

HBL

ASSET MANAGEMENT

ايسیٹ منجمنٹ

PICIC Cash Fund

Annual Report 2016

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SCHEME'S INFORMATION:

Management Company*

PICIC Asset Management Company Limited
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*SECP has approved the merger of the Management Company with and into HBL Asset Management Limited effective from August 31, 2016. For further information please refer note 1 to the financial statements.

Board of Directors of the Management Company

(As of August 26, 2016)

Mr. Tawfiq H. Chinoy	Chairman
Mr. Nadeem Abdullah	Director
Ms. Ava Ardeshir Cowasje	Director
Ms. Sima Kamil	Director
Mr. Rizwan Haider	Director
Mr. Salahuddin Manzoor	Director
Mr. Rehan N. Shaikh	Chief Executive

Chief Financial Officer & Company Secretary of the Management Company

Mr. Imad Zahid Nagi

Audit Committee of the Board of the Management Company

(As of August 26, 2016)

Mr. Nadeem Abdullah	Chairman
Ms. Ava Ardeshir Cowasje	Member
Mr. Rizwan Haider	Member

Risk and Investment Committee of the Board of the Management Company

Mr. Rizwan Haider	Chairman
Mr. Salahuddin Manzoor	Member
Mr. Rehan N. Shaikh	Member

Human Resource Committee of the Board of the Management Company

Mr. Tawfiq H. Chinoy	Chairman
Ms. Sima Kamil	Member
Mr. Rehan N. Shaikh	Member

Trustee

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block "B" SMCHS
Main Shahra-e-Faisal, Karachi-74400

Bankers

Allied Bank Limited
Bank Al-Falah Limited
Bank Al-Habib Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
NIB Bank Limited
United Bank Limited

Auditors

BDO Ebrahim & Co.
Chartered Accountants

Legal Adviser

Bawaney & Partners

Registrar and Share Transfer Office

THK Associates (Pvt) Limited
2nd Floor, State Life Building No. 3, Dr. Ziauddin Ahmed Road, Karachi-75530
UAN: +92 21 111-000-322 Fax: +92 21 3565 5595

VISION / MISSION / VALUES

OUR VISION

Enabling people to advance with confidence and success.

OUR MISSION

To make our Investor(s) prosper, our staff excel and create value for our stakeholders.

OUR VALUES

Our values are based upon the fundamental principles that define our culture and are brought to life in our attitude and behavior. It is our values that make us unique and stem from five basic principles

- **Excellence**

The markets in which we operate are becoming increasingly competitive and our investors now have an abundance of choice. Only through being the very best - in terms of the service we offer, our product and premises - can we hope to be successful and grow.

- **Integrity**

We are an Asset Management Company in Pakistan and our success depends upon the performance of the Fund(s) which are under management and our investors and society in general expects us to possess an steadfastly adhere to high moral principle and professional standards.

- **Customer Focus**

We need to understand fully the need of our investors and to adopt our product and services to meet these. We must strive always to put the satisfaction of our investors first.

- **Meritocracy**

We believe in giving opportunities and advantage to our employees on the basis of their ability. We believe in rewarding achievement and in providing first class career opportunities for all.

- **Progressiveness**

We believe in the advancement of society through the adoption of enlightened working practice, innovative new products and processes and a sprit of enterprise.

DIRECTORS' REPORT

REPORT OF THE DIRECTORS' OF THE MANAGEMENT COMPANY

FOR THE YEAR ENDED JUNE 30, 2016

INTRODUCTION

The Board of Directors of PICIC Asset Management Company Limited, the Management Company of PICIC Cash Fund (PICIC-CF or Fund) is pleased to submit herewith its Report together with the Financial Statements for the year ended June 30, 2016.

FUND OBJECTIVE

The investment objective of the Fund is to provide competitive return to its investors through active investments in low risk portfolio of short duration, while maintaining high liquidity. The Fund aims to maximize returns through efficient utilization of investment and liquidity management tools.

FUND PROFILE

The Fund is a money market fund which will invest in government securities, treasury bills, cash and near cash instruments, money market placements, deposits, certificate of deposits, certificate of musharakas, commercial papers, reverse repos; time to maturity of any asset shall not exceed six months and weighted average time to maturity of net assets shall not exceed 90 days and any other product or avenue of investment approved by the commission from time to time and as per the Rules and the Regulations.

CHANGE IN THE OWNERSHIP STRUCTURE OF THE MANAGEMENT COMPANY

During the year HBL Asset Management Limited acquired 100% equity stake in the Management Company from NIB Bank Limited. HBL Asset Management Limited is a wholly owned subsidiary of Habib Bank Limited. The Aga Khan Fund for Economic Development (AKFED), S.A. is the parent company of the Habib Bank Limited.

MONEY MARKET REVIEW

During FY16, headline inflation remained in single digit, averaging 3.19% Y/Y versus 3.16% Y/Y average growth in CPI recorded in FY15. A soft CPI print and an improved outlook on the external account forced SBP to revise its outlook on inflation from the initial target of 6% for FY16.

The market remained liquid during the period under review as overnight rates averaged at 6.28% during FY16. In the backdrop of a positive outlook on macros due to expected foreign inflows in the form of project loans, privatization of Public sector entities and proceeds from Etisal at would result in surplus balance of payment. The SBP and other multilateral agencies have forecasted inflation in the range of 4.5% to 5.5% for FY17. In view of stable interest rate in near term the market participants took exposure in longer duration Government Securities which provided a relatively better return over the discount rate.

The SBP held twenty six Treasury bill auctions during FY16. The cumulative participation was witnessed at PKR~8,460bn against the pre-announced auction target of PKR 5,100bn while the SBP accepted an amount of PKR~4,643bn during the review period. That being said, participation in 12 months tenor represented 41% of the total accepted amount while the 6m and 3mpaper were 32% and 27% of the total accepted amount.

The SBP revised the coupon rates on the new issue of Pakistan Investment Bond (PIB) 3yr, 5yr and 10yr in April'16 to 7%, 7.75% and 8.75% respectively and conducted twelve auctions during the period under review. The total accepted amount was PKR~931bn against a cumulative target of PKR725bn. Majority of the participation in this time frame witnessed in the 3 year tenor and the same accounted for ~51.3% of the total PIBs take-up, while no amount was accepted in 20yr tenor.

The SBP conducted three GOP Ijarah Sukuk auctions during the period under review one was on the floating rate while the last two auctions were on fixed rate. The total accepted amount was PKR 314.33bn against a target of PKR 280bn and a total participation of PKR 717.3bn.

FUTURE OUTLOOK

Improving macro-economic indicators via lower CPI accompanied by reduction in NSS and bond yields indicate improved economic outlook. The decline in international oil prices, coupled with upcoming privatization transactions of PIAC and PSMC will support the external account. Going forward, domestic POL prices will move in tandem to the international prices which will keep the inflationary outlook benign and optimism on the external account can encourage the SBP to continue with the current Discount Rates. On the flip side, while macros are expected to improve going forward, in our view, challenges in the form of 1) Government borrowing from the SBP amid weakness in the balance of payments position (dependent on foreign inflows), 2) Improvement in energy supply, 3) Incentivizing people to be included in the tax net and 3) Delay in the finalization of privatization entities 4) Focus on reviving FDI and encouraging expats to send money through official channels, needs to be addressed to unlock growth in the economy.

FUND PERFORMANCE

During the year ended June 30, 2016, PICIC-CF has earned a net income of Rs 33 million (including income from government securities of Rs 146 million, income from money market placements of Rs 45 million, capital gain on sale of investments of 2 million, profit from bank deposits of Rs 27 million and element of loss of 157 million) as compared to Rs 30 million for the corresponding period. The net assets of the Fund stood at Rs. 2,104 million on June 30, 2016 as compared to Rs 3,249 million as on June 30, 2015.

INCOME DISTRIBUTION

The Board of Directors of PICIC Asset Management Company Limited (the Management Company) has declared a final cash dividend of 0.02% (i.e Re 0.02 per unit) of PICIC Cash Fund for the year ended June 30, 2016. This is in addition to the interim payout of 5.85% (i.e. Rs 5.85 per unit) declared on June 24, 2016.

MANAGEMENT COMPANY QUALITY RATING AND FUND PERFORMANCE RATING

JCR-VIS Credit Rating Company limited has assigned an AA (f) fund stability rating to the Fund.

PICIC Asset Management Company Limited, the Management Company has been assigned Management Quality rating of AM2 by JCR-VIS which denotes 'Very Good Management characteristics'.

