
Payable to AWT Investments Limited - Management Company	(131)	1,442
Payable to Central Depository Company of Pakistan Limited - Trustee	(160)	225
Payable to Securities and Exchange Commission of Pakistan	5	53
Payable against redemption/conversion of units	1,280	-
Accrued expenses and other liabilities	830	4,201
	1,824	5,921
Return on bank balances received	159,533	27,308
Return on government / debt securities received	48,016	7,909
Return on Certificate of Musharika received	1,012	4,882
	208,561	40,099
<b>Net cash generated from/(used in) from operating activities</b>	<b>204,706</b>	<b>(125,556)</b>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Proceeds from issuance of units	1,071,798	1,918,350
Payment on redemption of units	(916,435)	(1,254,096)
Distribution paid	(113,042)	(27,984)
<b>Net cash generated from financing activities</b>	<b>42,321</b>	<b>636,270</b>
<b>Net increase in cash and cash equivalents</b>	<b>247,027</b>	<b>510,714</b>
Cash and cash equivalents at the beginning of the year/period	510,714	-
<b>Cash and cash equivalents at the end of the year/period</b>	<b>757,741</b>	<b>510,714</b>

The annexed notes from 1 to 28 form an integral part of these financial statements

For AWT Investments Limited  
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

**AWT FINANCIAL SECTOR INCOME FUND  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR/PERIOD ENDED JUNE 30, 2024**

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

- 1.1** AWT - Financial Sector Income Fund (the Fund) has been established under a Trust Deed, dated September 07, 2022, 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 30, 2022, 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, 2003 (NBFC Rules). The registered office of Management Company at 3th Floor, AWT Plaza, I.I Chundrigar Road, Karachi.
- 1.3** The Fund is a open end mutual fund and is listed on Pakistan Stock Exchange. 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 at the option of unit Holder.
- 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 strenghts in several of the rating factors.

Moreover, PACRA has maintained the stability rating of A+ (f) (2023: A+(f)) to 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;

- 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 and 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 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 and the NBFC Regulations 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 Functional And Presentation Currency**

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

**2.4 CRITICAL ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT**

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); and
- (c) Provision (Notes 4.4);

### **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 Period  
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**

The Fund 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 financial assets:

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

###### **Financial assets at amortised 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 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.

The amortised 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 amortisation 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 amortised 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.

FVOCI financial assets are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised 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 recognised 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 recognised immediately in profit or loss.

###### **4.2.3 Subsequent measurement of financial assets**

###### **Financial assets at amortised cost**

Financial assets at amortised cost are subsequently measured at amortised cost. Amortised 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 recognised 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.

### **Business model assessment**

The business model is determined under IFRS 9 at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. It is not an instrument-by-instrument analysis; rather it can be performed at a higher level aggregation. It is typically observable through the activities that the entity undertakes to achieve the objective of the business model; all relevant evidence that is available at the date of the assessment (including history of sales of the financial assets) are considered. Following three business models are defined under the IFRS 9

- 1) Hold to collect business model
- 2) Hold to collect and sell business model
- 3) FVTPL business model

Considering above, the Fund classifies its investments based on the Fund's hold to sell business model. The evaluation of the performance of the Fund has been performed on fair value basis for the entire portfolio, as reporting to the key management personnel and to the investors in the form of net asset value (NAV). The investment portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Consequently, all the investments are measured at fair value through profit or loss. For other financial assets which are held for collection continue to be measured at amortised cost.

#### **4.2.4 Financial liabilities**

The Fund classifies its financial liabilities in the following categories:

- At amortized cost ("AC"), or
- Fair value through profit or loss ("FVTPL").

Financial liabilities are measured at amortised cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Fund has opted to measure them at FVTPL.

With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires as follows:

- The amount of change in the fair value of a financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch in income statement.
- Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to income statement.

#### **4.2.5 Impairment of financial assets**

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 recognised 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 Derecognition**

Financial assets are derecognised 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 derecognised when the obligation specified in the contract is discharged, cancelled or expired.

#### **4.2.7 Fair value measurement principles and provision**

The fair value of financial instruments is determined as follows:

##### **Basis of valuation of government securities**

The government securities not listed on a 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 securities.

#### **4.2.8 Regular way contracts**

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

#### **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 Derivatives**

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

#### **4.4 Provisions**

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

#### **4.5 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 that 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 in the notes to the financial statements.

#### **4.6 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 period, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders (excluding distribution made by issuance of bonus units).

The Fund is also exempt from the provisions of Section 113 (minimum tax) and section 113C (Alternative Corporate 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, 2022 is also not applicable on funds (Section 4C of the Income Tax Ordinance, 2001).

The Fund has not recognised any amount in respect of deferred tax in these financial statements as the Fund intends to continue availing the tax exemption in future years by distributing in cash at least ninety percent of its accounting income for the period as reduced by capital gains, whether realised or unrealised, to its unit holders.

#### **4.7 Distributions**

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

#### **4.8 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 Fund receives redemption applications during the business hours of that day. The redemption price represents the net asset value per unit as at the close of the business day less any back-end load and an amount that the Management Company may consider to be an appropriate provision of duties and charges. Redemption of units is recorded on acceptance of application for redemption.

#### **4.9 Element of income / (loss) included in prices of units issued less those in units redeemed**

Element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. 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 the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

#### **4.10 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.

#### **4.11 Revenue recognition**

- Gains / (losses) arising on sale of investments are included in the income statement on the date at which the sale
- Unrealised 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 period in which they arise.
- Mark-up / return on investments in government securities is recognised using effective yield method.
- Income on bank balances and placements is recognised on time proportionate basis.

#### **4.12 Preliminary expenses and floatation costs**

Preliminary expenses and floatation costs represents expenditure incurred prior to the commencement of operations of the Fund and include underwriting commission, commission to the bankers to the issue, brokerage paid to the members of the stock exchange and other expenses. These cost are amortised over a period of five years starting from the end of initial offering period as per the requirements set out in the Trust Deed of the Fund and NBFC Regulations.



#### 4.13 Expenses

All expenses including Management fee, Trustee fee and SECP fee are recognised in the income statement on accrual basis.

#### 4.14 Unit holders' fund

Unit holders' fund representing the units issued by the Fund, is carried at the redemption amount representing the investors' right to a residual interest in the Fund's assets.

		June 30, 2024	June 30, 2023
	Note	(Rupees in '000)	
<b>5 BANK BALANCES</b>			
Profit and loss sharing accounts	5.1	<u>757,741</u>	<u>492,714</u>
5.1	These accounts carry profit at the rates ranging from 20% to 24 % (2023:15.84% to 23.27%) per annum.		
		June 30, 2024	June 30, 2023
		(Rupees in '000)	
<b>5.2 CASH AND CASH EQUIVALENTS</b>		757,741	492,714
Bank Balances		-	18,000
Investments		<u>757,741</u>	<u>510,714</u>
5.2.1	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: 18,000)		
		June 30, 2024	June 30, 2023
		(Rupees in '000)	
<b>6 INVESTMENTS</b>	Note		
<b>Investments by Category</b>			
<b>At fair value through profit or loss</b>			
- Pakistan Investment Bonds	6.1	47,383	-
- Term Finance Certificate - listed	6.2	14,860	14,695
- Short Term Sukuk	6.3	95,000	118,493
<b>At amortised cost</b>			
- Certificate of Musharika		<u>157,243</u>	<u>181,188</u>

## 6.1

## Government Securities - Pakistan Investment Bonds at fair value through profit or loss

Tenor	Face Value					As at June 30, 2024				Market value of investments as a percentage of	
	As at July 01, 2023	Purchased during the year	Sales/Matured during the year	As at June 30, 2024	Carrying Value	Market value	Unrealized gain / (loss) on revaluation	Total investments	Net assets		
										%	
- 5 years	-	100,000	(50,000)	50,000	47,703	47,383	(320)	30.13%	5.11%		
Total	-	100,000	(50,000)	50,000	47,703	47,383	(320)	30.13%	5.11%		
June 30, 2023											