CORPORATE GOVERNANCE

The Fund is listed on Pakistan Stock Exchange and the Management Company is committed to observing Code of Corporate Governance prescribed for listed companies. Further the Board of Directors' States that:

- a. The financial statements prepared by the Management Company of the Fund, present a fair state of affairs of the Fund, the result of its operations, cash flows and statement of movement in unit holders fund.
- b. Proper books of accounts of the fund have been maintained.
- c. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- d. Relevant International Financial reporting Standards, as applicable in Pakistan, the Non-Banking Finance Companies (Establishment & Regulation) Rules, 2003, the Non-Banking Finance Companies & Notified Entities Regulations, 2008, requirements of the Trust Deed and directives of Securities and Exchange Commission of Pakistan have been consistently followed in preparation of financial statements.
- e. The system of internal control is sound in design and has been effectively implemented and monitored.
- f. There are no significant doubts upon the Fund's ability to continue as a going concern.
- g. Key financial data of the Fund since inception is presented in the Performance Table which is the part of this Annual Report.
- h. Outstanding statutory payment on account of taxes, duties, levies and charges have been fully disclosed in the Financial Statements.
- i. The statement as to the value of investments of provident fund is not applicable in case of Fund as such expenses are borne by the Management Company.
- j. A statement showing the number of Board and Committees' meetings held during the year and attendance by each director has been annexed. (Annexure-A).
- k. During the year under review five Directors have completed the directors training program offered by Institute of Business Administration, Karachi (IBA).
- l. The detail as required by the Code of Corporate Governance regarding the pattern of unit-holding has been annexed. (Annexure-B).
- m. All trades during the year in the units of the Fund carried out by the Directors, Executives and their spouses and minor children have been annexed. (Annexure-C).

Note: The Board of Directors of the Management Company has designated all the Head of Departments of the Management Company as Executives.

AUDITORS

BDO Ebrahim & Co., Chartered Accountants auditors of PICIC Cash Fund is to retire after completion of the audit. Deloitte Yousuf Adil & Co. (Chartered Accountants) has offered themselves for appointment for the annual audit for the year ending June 30, 2017. The Audit Committee of the Management Company has recommended the appointment of Deloitte Yousuf Adil & Co. Chartered Accountants as the Fund's auditors for the year ending June 30, 2017.



ACKNOWLEDGEMENT

Finally, we avail this opportunity to thank all our valued unit holders and correspondents for their continuing patronage and support, the Ministry of Finance, Securities & Exchange Commission of Pakistan, State Bank of Pakistan, Central Depository Company of Pakistan Limited (Trustee), National Clearing Company of Pakistan Limited, other regulatory authorities, financial institutions and the auditors for their continued guidance and assistance. The Board also wishes to place on record its appreciation for the staff for their commitment and hard work and to the unit holders for the trust and confidence reposed in us.

For and on behalf of the Board

Karachi
August 26, 2016

Rehan N. Shaikh
Chief Executive Officer

30 جون 2016 کو ختم ہونے والے سال کے لیے مینجمنٹ کمپنی کے ڈائریکٹرز کی رپورٹ

تعارف

مینجمنٹ کمپنی آف پبلک کیش فنڈ (PICIC-CF or Fund) کے تحت پبلک ایسیٹ مینجمنٹ کمپنی لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے 30 جون 2016 کو ختم ہونے والے سال کی رپورٹ فنانشل اسٹیٹمنٹ کے ساتھ پیش خدمت ہے

فنڈ کے مقاصد

فنڈ میں سرمایہ کاری کا مقصد اپنے سرمایہ کاروں کو ایسی متحرک سرمایہ کاری کے ذریعے مسابقتی فوائد فراہم کرنا ہے جہاں مختصر مدت میں خدشات کو کم سے کم جبکہ اول درجے کی لیکویڈیٹی کو قائم رکھا جائے۔ فنڈ کا مقصد سرمایہ کے بہتر استعمال اور لیکویڈیٹی مینجمنٹ ٹولز (liquidity management tools) کے ذریعے زیادہ سے زیادہ منافع کا حصول ہے۔

فنڈ پروفائل

یہ فنڈ ایک (Money Market) فنڈ ہے جس کی سرمایہ کاری گورنمنٹ سیکوریٹیز، ٹریزری بلز، کیش اور کیش کے متوازی سودوں، کاروباری مارکیٹ میں لگانا، ڈپازٹس، سٹیفیکیشن آف ڈپازٹس، سٹیفیکیشن آف مشارکا، تجارتی دستاویزات، reverse repos؛ میں کی جائے گی۔ کسی بھی ایسیٹ کی تکمیل معیاد چھ ماہ سے زیادہ نہیں ہوگی اور خالص ایسیٹس کی اوسط مدت 90 دنوں سے زیادہ نہیں ہوگی اور کسی بھی دوسری پروڈکٹ یا سرمایہ کاری کی کوئی بھی راستہ ہو اس کی منظوری وقتاً فوقتاً کمیشن تو اند و ضوابط کے مطابق دے گا۔

مینجمنٹ کمپنی کے انتظامی ڈھانچے میں تبدیلی

رواں سال میں HBL ایسیٹ مینجمنٹ کمپنی لمیٹڈ نے NIB بینک لمیٹڈ کی مینجمنٹ کمپنی کے 100 فی صد حصص حاصل کئے ہیں۔ HBL ایسیٹ مینجمنٹ کمپنی لمیٹڈ حبیب بینک لمیٹڈ کی مکمل ذیلی ملکیتی کمپنی ہے۔ آغا خان فنڈ برائے اکنامک ڈیولپمنٹ (AKFED) S.A. حبیب بینک لمیٹڈ کی سرپرست کمپنی ہے۔

کاروباری مارکیٹ کا جائزہ

مالی سال 2015 میں CPI کے ریکارڈ کردہ 3.16 فیصد کی شرح کے مقابلے میں مالی سال 2016 کے دوران افراط زر کی شرح 3.19

فیصد سال بہ سال سنگل عدد میں تھی۔ بیرونی حسابات کے بارے میں CPI کا عمدہ سروے اور ایک بہتر آؤٹ لک نے اسٹیٹ بینک آف پاکستان کو اس بات پر مجبور کیا ہے کہ وہ مالی سال 2016 کے لیے زرمبادلہ کے مقرر کردہ ابتدائی ہدف جو کہ 6 فی صد مقرر کیا ہے اس شرح پر نظر ثانی کرے۔

مالی سال 2016 کے دوران مارکیٹ کی صورت حال تغیر پذیر رہی۔ روزانہ کے نرخوں کی شرح 6.28 فی صد رہی۔ اس کے پس منظر میں ایک مثبت علامت یہ نظر آتی ہے کہ بیرونی سرمایہ کاری کے رجحان میں تیزی نظر آئی۔ منصوبوں کے لیے قرضوں، نجی اداروں کی پرائیویٹائزیشن اور اتصال کی پیش رفت کے نتیجے میں ادائیگیاں سرپلس ہوئیں۔ اسٹیٹ بینک آف پاکستان اور دوسرے بہت سے ادارے مالی سال 2017 کے لیے زرمبادلہ کی شرح 4.5 فی صد سے 5.5 فی صد کی پیش گوئیاں کر چکے ہیں۔ مستحکم شرح سود کو دیکھتے ہوئے کاروباری شرکاء نے طویل مدت کے لیے دلچسپی ظاہر کی۔ (Government Securities) جو کہ ڈسکاؤنٹ ریٹ کے مقابلے میں مجموعی طور پر بہتر ریٹ فراہم کرتی ہیں۔ اسٹیٹ بینک آف پاکستان نے رواں مالی سال 2016 کے دوران 26 ٹریڈی بلوں کی نیلامی کی۔ پہلے سے اعلان کردہ نیلامی کے مقرر کردہ ہدف 5100 پاکستانی بلین روپے کے مقابلے میں مجموعی طور پر 8460 پاکستانی بلین روپے وصول ہوئے جبکہ اسٹیٹ بینک آف پاکستان نے نظر ثانی مدت کے دوران 4643 پاکستانی بلین روپے منظور کئے تھے۔ 12 ماہ کی مدت میں شرکار کی شراکت 41 فی صد رہی جبکہ 6m اور 3m پیپر زکل منظور شدہ رقم 32 کا فیصد اور 27 فی صد رہے۔

اسٹیٹ بینک آف پاکستان نے پاکستان انوسٹمنٹ بونڈ (PIB) کے نئے اجراء پر کوپن ریٹ پر نظر ثانی کرتے ہوئے 3 سال، 5 سال اور 10 سال کے لیے اس کی شرح بالترتیب 7 فی صد، 7.75 فی صد اور 8.75 فی صد مقرر کی ہے اور اس مدت کے دوران 10 نیلامیاں کی ہیں مجموعی ہدف 725 بلین پاکستانی روپے کے مقابلے میں وصول ہونے والی رقم 931 بلین پاکستانی روپے رہی۔ شرکاء کی اکثریت اس بات کی گواہ ہے 3 سالہ مدت کے دوران پاکستان انوسٹمنٹ بونڈ (PIB) کے کل حصص کی شرح 51.3 فی صد تھی جبکہ 20 سالہ مدت کے دوران کوئی رقم منظور نہیں کی گئی۔