## 6.2

## Term Finance Certificates - listed at fair value through profit or loss

Term Finance Certificates - listed at fair value through profit or loss												
As at June 30, 2024												
Name of Investee Company	Note	As at July 01, 2023	Purchased during the year	Sales/Matured during the year	As at June 30, 2024	Carrying Value	Market value	Unrealized gain / (loss) on revaluation	Total investments	Net assets	Market value of investments as a percentage of	
											As at June 30, 2024	
											Rupees in '000	
											Number of certificates	
											%	
						14,686	14,860	174	9%	2%		
					150	14,886	14,860	174	9%	2%		
						14,718	14,695	(23)	10%	2%		
Soneri Bank Limited (Tier-II)												
Total												
June 30, 2023												

Significant Terms and Conditions of term finance certificate outstanding at the year end are as follows:

## 6.2.1

Name of Security	Number of certificates	Face value per certificate	Mark-up rate per annum	Maturity date	Secured/ Unsecured	Rating
Soneri Bank Limited (Tier-II)	150	99,069	6 months KIBOR + 1.70%	26-Dec-32	Unsecured	A+

6.3

## Listed sukuk certificates - at fair value through profit or loss

Name of Investee Company	Note	As at July 01, 2023	Purchased during the period	Disposed during the period	As at June 30, 2024	As at June 30, 2024			Market value of investments as a percentage of
						Carrying Value	Market value	Unrealized (loss) / gain on revaluation	
Face value of Rs 10,000 each									
ASPIN Pharma (Private) Limited	6.3.1	1,347	-	(1,347)	-	-	-	-	0.00%
<b>Total</b>									
June 30, 2023						13,749	13,493	(256)	0.00%
									8.92%
									1.96%

6.4

## Short Term Sukuk Certificates (privately placed) - unlisted at fair value through profit or loss

Name of Investee Company	Note	As at July 01, 2023	Purchased during the year	Sales/Matured during the year	As at June 30, 2024	As at June 30, 2024:				Market value of investments as a percentage of
						Carrying Value	Market value	Unrealized (loss) / gain on revaluation	Total investments	
(Rupees in '000)										
(Number of certificates)										
- Sukuk certificate (privately placed)										
K-Electric Limited (STS-17)		100	-	(100)	-	-	-	-	-	-
The Hub Power Company Limited		450	-	(450)	-	-	-	-	-	-
Lucky Electric Power Company Limited		500	-	(500)	-	-	-	-	-	-
K-Electric Limited (STS-19)		-	68	(68)	-	-	-	-	-	-
ismail Industries Limited	6.4.1	-	950	-	950	95,000	95,000	-	62.84%	10.00%
Total		1,050	1,018	(1,118)	950	95,000	95,000	-	62.84%	10%
June 30, 2023		-	1,500	450	1,050	105,000	105,000	-	69.45%	15.29%

6.4.1

Significant Terms and Conditions of sukuk certificates (Privately placed) outstanding at the year end are as follows:

Name of Security	Number of certificates	Face value per certificate	Mark-up rate per annum	Maturity date	Rating	As at June 30, 2024				Market value of	
						Secured/ Unsecured	Carrying Value	Unrealized	Total	Net	
(Rupees in '000)											
ismail Industries Limited	950	100,000	1 months KIBOR + 0.15%	10-Dec-24	A1	Secured					
Certificate of Musharaka											
Name of Investee	Maturity date	Profit rate	As at July 01,	Placed during	Matured during						
						(Rupees in '000)					
OLP Modaraba (AA, PACRA)	02-Aug-2023	22.90%		-	18,000	-	-	-	-	-	-
June 30, 2023				-	18,000	-	-	-	-	-	-
				113,000	(95,000)	18,000	-	-	11.91%	2.62%	

6.5

6.6

As per the offering document of the fund Minimum exposure in Financial Sector will be 70% of net assets based on rolling average of last 90 days calculated on daily basis. However from the period June 09, 2024 to June 30, 2024, it fell slightly below the minimum threshold (66.50%). Subsequent to the period end the fund made compliance with the requirements of the offering document.