اسٹیٹ بینک آف پاکستان نے اس مدت کے دوران زیر غور تین GOP اجراء سلک کی نیلامی کا انعقاد کیا جن میں ایک کاریٹ فلونگ جبکہ بقیہ دو نیلامیوں کاریٹ فلکسڈ رہا۔ مقرر کردہ 280 بلین پاکستانی روپے کے ہدف کے مقابلے میں کل قابل قبول رقم 314.33 بلین پاکستانی روپے تھی اور مجموعی طور پر 717.33 بلین پاکستانی روپے رہی

مستقبل کا منظر نامہ

NSS میں تخفیف اور معاشی منظر نامے میں منافع کی علامات کم CPI کے ذریعے مانکر واکناکس میں بہتری کی جانب اشارہ کرتی ہیں۔ عالمی مارکیٹ میں تیل کی گرتی ہوئی قیمتیں، دو بڑے اداروں پاکستان انٹرنیشنل ایرلائن کارپوریشن اور پاکستان اسٹیل مل کارپوریشن کی

مستقبل میں ہونے نچ کاری بھی بیرونی اکاؤنٹ کے لیے مددگار ثابت ہوگی۔ مستقبل قریب میں POL کی مقامی قیمتوں کو بین الاقوامی قیمتوں سے منسلک کیا جا رہا ہے جس کی وجہ سے افراط زر کی شرح مستحکم اور خارجی اکاؤنٹ پر اچھی توقعات کی جاسکیں جو اسٹیٹ بینک آف پاکستان کے لیے شرح سود کو مستحکم رکھنے کے لیے حوصلہ بخش صورت حال ہے۔

دوسری جانب macros میں بہتری اور آگے بڑھنے کی امید کے ساتھ مختلف چیلنجز درپیش ہیں جن میں (1) حکومت کا اسٹیٹ بینک آف پاکستان سے قرضوں کا حصول اور اس کی ادائیگی میں تاخیر (جس کا تمام تر انحصار غیر ملکی قرضوں کی وصولی پر ہے) 2 توانائی کی فراہمی میں بہتری 3 لوگوں کو ٹیکس نیٹ میں لانے کے لیے ترغیب دینا 4 اداروں کی نچ کاری کے فیصلوں میں تاخیر 5 FDI پر توجہ مرکوز کرنا اور سرکاری راستوں سے رقم بھیجنے کے عمل کی حوصلہ افزائی اس بات پر زور دیتی ہے ان معاملات کو زیر بحث لایا جائے اور معاشی ترقی کا راستہ ہموار کیا جائے۔

فنڈ کی کارکردگی

30 جون 2016 کو ختم ہونے والے سال کے دوران PICIC-CF نے 33 ملین پاکستانی روپے کا خالص منافع کمایا ہے (اس منافع میں گورنمنٹ سیکورٹیز سے حاصل ہونے والے 146 ملین روپے، کاروباری مارکیٹ میں رکھی گئی رقم سے حاصل شدہ 45 ملین روپے، انوسٹمنٹس کی فروخت پر کیپٹل گین کی مدد میں 2 ملین روپے، بینکوں میں رکھے گئے ڈپازٹ پر ملنے والا منافع 27 ملین اور 157 ملین element loss شامل ہے) 30 جون 2015 تک 3249 ملین کے مقابلے میں 30 جون 2016 تک فنڈ کے خالص اثاثے 2104 ملین کی سطح پر تھے۔

آمدنی کی تقسیم (انکم ڈسٹری بیوشن)

پبلک ایسیٹ مینجمنٹ کمپنی لمیٹڈ (دی مینجمنٹ کمپنی) کے بورڈ آف ڈائریکٹرز نے 30 جون 2016 کو ختم ہونے والے سال کے لیے پبلک کیش فنڈ کے 0.02 فی صد (Re 0.02 فی یونٹ) حتمی کیش منافع کا اعلان کیا ہے۔ یہ 24 جون 2016 کے اعلان کردہ ان ٹرم پے آؤٹ 5.58 فی صد (Re 5.85 فی یونٹ) کے علاوہ ہیں۔

مینجمنٹ کمپنی کوالٹی ریٹنگ اور فنڈ پرو فارمنس ریٹنگ

JCR -VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ نے فنڈ کے استحکام کی ریٹنگ پر فنڈ کو (AA-f) کا درجہ دیا ہے

پبلک ایسیٹ مینجمنٹ کمپنی لمیٹڈ (دی مینجمنٹ کمپنی) نے JCR -VIS کی ریٹنگ پر مینجمنٹ کوالٹی ریٹنگ AM2 مقرر کی ہے جو ' مینجمنٹ کے بہترین کردار کو ظاہر کرتی ہے

کارپوریٹ گورننس

فنڈ پاکستان اسٹاک ایکسچینج میں درج شدہ ہے اور مینجمنٹ کمپنی اس بات کی پابندی ہے کہ وہ لسٹڈ کمپنیوں کے لیے موجودہ **Code of Corporate Governance** کی پابندی کرے گی نیز بورڈ آف ڈائریکٹرز کی جانب سے درج ذیل نکات یہ ہیں:

☆ مینجمنٹ کمپنی نے مالیاتی گوشوارہ تیار کیا ہے جس میں فنڈ سے متعلق تمام معاملات، فنڈ کی سرگرمیاں اور نتائج، کیش فلوا اور پونٹ

ہولڈرز فنڈ کے (statement of movement) کو شفاف انداز سے پیش کیا ہے۔

☆ فنڈ کے حسابات باقاعدہ رجسٹرڈ میں مرتب کیے گئے ہیں۔

☆ فنانشل اسٹیٹمنٹ کی تیاری کے لیے مناسب اکاؤنٹنگ پالیسیوں کا اطلاق کیا گیا ہے اور حسابات کا تخمینہ درست اور دانشمندانہ فیصلوں کی بنیاد پر گیا۔

☆ مالیاتی گوشوارے کی تیاری میں متعلقہ انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز جن کا اطلاق پاکستان میں ہوتا ہو، نان بینکنگ فنانس کمپنیز (اسٹیبلشمنٹ اینڈ ریگولیشنز) رولز 2003، نان بینکنگ فنانس کمپنیز اینڈ نوٹیفائیڈ انٹیلیٹ ریگولیشنز 2008، ٹرسٹ ڈیڈ کے مطلوبہ تقاضے اور سیکورٹی اینڈ ایکسچینج کمیشن آف پاکستان کے ملنے والی ہدایات کو مسلسل پیش نظر رکھا گیا ہے۔

☆ انٹرنل کنٹرول کا نظام بہترین صورت میں ہے اور اسے موثر طریقے سے نافذ کرنے کے ساتھ اس کی جانچ پڑتال بھی کی جاتی ہے فنڈ کے جاری رہنے سے متعلق کس بھی قسم کا کوئی ابہام نہیں ہے۔

☆ فنڈ کے بنیادی مالیاتی گوشوارے کی جانچ پڑتال کے ساتھ اس کی کارکردگی پر بھی غور کیا گیا ہے جو اس سالانہ رپورٹ میں بھی شامل ہے

☆ اس مالیاتی گوشوارے میں تمام غیر معمولی ادائیگیوں، ٹیکسیز، ڈیوٹیز و اجبات اور اخراجات سے متعلق حسابات کو مالیاتی گوشوارے میں واضح طور پر ظاہر کیا گیا ہے

☆ مینجمنٹ کمپنی **Provident fund** فنڈ کے اخراجات برداشت کرتی ہے جس کی وجہ سے اس فنڈ کا اطلاق نہیں ہوگا۔

☆ اس گوشوارے میں رواں سال کے دوران ہونے والے بورڈ اور کمپنی کے اجلاسوں کی تعداد اور ان میں ہر ڈائریکٹر کی حاضری کی تفصیلات بیان کی گئی ہیں (ضمیمہ A)

☆ رواں سال کے دوران انسٹی ٹیوٹ آف بزنس ایڈمنسٹریشن کراچی (IBA) کے تحت ڈائریکٹرز ترقیاتی پروگرام میں پانچ ڈائریکٹرز شرکت کر کے تربیت مکمل کی۔

☆ pattern of unit-holding کے سلسلے میں کوڈ آف کارپوریٹ گورننس کی مطلوبہ تفصیل منسلک کی گئی ہے (ضمیمہ B)