		June 30, 2024	June 30, 2023
	Note	----(Rupees in '000)----	
7	<b>DEFERRED FORMATION COST</b>		
	Formation cost incurred	984	984
	Less: Accumulated amortization of formation cost	(303)	(104)
	Unamortized formation cost at the end of the period	681	880
7.1	As per the offering document, all preliminary and floatation expenses of the Fund including expenses incurred in connection with the establishment and authorization of the Fund, including execution and registration of the Constitutive Documents, issue, legal costs, printing, circulation and publication of the Offering Document, and all expenses incurred for announcing the Fund and other expenses during and up to the initial Offering Period ("IPO") subject to a maximum of one and a half per cent (1.5%) of the net assets at the close of IPO, shall be borne and reimbursed by the Fund to the Management Company subject to the audit of expenses. Such Formation Cost shall be amortized over a period of not less than five years.		
		June 30, 2024	June 30, 2023
	Note	----(Rupees in '000)----	
8	<b>PROFIT RECEIVABLE</b>	10,720	8,991
	- Bank balances	1,242	4,271
	- Term finance certificates / sukuk	3,150	-
	- Government securities	-	652
	- Certificate of Musharaka	15,112	13,914
		June 30, 2024	June 30, 2023
		----(Rupees in '000)----	
9	<b>ADVANCES, DEPOSITS AND PREPAYMENTS</b>	3,269	3,160
	Advance Income tax	1,500	-
	NCCPL Security Deposit	100	90
	Prepaid mutual fund rating fee	4,869	3,250
		June 30, 2024	June 30, 2023
	Note	----(Rupees in '000)----	
10	<b>PAYABLE TO AWT INVESTMENTS LIMITED - MANAGEMENT COMPANY</b>	1,160	405
	Management remuneration	151	53
	Sindh Sales Tax on Management's remuneration	-	984
	Formation cost	1,311	1,442
10.1	Management Company has charged remuneration at rates ranging from 0.75% to 1.50% per annum based on the daily net assets of the Fund for the year ended June 30, 2024.		
		Applicable rate as % of the average daily Net Assets	
	From July 01, 2023 upto August 06, 2023	0.75%	
	From August 06, 2023 upto October 05, 2023	1.00%	
	From October 05, 2023 upto October 12, 2023	1.10%	
	From October 13, 2023 upto October 31, 2023	1.25%	
	From November 01, 2023 upto June 30, 2024	1.50%	
10.2	Details of the movement in balance payable to the Management Company during the year is as follows:		
		June 30, 2024	June 30, 2023
		----(Rupees in '000)----	
	Balance as of July 01,	405	-
	Remuneration for the year	12,727	1,796
	Paid during the year	(11,972)	(1,391)
	Balance as of June 30,	1,160	405
10.3	This represents amount payable in respect of Sindh Sales Tax at the rate of 13% ( June 30, 2023: 13%) on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.		
10.4	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.		



**11 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE**

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

Remuneration of the Trustee	11.1	58	199
Sindh Sales Tax on remuneration of the Trustee	11.3	7	26
		<u>65</u>	<u>225</u>

**11.1 Movement in the balance payable to the trustee is as follows:**

Balance as at July 01,	199	-
Remuneration for the year	705	199
Paid during the year	(846)	-
Balance as at June 30,	<u>58</u>	<u>199</u>

**11.2** The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. The remuneration is payable to the Trustee monthly in arrears at the rate of 0.075% per annum of the net assets of the fund.