☆ رواں سال کے دوران فنڈ کے یونٹس کی تمام تر خریداری ڈائریکٹرز، ایگزیکٹو اور ان کے اہل خانہ اور نابالغ بچوں کو شامل کرتے ہوئے کی گئی ہے۔ (ضمیمہ C)

نوٹ: مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے شعبوں کے سربراہان کو بطور ایگزیکٹو مقرر کیا گیا ہے۔

آڈیٹرز

BDO ابراہیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، جو کہ PICIC کیش فنڈ کے آڈیٹر کی حیثیت سے خدمات انجام دے رہے تھے۔ آڈٹ کی تکمیل کے بعد ریٹائرڈ ہو گئے ہیں۔ Deloitte یوسف عادل اینڈ کمپنی (چارٹرڈ اکاؤنٹنٹس) نے 30 جون 2017 کو ختم ہونے والے سال کے لیے خود کو بطور سالانہ آڈیٹر تقرری کے لیے پیش کیا ہے۔ مینجمنٹ کمپنی کی آڈٹ کمیٹی نے Deloitte یوسف عادل اینڈ کمپنی (چارٹرڈ اکاؤنٹنٹس) کی بطور فنڈ آڈیٹرز 30 جون 2017 تک تقرری کی منظوری دی ہے۔

اظہار تشکر

آخر میں ہم اس موقع پر اپنے تمام معزز یونٹ ہولڈرز اور مراسلت نگاروں کی مسلسل سرپرستی اور تعاون پر ان کے بے حد شکر گزار ہیں۔ وزارت خزانہ، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، اسٹیٹ بینک آف پاکستان، سینٹرل ڈیپازٹری کمیٹی آف پاکستان لمیٹڈ (ٹرسٹی)، نیشنل کلیئرنگ کمپنی آف پاکستان لمیٹڈ، دیگر ریگولیٹری اتھارٹیز، مالیاتی ادارے اور آڈیٹرز کے بھی ممنون ہیں جنہوں نے مستقل ہماری رہنمائی کی۔ بورڈ اپنے عملے کی محنت، لگن اور کاوشوں کو قدر کی نگاہ سے دیکھنے کے ساتھ اپنے یونٹ ہولڈرز کا بھی شکر گزار ہے کہ جن کے بھروسے کی وجہ سے ہماری خود اعتمادی میں اضافہ ہوا۔

بحکم بورڈ

کراچی 26 اگست 2016

ریحان این شیخ

**STATEMENT SHOWING ATTENDANCE OF THE BOARD OF DIRECTORS' MEETING OF
PICIC ASSET MANAGEMENT COMPANY LIMITED (THE MANAGEMENT COMPANY)
FOR PICIC CASH FUND
FOR THE PERIOD FROM JULY 01, 2015 TO JUNE 30, 2016**

Annexure - A

Name of Director	Number of meetings			Meetings not attended
	Eligible to attend	Attended	Leave granted	
Mr. Atif R. Bokhari ¹	4	3	1	83rd
Mr. Shahid Zaki ¹	4	4	-	-
Mr. Imran Ahmad Mirza ¹	4	3	1	83rd
Mr. Jaudat Hussain ¹	4	1	3	82nd, 83rd and 84th
Mr. Shah Miftah UI Azim Azmi ¹	4	4	-	-
Mr. Tufail Jawed Ahmed ¹	4	4	-	-
Mr. Suleman Chhagla ¹	4	4	-	-
Mr. Towfiq H. Chinoy ²⁻³	2	2	-	-
Ms. Sadia Khan ²⁻⁴	2	1	1	86th
Mr. Ayaz Ahmed ²⁻⁴	2	2	-	-
Ms. Sima Kamil ²⁻³	2	2	-	-
Mr. Rizwan Haider ²⁻³	2	2	-	-
Mr. Salahuddin Manzoor ²⁻³	2	2	-	-
Mr. Rehan N. Shaikh ²⁻³	2	2	-	-
Mr. Nadeem Abdullah ⁵	-	-	-	-
Ms. Ava Ardeshir Cowasje ⁵	-	-	-	-

During the year 5 BOD meetings were held.

¹ Directors resigned on March 2, 2016.

² Directors appointed on March 2, 2016 on divestment of 100 % equity stake in the PICIC Asset Management Company Limited by NIB Bank Limited to HBL Asset Management Company Limited as per clause of share purchase agreement. Securities and Exchange Commission of Pakistan granted HBL Asset Management Company to appoint common Directors on the Board of PICIC Asset Management Company Limited.

³ Directors resigned and re-elected on completion of their three year term on April 29, 2016.

⁴ Directors resigned on completion of their three year term on April 29, 2016.

⁵ Directors appointed through election of directors on April 29, 2016.

**STATEMENT SHOWING ATTENDANCE OF THE BOARD AUDIT COMMITTEE MEETING OF PICIC ASSET MANAGEMENT COMPANY LIMITED (THE MANAGEMENT COMPANY)
FOR THE PERIOD FROM JULY 01, 2015 TO JUNE 30, 2016**

Name of Directors	Number of Meetings			Meeting not attended
	Eligible to attend	Attended	Leave Granted	
Mr. Imran Ahmad Mirza ¹	3	2	1	50th
Mr. Shah Miftah UI Azim Azmi ¹	3	3	-	-
Mr. Tufail Jawed Ahmed ¹	3	3	-	-
Mr. Salahuddin Manzoor ²⁻³⁻⁴⁻⁵	1	1	-	-
Mr. Rizwan Haider ²⁻³⁻⁴	1	1	-	-
Mr. Ayaz Ahmed ²⁻³	1	1	-	-
Ms. Ava Ardeshir Cowasje ⁴	-	-	-	-
Mr. Nadeem Abdullah ⁶	-	-	-	-

During the year 4 Board Audit Committee meetings were held.

¹ Members resigned from Board effective from March 2, 2016.

² Appointed as committee members effective from March 2, 2016.

³ Members resigned from Board effective from April 29, 2016.

⁴ Appointed as committee members effective from August 18, 2016.

⁵ Vacated office as committee member effective from August 26, 2016.

⁶ Appointed as committee member effective from August 26, 2016.

**STATEMENT SHOWING ATTENDANCE OF THE BOARD INVESTMENT COMMITTEE MEETING
OF PICIC ASSET MANAGEMENT COMPANY LIMITED (THE MANAGEMENT COMPANY)
FOR THE PERIOD FROM JULY 01, 2015 TO JUNE 30, 2016**

Name of Directors	Number of Meetings			Meeting not attended
	Eligible to attend	Attended	Leave Granted	
Mr. Tufail Jawed Ahmed ¹	3	3	-	-
Mr. Imran Ahmad Mirza ¹	3	2	1	72nd
Mr. Shah Miftah Ul Azim Azmi ¹	3	3	-	-
Mr. Suleman Chhagla ¹	3	3	-	-
Mr. Rizwan Haider ²⁻³⁻⁴	-	-	-	-
Mr. Salahuddin Manzoor ²⁻³⁻⁴	-	-	-	-
Mr. Rehan N. Shaikh ²⁻³⁻⁴	-	-	-	-

During the year 2 Board Investment Committee meetings were held.

¹ Members resigned from Board effective from March 2, 2016.

² Appointed as committee members effective from March 2, 2016.

³ Members resigned from Board effective from April 29, 2016.

⁴ Appointed as committee members effective from August 26, 2016.

**STATEMENT SHOWING ATTENDANCE OF THE BOARD HUMAN RESOURCE COMMITTEE MEETING OF PICIC ASSET MANAGEMENT
COMPANY LIMITED (THE MANAGEMENT COMPANY)**

FOR THE PERIOD FROM JULY 01, 2015 TO JUNE 30, 2016

Name of Directors	Number of Meetings			Meeting not attended
	Eligible to attend	Attended	Leave Granted	
Mr. Shahid Zaki ¹	2	2	-	-
Mr. Jaudat Hussain ¹	2	-	2	34th and 35th
Mr. Suleman Chhagla ¹	2	2	-	-
Ms. Sima Kamil ²⁻³⁻⁴	-	-	-	-
Ms. Sadia Khan ²⁻³	-	-	-	-
Mr. Salahuddin Manzoor ²⁻³	-	-	-	-
Mr. Rehan N. Shaikh ²⁻³⁻⁴	-	-	-	-
Mr. Tawfiq H. Chinoy ⁴	-	-	-	-

During the year 2 Board Human Resource Committee meetings were held.

¹ Members resigned from Board effective from March 2, 2016.

² Appointed as committee members effective from March 2, 2016.

³ Members resigned from Board effective from April 29, 2016.

⁴ Appointed as committee members effective from August 26, 2016.

**PATTERN OF UNIT-HOLDING OF PICIC CASH FUND
AS PER REQUIREMENTS OF CODE OF CORPORATE GOVERNANCE
FOR PICIC CASH FUND
AS AT JUNE 30, 2016**

Annexure - B

PARTICULARS	UNITS HELD
Individuals	2,060,095
Associated Companies, undertakings & related parties	-
Management Company	
PICIC Asset Management Company Limited	6,981,354
Director & CEO	-
Executives	29,249
Mutual Funds & Modaraba	-
Banks	-
Insurance Companies	67,981
Public Sector Companies and Corporation	11,781,713
Other	-
TOTAL =>	20,920,392

**DETAILS OF UNIT-HOLDING FIVE PERCENT OR MORE
UNITS OF PICIC CASH FUND
AS AT JUNE 30, 2016**

PARTICULARS	HOLDING	%
PICIC ASSET MANAGEMENT COMPANY LIMITED.	6,981,354	33.37
FAUJI OIL TERMINAL & DISTRIBUTION CO. LTD.	3,700,377	17.69
BARRETT HODGSON PAKISTAN (PVT.) LTD.	3,124,224	14.93
ALI GOHAR & CO. (PVT) LTD.	1,394,179	6.66

**STATEMENT SHOWING UNITS TRADED BY DIRECTORS,
CEO AND EXECUTIVES OF THE MANAGEMENT COMPANY
AND THEIR SPOUSES AND MINOR CHILDREN**

Annexure - C

S.No.	Names	Designation	Beginning	Purchased	Bonus	Sold	Closing
			Units				
1	Mr. Towfiq H. Chinoy	Chairman	-	-	-	-	-
2	Mr. Nadeem Abdullah	Director	-	-	-	-	-
3	Ms. Ava Ardeshir Cowasjee	Director	-	-	-	-	-
4	Ms. SimaKamil	Director	-	-	-	-	-
5	Mr. Rizwan Haider	Director	-	-	-	-	-
6	Mr. Salahuddin Manzoor	Director	-	-	-	-	-
7	Mr. Rehan N. Shaikh	CEO	-	-	-	-	-
8	Executives	Executives	6,048	41,879	-	18,678	29,249

FUND MANAGER'S REPORT

i) Description of the Collective Investment Scheme category and type

Money Market / Open-end

ii) Statement of Collective Investment Scheme's investment objective

PICIC Cash Fund (PICIC-CF) is an open-end money market fund. The objective of the Fund is to provide competitive return to its investors through active investments in low risk portfolio of short duration, while maintaining high liquidity. The Fund aims to maximize returns through efficient utilization of investment and liquidity management tools.

iii) Explanation as to whether the Collective Investment Scheme achieved its stated objective

The Collective Investment Scheme achieved its objective as stated in the Constitutive Documents

iv) Statement of benchmark(s) relevant to the Collective Investment Scheme

The bench mark of PICIC Cash Fund is average of three months deposit rates of AA and above rated schedule banks

v) Comparison of the Collective Investment Scheme's performance during the period compared with the said benchmarks

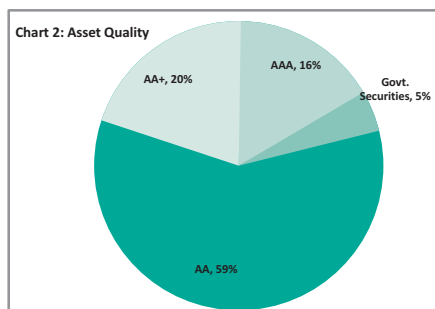
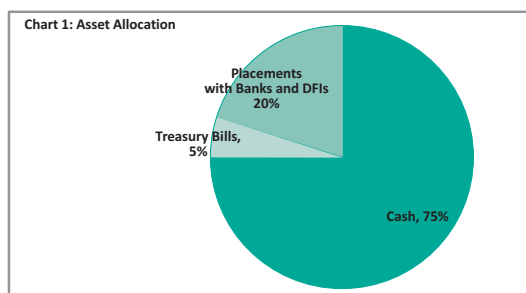
Month	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16
Fund Returns	6.39%	5.77%	7.00%	6.49%	5.41%	5.66%	5.80%	5.39%	5.22%	5.37%	5.50%	6.96%
Benchmark	5.03%	5.03%	4.58%	4.65%	4.65%	4.65%	4.65%	4.65%	4.65%	4.70%	4.62%	4.62%

vi) Description of the strategies and policies employed during the period under review in relation to the Collective Investment Scheme's performance

During the year under review, the Fund yielded a return of 6.06%, while average benchmark return was 4.71%. The fund maintained average days to maturity of 69days during 1HFY16 and the Discount rate during the period declined by 50bps from 7.0% to close at 6.50%. In the 2HFY16 the fund decreased its average days to maturity to 62 days as the inflation continued its downward trajectory and the Discount Rate reduced to 6.25% from 6.50% in the end of 2HFY16. The fund maintained a conservative stance during 2HFY16; therefore investing primarily in shorter duration government securities, while maintaining the exposure of higher yielding placements.

vii) Disclosure of the Collective Investment Scheme's asset allocation as at the date of the report and particulars of significant changes in asset allocation since the last report

Asset Allocation (% of NAV)	Jun'15	Jun'16
Cash	13%	75%
Treasury Bills	55%	5%
Placements with Banks and DFIs	31%	20%
Others	1%	0%
Total	100%	100%



viii) **Analysis of the Collective Investment Scheme's performance**

FY 2016 Return:	6.06%
Standard Deviation:	0.35%
Sharpe Ratio:	-0.69

Note: 3 month T-Bills are used as a risk free rate for calculating Sharpe Ratio for PICIC Cash Fund
Standard Deviation and Sharpe Ratio are calculated on daily annualized return data from Jul'15 - Jun'16.

ix) **Changes in total NAV and NAV per unit since the last review period**

Net Asset Value			NAV per unit		
30-Jun-16	30-Jun-15	Change	30-Jun-16	30-Jun-15	Change
Rupees (000)		%	Rupees		%
2,103,956	3,249,017	-35.24%	100.5696	100.3250	0.24%

x) **Disclosure on the markets that the Collective investment Scheme has invested in including - review of the market invested in and performance during the period**

During FY16, headline inflation remained in single digit, averaging 3.19% Y/Y versus 3.16% Y/Y average growth in CPI recorded in FY15. A soft CPI print and an improved outlook on the external account forced SBP to revise its outlook on inflation from the initial target of 6% for FY16.

The market remained liquid during the period under review as overnight rates averaged at 6.28% during FY16. In the backdrop of a positive outlook on macros due to expected foreign inflows in the form of project loans, privatization of Public sector entities and proceeds from Etisalat would result in surplus balance of payment. The SBP and other multilateral agencies have forecasted inflation in the range of 4.5% to 5.5% for FY17. In view of stable interest rate in near term the market participants took exposure in longer duration Government Securities which provided a relatively better return over the discount rate.

The SBP held twenty six Treasury bill auctions during FY16. The cumulative participation was witnessed at PKR~8,460bn against the pre-announced auction target of PKR 5,100bn while the SBP accepted an amount of PKR~4,643bn during the review period. That being said, participation in 12 months tenor represented 41% of the total accepted amount while the 6m and 3m paper were 32% and 27% of the total accepted amount.

xi) **Disclosure on distribution, comprising:-**

- particulars of income distribution or other forms of distribution made and proposed during the period; and
- statement of effects on the NAV before and after distribution is made

Declared on	Distribution		Per unit	
	Total Value	Per Unit	Cum NAV	Ex NAV
	Rupees (000)		----- Rupees -----	
24-Jun-2016	21,429	5.85	106.2625	100.4125

xii) **Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements.**

There were no significant changes in the state of affairs of Collective Investment Scheme during the period that has not been disclosed in the financial statements.

xiii) **Breakdown of unit holdings by size**

Range of Units	Number of Investors
	PICIC Cash Fund
1 - 9,999	133
10,000 - 49,999	33
50,000 - 99,999	10
100,000 - 499,999	8
500,000 & Above	8
Total	192

xiv) Disclosure on unit split (if any), comprising:-

There were no unit splits during the period.

xv) Disclosures of circumstances that materially affect any interests of unit holders

Investments in the units of PICIC Cash Fund are subject to market risk

xvi) Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme.

No soft commissions are received by the AMC from its brokers or dealers by virtue of transactions conducted by the Collective Investment Scheme.