**11.3** The Sindh Provincial Government levied Sindh Sales Tax on the remuneration of the Trustee through Sindh Sales Tax on Services Act, 2011 effective from July 1, 2015. During the year, Sindh Sales Tax at the rate of 13% (June 30, 2023: 13%) was charged on trustee remuneration.

**12 PAYABLE TO SECURITIES AND 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.

**13 ACCRUED EXPENSES AND OTHER LIABILITIES**

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

Auditors' remuneration	371	290
Withholding tax payable	4,532	3,879
Brokerage	62	5
Annual listing fee	62	27
Others	4	-
	<u>5,031</u>	<u>4,201</u>

**14. CONTINGENCIES AND COMMITMENTS**

**14.1** There is no contingencies and commitments as of June 30, 2024.

**15. NUMBER OF UNITS IN ISSUE**

Total units in issue at beginning of the period  
 Issued during the year  
 Redemptions during the year  
 As at June 30,

June 30, 2024 For the period from  
 December 19, 2022  
 to June 30, 2023

- Number of units -

6,849,630	-
10,359,694	19,022,812
(7,959,953)	(12,173,182)
<u>9,249,371</u>	<u>6,849,630</u>

June 30, 2024 For the period from  
 December 19, 2022  
 to June 30, 2023

**16. AUDITORS' REMUNERATION**

Annual audit fee  
 Half yearly review fee

----(Rupees in '000)----

270	200
90	90
<u>360</u>	<u>290</u>
54	-
<u>414</u>	<u>290</u>

Out of pocket expenses and others including Government levy

**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 1.84% which includes 0.19% 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 (EPU) :**

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

**20 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)----	
<b>Financial assets</b>		
<b>At fair value through profit or loss</b>		
Investments	157,243	133,188
<b>At amortised cost</b>		
Investments	-	18,000
Bank balances	757,741	492,714
Profit Receivable	15,112	13,914
Receivable against sale of units	-	30,800
Advances, deposits and prepayments	1,600	90
	<u>774,453</u>	<u>555,518</u>
	<u>931,696</u>	<u>688,706</u>
<b>Total Financial Assets</b>		
<b>Financial liabilities</b>		
<b>At amortised cost</b>		
Payable to AWT Investments Limited - Management Company	1,311	1,442
Payable to the Central Depository Company of Pakistan Limited - "	65	225
Accrued expenses and other liabilities	499	321
Payable against redemption/conversion of units	1,280	-
	<u>3,155</u>	<u>1,988</u>
<b>Total Financial Liabilities</b>		
	<u>927,901</u>	<u>686,825</u>
<b>Net assets attributable to unit holders</b>		

**21 FINANCIAL RISK MANAGEMENT**

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

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 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.

The Fund has exposure to following risks from financial instruments:

- credit risk (refer note 21.1)
- liquidity risk (refer note 21.2)
- market risk (refer note 21.3)

**21.1 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.

**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:

	June 30, 2024		June 30, 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) -----		----- (Rupees in '000) -----	
Bank Balances including accrued profit	768,461	768,461	501,705	501,705
Investments (including profit due)	161,635	111,102	156,111	156,111
Receivable against sale of units	-	-	30,800	30,800
Advances, deposits and prepayments	1,600	1,600	90	90
	<u>931,696</u>	<u>881,163</u>	<u>688,706</u>	<u>688,706</u>

21.1.1 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. 50.53 million (2023: Rs. NIL).

#### Credit ratings

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

	June 30, 2024		June 30, 2023	
	Rupees in ('000)	%	Rupees in ('000)	%
AAA	8,221	1.07%	1,798	0.36%
AA+	2,276	0.30%	11,984	2.39%
AA	-	0.00%	100	0.02%
AA-	-	0.00%	26	0.01%
A+	757,741	98.60%	487,512	97.17%
A-	-	0.00%	-	0.00%
A	-	0.00%	-	0.00%
A-2	-	0.00%	285	0.06%
B	223	0.03%	-	0%
Total balance including profit due	<u>768,461</u>	<u>100%</u>	<u>501,705</u>	<u>100%</u>

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

#### 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:

	June 30, 2024		June 30, 2023	
	%	Rupees in ('000)	%	Rupees in ('000)
Commercial banks (including profit due and Term Finance Certificates)	3.04%	26,829	4.87%	33,523
Microfinance Bank (including profit due)	85.99%	757,734	70.83%	487,797
Pharmaceutical	0.00%	-	1.96%	13,496
Food & Personal Care Product	10.78%	95,000	15.25%	105,000
Technology & Communication	0.00%	-	2.61%	18,000
Advances, deposits and prepayments	0.18%	1,600	0.01%	90
Receivable against sale of units	0.00%	-	4.47%	30,800
	<u>100%</u>	<u>881,163</u>	<u>100%</u>	<u>688,706</u>

### 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.

## 21.2 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.

#### June 30, 2024

##### Financial liabilities

Payable to AWT Investments Limited - Management Company  
Payable to the Central Depository Company of Pakistan Limited  
Accrued expenses and other liabilities\*  
Payable against redemption/conversion of units

Contractual cash flows	
Carrying Amount	Less than 3 Months
----- (Rupees in '000) -----	
1,311	1,311
65	65
499	499
1,280	1,280
3,155	3,155
927,901	927,901

##### Net assets attributable to unit holders

\* excluding withholding tax payable and capital gain tax payable.

#### June 30, 2023

##### Financial liabilities

Payable to AWT Investments Limited - Management Company  
Payable to the Central Depository Company of Pakistan Limited  
Accrued expenses and other liabilities\*

Contractual cash flows	
Carrying Amount	Less than 3 Months
----- (Rupees in '000) -----	
1,442	1,442
225	225
322	322
1,989	1,989
686,825	686,825

##### Net assets attributable to unit holders

\* excluding withholding tax payable and capital gain tax payable.



### 21.3 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.

#### 21.3.1 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:

	2024	2023
	(Rupees in '000)	
Variable rate instruments		
Financial assets (bank balances)	757,741	492,714
Financial assets (Sukuk certificates and term finance certificates)	109,860	133,188
Financial assets (Pakistan Investment Bond- Floating rate)	47,383	-
	<u>914,984</u>	<u>625,902</u>
Fixed rate instrument		
Financial assets (Term deposit receipts, Pakistan Investment Bonds, Commercial paper and Market Treasury Bills)	-	18,000

#### 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. 2.09 million (2023: 0.40 million). The analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

#### Fair value sensitivity analysis for fixed rate instruments

The Fund does not account for term deposit receipts and commercial paper (fixed rate financial asset) at fair value through profit and loss. Therefore, a change in interest rates at the reporting date would not affect income statement of the fund.

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

### 21.3.2 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 sukuk certificates and Pakistan investment Bond of Rs. 95 million and Face Value of 50 Million respectively at the year end would have increased or decreased the income by Rs. 7.12 million. (2023:0.675 Million)

## 22 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.

## 23 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.

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

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

IFRS 13, 'Fair Value 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		Total	Fair value			
		Fair value through profit or loss	Loans and receivable		Other financial liabilities	Level 1	Level 2	Level 3
(Rupees in '000)								
<b>June 30, 2024</b>								
<b>Financial assets measured at fair value</b>								
Investments		157,243	-	157,243	-	157,243	-	157,243
<b>Financial assets not measured at fair value</b>								
Bank balances	23.1	-	757,741	-	757,741	-	-	-
Profit receivable		-	15,112	-	15,112	-	-	-
Advances, deposits and prepayments		-	1,600	-	1,600	-	-	-
		-	774,453	-	774,453	-	-	-
<b>Financial liabilities not measured at fair value</b>	23.1							
Payable to AWT Investments Limited - Management Company		-	-	1,311	1,311	-	-	-
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	65	65	-	-	-
Accrued expenses and other liabilities		-	-	499	499	-	-	-
Payable against redemption/conversion of units		-	-	1,280	1,280	-	-	-
		-	-	3,155	3,155	-	-	-
<b>Net assets attributable to unit holders</b>		-	-	927,901	927,901	-	-	-