PERFORMANCE TABLE

	2016	2015	2014	2013	2012	2011
NET ASSETS AS AT 30 JUNE - Rupees in '000'	2,103,956	3,249,017	4,287,916	2,381,011	2,659,794	1,189,121
NET ASSETS VALUE PER UNIT AT 30 JUNE - RUPEES						
Class C Units - Offer	100.5696	100.3250	100.1304	100.4067	100.5186	101.2108
- Redemption	100.5696	100.3250	100.1304	100.4067	100.5186	101.2108
Class D Units - Offer	101.5753	101.3283	101.1317	101.4108	101.5238	102.2229
- Redemption	100.5696	100.3250	100.1304	100.4067	100.5186	101.2108
DISTRIBUTION						
Date of Income Distribution			24-Jul-13	24-Jul-12	23-Jul-11	25-Jan-11
Income Distribution (Rs. Per unit)			0.47	0.65	0.85	1.27
Date of Income Distribution			25-Aug-13	24-Aug-12	24-Aug-11	25-Feb-11
Income Distribution (Rs. Per unit)			0.55	0.90	1.00	1.00
Date of Income Distribution			24-Sep-13	24-Sep-12	24-Sep-11	25-Mar-11
Income Distribution (Rs. Per unit)			0.60	0.75	1.00	0.85
Date of Income Distribution			24-Oct-13	24-Oct-12	26-Oct-11	25-Apr-11
Income Distribution (Rs. Per unit)			0.60	0.75	1.00	0.95
Date of Income Distribution			22-Nov-13	21-Nov-12	24-Nov-11	25-May-11
Income Distribution (Re. Per unit)			0.65	0.70	0.95	0.95
Date of Income Distribution			24-Dec-13	24-Dec-12	23-Dec-11	6-Jul-11
Income Distribution (Rs. Per unit)			0.70	0.75	0.95	1.10
Date of Income Distribution			24-Jan-14	24-Jan-13	24-Jan-12	
Income Distribution (Re. Per unit)			0.75	0.75	0.80	
Date of Income Distribution			24-Feb-14	22-Feb-13	24-Feb-12	
Income Distribution (Re. Per unit)			0.75	0.60	0.85	
Date of Income Distribution			24-Mar-14	22-Mar-13	22-Mar-12	
Income Distribution (Re. Per unit)			0.75	0.60	0.85	
Date of Income Distribution			24-Apr-14	24-Apr-13	24-Apr-12	
Income Distribution (Re. Per unit)			0.75	0.60	0.85	
Date of Income Distribution			23-May-14	24-May-13	24-May-12	
Income Distribution (Re. Per unit)			0.75	0.70	0.80	
Date of Income Distribution	24-Jun-16	15-Jun-15	25-Jun-14	26-Jun-13	26-Jun-12	
Income Distribution (Rs. Per unit)	5.85	10.31	1.05	0.70	0.80	
Date of Income Distribution	26-Aug-16				5-Jul-12	
Income Distribution (Re. Per unit)	0.02				0.40	
Total Distribution (Rs. Per unit)	5.87	10.31	8.37	8.45	11.10	6.12
RETURN OF THE FUND - (%)						
Total return	6.06	10.51	8.36	9.07	11.45	6.39
Capital growth	0.19	0.20	(0.01)	0.62	0.35	0.27
Income distribution	5.87	10.31	8.37	8.45	11.10	6.12

	2016	2015	2014	2013	2012	2011
AVERAGE ANNUAL RETURN (CAGR) - (%)						
Current Year	6.06	10.51	8.36	9.07	11.45	*6.39
Last two years	8.27	9.44	8.72	10.25	*11.62	N/A
Last three years	8.30	9.32	9.62	*10.61	N/A	N/A

OFFER / REPURCHASE DURING THE PERIOD - (RUPEES)

Highest price per unit - Class C - Offer	106.1453	108.7769	101.3126	101.1499	101.2712	101.3052
Highest price per unit - Class C - Redemption	106.1453	108.7769	101.3126	101.1499	101.2712	101.3052
Lowest price per unit - Class C - Offer	100.3425	100.1000	100.0249	100.1444	100.0535	100.0000
Lowest price per unit - Class C - Redemption	100.3425	100.1000	100.0249	100.1444	100.0535	100.0000
Highest price per unit - Class D - Offer	107.2068	109.8647	102.3257	102.1614	102.2839	102.3183
Highest price per unit - Class D - Redemption	106.1453	108.7769	101.3126	101.1499	101.2712	101.3052
Lowest price per unit - Class D - Offer	101.3459	101.1010	101.0251	101.1458	101.0540	101.0000
Lowest price per unit - Class D - Redemption	100.3425	100.1000	100.0249	100.1444	100.0535	100.0000

PORTFOLIO COMPOSITION - (%)

Percentage of Net Assets as at 30 June:

Bank Balances	75	13	4	4	1	1
T-Bills	5	55	51	67	80	66
Placement with Banks and DFIs	20	31	45	25	14	24
Short term Sukuk	-	-	-	5	4	-
Others	-	1	-	-	1	9
Weighted Average Maturity	24 Days	83 Days	85 Days	85 Days	44 Days	79 Days

Note:

* The Launch date of the Fund is December 14, 2010

DISCLAIMER

Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up.

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2016

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in Regulation No. 5.19.23 of Pakistan Stock Exchange (the Stock Exchange) Regulations for the purpose of establishing a framework of good governance, whereby a listed entity is managed in compliance with the best practices of corporate governance.

PICIC Asset Management Company Limited, an un-listed Public Limited Company, which manages the affairs of the PICIC Cash Fund (Fund), has applied the principles contained in the CCG in the following manner:

- The Management Company encourages representation of independent non-executive directors on its Board of Directors. The Management Company, being an un-listed company, does not have any minority interest. At present the Board includes:

Category	Names
Independent Directors	Mr. Nadeem Abdullah Ms. Ava Ardeshir Cowasjee
Executive Directors	Mr. Rehan N. Shaikh (Chief Executive Officer)
Non- Executive Directors	Mr. Tawfiq H. Chinoy (Chairman) Ms. Sima Kamil Mr. Rizwan Haider Mr. Salahuddin Manzoor

The independent directors meet the criteria of independence under clause 5.19.1(b) of the CCG.

- The directors have confirmed that none of them is serving as a director on more than seven listed companies, including the Management Company (excluding the listed subsidiaries of listed holding companies where applicable).
- All the resident directors of the Management Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a Broker of a stock exchange, has been declared as a defaulter by that stock exchange.
- During the year the Holding Company of the Management Company i.e. NIB Bank Limited divested its 100% equity holding in the Management Company to HBL Asset Management Limited (HBL AMC). In terms of the shares purchase agreement the Board of Directors of the Management Company resigned and replaced by the Board of Directors of HBL AMC as Securities and Exchange Commission of Pakistan allowed HBL AMC to appoint common Directors on the Board of the Management Company. Subsequently election of Directors was held on completion of three years term. There was no casual vacancy on the Board during the year.
- The Management Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Management Company along with its supporting policies and procedures.
- The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Fund. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
- All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer and non-executive directors, have been taken by the Board.
- The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before all the meetings except for one emergency meeting. The minutes of the meetings were appropriately recorded and circulated.
- In order to apprise the Directors of their duties and responsibilities and for their orientation purpose they were informed about the recent developments / changes in applicable laws and regulations affecting the mutual fund industry. The directors are conversant of the relevant laws applicable to the Management Company, its policies, provisions of memorandum and articles of association and are aware of their duties and responsibilities. During the year under review, five Directors have completed Directors' Training Program arranged by the Institute of Business Administration (IBA Karachi).
- The existing Chief Financial Officer and Company Secretary and Head of Internal Audit continue to serve as per their terms of employment duly approved by the Board.
- The Directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
- The financial statements of the Fund were duly endorsed by the Chief Executive Officer and the Chief Financial Officer before approval of the Board.

13. The Directors, the Chief Executive Officer and executives do not hold any interest in the Units of the Fund other than that disclosed in the annual report.
14. The Management Company has complied with all the corporate and financial reporting requirements of the CCG with respect to the Fund.
15. Consequent to the election of Directors, the Audit Committee was dissolved on April 29, 2016 and reconstituted by the Board on August 18, 2016. It comprises of three members, all of whom are non-executive directors and the chairman of the committee is a non-executive director.
16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Fund as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. Consequent to the election of Directors, the HR and Remuneration Committee was dissolved on April 29, 2016 and reconstituted by the Board on August 26, 2016. It comprises of three members, of whom two are non-executive directors and the chairman of the committee is a non-executive director.
18. The Board has outsourced the internal audit function of the Fund to EY Ford Rhodes, Chartered Accountants, Karachi, for the year ended June 30, 2016, who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Management Company with regards to the Fund.
19. The statutory auditors of the Fund have confirmed that they have been given a satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold units of the Fund and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market/published price of Fund's unit, was determined and intimated to directors, employees and the stock exchange.
22. Material / price sensitive information has been disseminated amongst all market participants at once through the stock exchange.
23. We confirm that all other material principles contained in the CCG have been complied with.