On-balance sheet financial instruments	Note	Carrying amount		Total	Fair value			
		Fair value through profit or loss	Loans and receivable		Other financial liabilities	Level 1	Level 2	Level 3
(Rupees in '000)								
June 30, 2023								
Financial assets measured at fair value								
Investments		151,188	-	151,188		151,188		151,188
Financial assets not measured at fair value	23.1							
Bank balances		-	492,714	-	492,714	-	-	-
Profit receivable		-	13,914	-	13,914	-	-	-
Advances, deposits and prepayments		-	90	-	90	-	-	-
Receivable against sale of units		-	30,800	-	30,800	-	-	-
		-	537,518	-	537,518	-	-	-
Financial liabilities not measured at fair value	23.1							
Payable to AWT Investments Limited - Management Company		-	-	1,442	1,442	-	-	-
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	225	225	-	-	-
Accrued expenses and other liabilities		-	-	322	322	-	-	-
		-	-	1,989	1,989	-	-	-
		-	-	686,825	686,825	-	-	-
Net assets attributable to unit holders		-	-	-	-	-	-	-

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

## 24 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:

### 24.1 Unit holding pattern of the Fund

2024				
Category	Number of Unit Holders	Number of units held	Investment Amount (Rupees in '000)	Percentage of investment (%)
Individuals	118	7,726,015	775,077	83.53
Associates	2	380,293	38,151	4.11
Corporates	6	1,143,063	114,673	12.36
	<u>126</u>	<u>9,249,371</u>	<u>927,901</u>	<u>100</u>
2023				
Category	Number of Unit Holders	Number of units held	Investment Amount (Rupees in '000)	Percentage of investment (%)
Individuals	212	6,531,501	654,926	95.36
Associates	2	318,128	31,899	0.046
	<u>214</u>	<u>6,849,629</u>	<u>686,825</u>	<u>100</u>

### 24.2 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 (%)
C&M	1.60
DD	0.65
IOML	5.70
JS GLOBAL CAPITAL LIMITED	0.45
OMPL	13.14
PARAMOUNT SECURITIES	63.34
PEARL SECURITIES LIMITED	13.47
SUMMIT CAPITAL	1.66
	<u>100.00</u>

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

Name of broker	Percentage of commission/ Brokerage (%)
NEXT CAPITAL LIMITED	<u>100%</u>

### 24.3 BRIEF PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER

S. No.	Name	Designation	Experience	Qualification
1	Mr. Sajjad Anwar	Chief Executive Officer	23	CFA / MBA
2	Mr. Wahaj Ahmed	Head of Fixed Income/Fund Manager (24.3.1)	12	CFA (Level 1) /MBA
3	Mr. Salman Sharif Hashmi	Chief Financial Officer	22	ACMA/ Masters in Economics and Finance
4	Mr. Farrukh Yasin	Head of risk and Compliance	11	CFA, ACCA

24.3.1 Mr. Wahaj Ahmed is the Fund manager of the this Fund. He is also managing following funds:

- 1 AWT Islamic Income Fund
- 2 AWT Income Fund
- 3 AWT Money Market Fund.

## 25 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:

Details of transaction/sbalances with related parties / connected persons as at Year end		Note	June 30,2024	June 30,2023
			------(Rupees in '000)-----	
<b>AWT Investments Limited - Management Company</b>				
Remuneration payable to the Management Company	10		<u>1,311</u>	<u>458</u>
Formation Cost	10		<u>-</u>	<u>984</u>
<b>Arskari General Insurance Company Ltd Employees PF</b>				
Units held - 46,919 units (2023: 37,958 Units)			<u>4,707</u>	<u>3,806</u>
<b>Arskari General Insurance Company Ltd Employees GF</b>				
Units held - 333,374 units (2023: 269,699 units)			<u>33,444</u>	<u>27,043</u>
<b>Central Depository Company of Pakistan Limited - Trustee</b>				
Remuneration payable to the Trustee, including sales tax			<u>65</u>	<u>225</u>
<b>Key Management Personnel of the Management Company</b>				
Mian Muhammad Sadat Saeed (Head of Risk):	25.3		<u>-</u>	<u>1,050</u>
Units Held (Nil units) (2023: 10,471 units)				
	Note		June 30,2024	For the period from December 19, 2022 to June 30, 2023

	Note	For the period from December 19, 2022 to June 30, 2023
		June 30, 2024
Details of transactions with related parties / connected persons during the year		----- (Rupees in '000) -----

For the period  
from December  
19, 2022  
to  
June 30, 2023

**June 30, 2024**

**AWT Income Fund**

----- (Rupees in '000) -----

Sale of Lucky Electric Power Company Limited-STS 9  
Sale of Hub Power Company Limited- STS 1

50,000	-
<u>45,000</u>	<u>-</u>

**AWT Money Market Fund**

Sale of Pakistan Investment Bond- 3Y (Face Value)

150,000	-
---------	---

**Arskari General Insurance Company Ltd Employees GF**

Issuance of Nil Units (2023: 1,112,732 units)  
Redemption of Nil Units (2023: 843,032 units)  
Dividend Reinvested

-	112,879
-	88,876
<u>6,385</u>	<u>-</u>

**AWT Investments Limited Employees PF**

Issuance of Nil Units (2023: 96,117 units)  
Refund of capital Nil units (2023: 1,308 units)  
Redemption of Nil units (2023: 97,426 units)

-	9,743
-	131
-	10,001

**Arskari General Insurance Company Ltd Employees PF**

Issuance of Nil units (2023: 144,654 units)  
Redemption of Nil Units (2023: 106,697 units)  
Dividend Reinvested

-	14,710
-	11,261
<u>899</u>	<u>-</u>

**Key Management Personnel of the Management Company**

Issuance of Nil Units (2023: 9,847 units)  
Refund of capital Nil (2023: 153 units)  
Dividend Reinvest Nil units (2023: 471 units)

-	1,000
-	47
-	15

- 25.1** 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.
- 25.2** 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.
- 25.3** This represent key management personnel holding units of the fund as at June 30, 2024.
- 25.4** 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)



## 26 ATTENDANCE AT THE MEETINGS OF THE BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

During the period, four meetings of the Board of Directors of the Management Company were held. The details of the attendance are as under:

For the year ended June 30, 2024

Name of directors	Number of Meetings Attended	Dates of the meetings			
		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
<b>Members attended</b>		<b>6</b>	<b>6</b>	<b>5</b>	<b>6</b>

\* Lt. Gen Naveed Mukhtar resigned w.e.f. 20 Feb 2024 from the Board

\*\* AVM Athar Shams resigned w.e.f. 04 March 2024 from the Board

\*\*\* Lt. Gen Nauman Mahmood was appointed as Director w.e.f. 21 Feb 2024

\*\*\*\*Maj Gen Kamran Ali was appointed as Director w.e.f. 04 March 2024

For the year ended June 30, 2023

Name of directors	Number of Meetings Attended	Dates of the meetings			
		September 21, 2022	October 31, 2022	December 29, 2022	April 18, 2023
Lt. Naveed Mukhtar (Retd.)	4	1	1	1	1
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
<b>Members attended</b>		<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>

The Board of Directors of the Management Company has overall responsibility for the establishment and oversight of the Fund's risk management framework. The Board is also responsible for developing and monitoring the Fund's risk management policies.

## 27 GENERAL

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.

Corresponding figures have been rearranged or reclassified, wherever necessary, for the purpose of better presentation the effect of which is not material. No significant significant rearrangements or reclassifications were made in these financial information during the period.

## 28 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue by Board of Directors of the Management Company on

26 SEP 2024

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

Chief Financial Officer

Chief Executive Officer

Director