For and behalf of the board

Karachi
August 26, 2016

Rehan N. Shaikh
Chief Executive Officer

REVIEW REPORT TO THE UNIT HOLDERS ON STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of PICIC Asset Management Company Limited, the Management Company of **PICIC CASH FUND** ("the Fund") for the year ended June 30, 2016 to comply with the requirements of Regulation No. 5.19 of Rule Book of Pakistan Stock Exchange Limited, where the Fund is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Management Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Management Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Management Company's personnel and review of various documents prepared by the Management Company to comply with the Code.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Management Company's corporate governance procedures and risks.

The Code requires the Management Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Management Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Fund for the year ended June 30, 2016.

Further, we would like to highlight instances of non-compliance with the requirements of the Code as reflected in the note reference where these are stated in the Statement of Compliance:

S.No	Note Reference	Description
(i)	15	Consequent to the election of Directors in April 29, 2016, the Audit Committee was reconstituted by the Board subsequent to the year end on August 18, 2016.
(ii)	17	Consequent to the election of Directors in April 29, 2016, the HR and Remuneration Committee was reconstituted by the Board subsequent to the year end on August 26, 2016.

KARACHI

DATED : 26 August 2016

CHARTERED ACCOUNTANTS

Engagement partner: Zulfikar Ali Causer

TRUSTEE REPORT TO THE UNIT HOLDERS PICIC CASH FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of PICIC Cash Fund (the Fund) are of the opinion that PICIC Asset Management Company Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2016 in accordance with the provisions of the following:

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

Muhammad Hanif Jakhura
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 12, 2016

INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS

We have audited the accompanying financial statements of PICIC Cash Fund ("the Fund"), which comprise of the statement of assets and liabilities as at June 30, 2016 and the statement of comprehensive income, distribution statement, cash flow statement and statement of movement in unit holders' fund for the year ended June 30, 2016 and summary of significant accounting policies and other explanatory notes.

Management Company's responsibility for the financial statements

The Management Company ("PICIC Asset Management Company") of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and approved accounting standards as applicable in Pakistan. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, either due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the Fund's affairs as at June 30, 2016 and of its financial performance, cash flows and transactions for the year ended June 30, 2016 in accordance with the approved accounting standards as applicable in Pakistan.

Other matters

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Trust Deed, NBFC Rules and NBFC Regulations.

The financial statements for the year ended June 30, 2015 were audited by another firm of chartered accountants who had expressed an unqualified opinion thereon vide their report dated September 30, 2015.

KARACHI

DATED:

CHARTERED ACCOUNTANTS

Engagement Partner: Zulfikar Ali Causer

PICIC CASH FUND
Statement of Assets and Liabilities
As at June 30, 2016

	Note	2016	2015
		----- Rupees in '000' -----	
ASSETS			
Bank balances	4	1,624,223	442,130
Investments	5	527,691	2,954,888
Profit receivable	6	5,551	24,651
Security deposits	7	100	100
Prepayments and advances	8	88	77
Preliminary expenses and floatation costs	9	-	90
TOTAL ASSETS		<u>2,157,653</u>	<u>3,421,936</u>
LIABILITIES			
Payable to the Management Company	10	1,198	1,233
Payable to the Trustee	11	242	218
Payable to the Securities and Exchange Commission of Pakistan	12	2,462	3,185
Dividend Payable		490	-
Payable against redemption of units		28	148,104
Accrued expenses and other liabilities	13	49,277	20,179
TOTAL LIABILITIES		<u>53,697</u>	<u>172,919</u>
NET ASSETS		<u>2,103,956</u>	<u>3,249,017</u>
UNIT HOLDERS' FUND (As per statement attached)		<u>2,103,956</u>	<u>3,249,017</u>
CONTINGENCIES AND COMMITMENTS	14		
		----- Number of units -----	
NUMBER OF UNITS IN ISSUE	26	<u>20,920,392</u>	<u>32,384,929</u>
		----- Rupees -----	
NET ASSET VALUE PER UNIT	3.10	<u>100.5696</u>	<u>100.3250</u>

The annexed notes 1 to 31 form an integral part of these financial statements.

For PICIC Asset Management Limited
(Management Company)

Chief Executive

Director

PICIC CASH FUND
Income Statement

For the year ended June 30, 2016

	Note	2016	2015
----- Rupees in '000 -----			
INCOME			
Capital gain on sale of investments - net		1,597	9,334
Income from government securities		146,496	257,107
Income from money market transactions and other placements		45,402	128,455
Profit on bank deposits	15	26,908	21,734
Unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	5.3	17	(527)
Total income		220,420	416,103
EXPENSES			
Remuneration of the Management Company	10.1	16,415	22,530
Sindh Sales Tax on remuneration of the Management Company		2,298	3,379
Provision for Federal Excise Duty and additional sales tax on remuneration of the Management Company	13.2	2,994	3,584
Remuneration of the Trustee	11.1	3,659	3,932
Annual fee to the Securities and Exchange Commission of Pakistan	12.1	2,462	3,185
Fund operation, accounting and related cost	13.3	1,576	-
Amortisation of preliminary expenses and floatation costs	9	90	200
Auditors' remuneration	16	412	428
Fee and subscription		259	230
Securities transaction cost		290	386
Bank charges		184	247
Printing charges		324	327
Total expenses		30,963	38,429
Net income from operating activities		189,457	377,674
Element of loss and capital losses included in prices of units issued less those in units redeemed - net		(156,754)	(346,919)
Provision for Workers' Welfare Fund	13.1	-	(615)
Net income for the year before taxation		32,703	30,140
Taxation	17	-	-
Net income for the year after taxation		32,703	30,140
Other comprehensive income for the year		-	-
Total comprehensive income for the year		32,703	30,140
Earnings per unit	18		

The annexed notes 1 to 31 form an integral part of these financial statements.

For PICIC Asset Management Limited
(Management Company)

Chief Executive

Director

PICIC CASH FUND

Distribution Statement

For the year ended June 30, 2016

	Note	2016	2015
		----- Rupees in '000 -----	
Undistributed income brought forward			
Realised income		11,053	7,011
Unrealised loss		(527)	(1,427)
		<u>10,526</u>	<u>5,584</u>
Net element of loss and capital losses included in prices of units issued less those in unit redeemed - amount transferred to the Distribution Statement		(3,721)	(1,361)
Net income for the year after taxation		32,703	30,140
Final cash distribution of Rs 5.85 per unit for the year ended June 30, 2016 declared on June 24, 2016 (2015: Rs 10.31 per unit declared on June 25, 2015)		(27,590)	(23,837)
Undistributed income carried forward		<u>11,918</u>	<u>10,526</u>
Undistributed income comprising:			
Realised income		11,901	11,053
Unrealised income / (loss)		17	(527)
		<u>11,918</u>	<u>10,526</u>

The annexed notes 1 to 31 form an integral part of these financial statements.

For PICIC Asset Management Limited
(Management Company)

Chief Executive

Director

PICIC CASH FUND

Statement of Movement In Unit Holders' Fund

For the year ended June 30, 2016

Note	2016	2015
	----- Rupees in '000 -----	
Net assets at the beginning of the year	3,249,017	4,287,916
Issue of 59,597,929 units (2015: 126,291,815 units)	7,698,883	12,999,149
Redemption of 52,361,485 units (2015: 136,730,213 units)	(9,005,811)	(14,391,270)
	(1,306,928)	(1,392,121)
Element of income and capital gain included in prices of units issued less those in units redeemed		
Amount transferred to the Income Statement	156,754	346,919
Amount transferred to the Distribution Statement	3,721	1,361
	160,475	348,280
Capital gain on sale of investments - net	1,597	9,334
Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	17	(527)
Other income (net of expenses) for the year	31,089	21,333
	32,703	30,140
Final cash distribution of Rs 5.85 per unit for the year ended June 30, 2016 declared on June 24, 2016 (2015: Rs 10.31 per unit declared on June 25, 2015)	(27,590)	(23,837)
Element of loss and capital losses included in prices of units issued less those in unit redeemed - amount transferred to the Distribution Statement	(3,721)	(1,361)
Net assets at the end of the year	2,103,956	3,249,017
	----- Rupees -----	
Net asset value per unit at the beginning of the year	100.3250	100.1304
Net asset value per unit at the end of the year	100.5696	100.3250

The annexed notes 1 to 31 form an integral part of these financial statements.

For PICIC Asset Management Limited
(Management Company)

Chief Executive

Director

PICIC CASH FUND

Cash Flow Statement

For the year ended June 30, 2016

	Note	2016	2015
		----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		32,703	30,140
Adjustment for:			
Capital loss on sale of investments - net		(1,597)	(9,334)
Unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net		(17)	527
Amortisation of preliminary expenses and floatation costs		90	200
Net element of loss and capital losses included in prices of units less those in units redeemed - net		156,754	346,919
		187,933	368,452
Decrease / (increase) in assets			
Investments - net		1,928,812	599,114
Profit receivable		19,100	(8,681)
Prepayments and advances		(11)	(5)
		1,947,901	590,428
(Decrease) / increase in liabilities			
Payable to the Management Company		(35)	(1,719)
Payable to the Trustee		24	(65)
Payable to the Securities and Exchange Commission of Pakistan		(723)	700
Dividend payable		490	-
Accrued expenses and other liabilities		29,098	4,032
Payable against redemption of units		(148,076)	-
		(119,222)	2,948
Net cash generated from operating activities		2,016,612	961,828
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts from issue of units		7,698,883	12,999,149
Payments on redemption of units		(9,005,811)	(14,243,885)
Dividend paid		(27,590)	(23,837)
Net payments from issuance and redemptions of units		(1,334,519)	(1,268,573)
Net cash generated used in financing activities		(1,334,519)	(1,268,573)
Net increase / (decrease) in cash and cash equivalents during the year		682,093	(306,745)
Cash and cash equivalents at the beginning of the year		942,130	1,248,875
Cash and cash equivalents at the end of the year	4.2	1,624,223	942,130

The annexed notes 1 to 31 form an integral part of these financial statements.

For PICIC Asset Management Limited
(Management Company)

Chief Executive

Director

PICIC CASH FUND
Notes To The Financial Statements
For the year ended June 30, 2016

1 LEGAL STATUS AND NATURE OF BUSINESS

PICIC Cash Fund ("the Fund") was established under a Trust Deed executed between PICIC Asset Management Company Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter No. SCD/NBFC-II/DD/PCF/844/2010 dated November 11, 2010 and the Trust Deed was executed on October 22, 2010.

The Fund is an open-ended money market scheme and was listed on Islamabad Stock Exchange Limited which merged into Pakistan Stock Exchange Limited with effect from January 11, 2016. The units of the Fund were initially offered for public subscription at par value of Rs. 100 per unit from December 11, 2010 to December 13, 2010. Thereafter, the units are offered to the public for subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.

The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is situated at 3rd floor, PNSC Building, M.T. Khan Road, Karachi, Pakistan.

During the year, HBL Asset Management Limited acquired 100% equity stake in the Management Company from NIB Bank Limited. HBL Asset Management Limited is a wholly owned subsidiary of Habib Bank Limited. The Aga Khan Fund for Economic Development (AKFED), S.A. is the parent company of Habib Bank Limited. .

The Fund has been categorised as a money market scheme as per the criteria laid down by the SECP for categorisation of open-end Collective Investment Schemes (CISs).

The core objective of the Fund is to provide competitive returns to its investors through active investments in low risk portfolio of short duration, while maintaining high liquidity.

Title to the assets of the Fund is held in the name of Central Depository Company Limited as Trustee of the Fund.

JCR-VIS Credit Rating Company has assigned an asset manager rating of 'AM2' to the Management Company and a stability rating 'AA(f)' to the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP).

Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

2.2 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

Standards or interpretations that are effective in current year but not relevant to the Fund

The following new standards and interpretations have been issued by the International Accounting Standards Board (IASB) which have been adopted locally by the Securities and Exchange Commission of Pakistan vide SRO 633(I)/2014 dated July 10, 2014 with effect from following dates. The Fund has adopted these accounting standards and interpretations which do not have significant impact on the Fund's financial statements other than certain disclosure requirement about fair value of financial instruments as per IFRS 13 "Fair Value Measurement".

		Effective date (annual periods beginning on or after)
IFRS 10	Consolidated Financial Statements	January 1, 2015
IFRS 11	Joint Arrangements	January 1, 2015
IFRS 12	Disclosure of Interests in Other Entities	January 1, 2015
IFRS 13	Fair Value Measurement	January 1, 2015
IAS 27	Separate Financial Statements (Revised 2011)	January 1, 2015
IAS 28	Investments in Associates and Joint Ventures (Revised 2011)	January 1, 2015

2.3 Amendments not yet effective

The following amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

PICIC CASH FUND

Notes To The Financial Statements

For the year ended June 30, 2016

		Effective date (annual periods beginning on or after)
IFRS 2	Share-based Payment - Amendments to clarify the classification and measurement of share-based payment transactions	January 01, 2018
IFRS 10	Consolidated Financial Statements - Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture	Deferred indefinitely
IFRS 10	Consolidated Financial Statements - Amendments regarding application of the consolidation exception	January 01, 2016
IFRS 11	Joint Arrangements - Amendments regarding the accounting for acquisitions of an interest in a joint operation	January 01, 2016
IFRS 12	Disclosure of Interests in Other Entities - Amendments regarding the application of the consolidation exception	January 01, 2016
IAS 1	Presentation of Financial Statements - Amendments resulting from the disclosure initiative	January 01, 2016
IAS 7	Statement of Cash Flows - Amendments resulting from the disclosure initiative	January 01, 2017
IAS 12	Income Taxes - Amendments regarding the recognition of deferred tax assets for unrealised losses	January 01, 2017
IAS 16	Property, Plant and Equipment - Amendments regarding the clarification of acceptable methods of depreciation and amortisation and amendments bringing bearer plants into the scope of IAS 16	January 01, 2016
IAS 27	Separate Financial Statements (as amended in 2011) - Amendments reinstating the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements	January 01, 2016
IAS 28	Investments in Associates and Joint Ventures - Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture	Deferred indefinitely
IAS 28	Investments in Associates and Joint Ventures - Amendments regarding the application of the consolidation exception	January 01, 2016
IAS 38	Intangible Assets - Amendments regarding the clarification of acceptable methods of depreciation and amortisation	January 01, 2016
IAS 41	Agriculture - Amendments bringing bearer plants into the scope of IAS 16	January 01, 2016

The Annual Improvements to IFRSs that are effective for annual periods beginning on or after January 01, 2016 are as follows:

IFRS 5	Non-current Assets Held for Sale and Discontinued Operations
IFRS 7	Financial Instruments: Disclosures
IAS 19	Employee Benefits
IAS 34	Interim Financial Reporting

2.4 Standards or interpretations not yet effective

The following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), 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 9	Financial Instruments
IFRS 14	Regulatory Deferral Accounts
IFRS 15	Revenue from Contracts with Customers
IFRS 16	Leases

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Notes To The Financial Statements
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The effects of IFRS 15 - Revenues from Contracts with Customers and IFRS 9 - Financial Instruments are still being assessed, as these new standards may have a significant effect on the Fund's future financial statements.

The Fund expects that the adoption of the other amendments and interpretations of the standards will not have any material impact and therefore will not affect the Fund's financial statements in the period of initial application.

2.5 Critical accounting estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Fund's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectation of future events that are believed to be reasonable under the circumstances.

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

- i) **classification and valuation of investments (notes 3.2.1 and 5); and**
- ii) **amortisation of preliminary expenses and floatation cost (notes 3.3 and 9).**

2.6 Accounting convention

These financial statements have been prepared under the historical cost convention except that certain investments have been carried at fair values in accordance with the requirements of International Accounting Standard (IAS) 39: 'Financial Instruments: Recognition and Measurement'.

2.7 Functional and presentation currency

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented unless otherwise stated.

3.1 Cash and cash equivalents

Cash and cash equivalents are carried in the Statement of Assets and Liabilities at cost. These comprise of bank balances in savings and current accounts and other deposits with banks having original maturities of three months or less.

3.2 Financial instruments

3.2.1 Financial assets

3.2.1.1 Classification

The management determines the appropriate classification of its financial assets in accordance with the requirements of International Accounting Standard 39 (IAS 39), "Financial Instruments: Recognition and Measurement" at the time of purchase of financial assets and re-evaluates this classification on a regular basis. The classification depends upon the purpose for which the financial assets are acquired. The financial assets of the Fund are currently categorised as follows:

a) Financial assets at fair value through profit or loss

These are acquired principally for the purpose of generating profit from short-term fluctuations in prices.

b) Loans and receivables

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

c) Available for sale

These are those non-derivative financial assets that are designated as available for sale or are not classified as (a) loans and receivables (b) held-to-maturity investments, or (c) financial assets at fair value through profit or loss.

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Notes To The Financial Statements
For the year ended June 30, 2016

3.2.1.2 Regular way contracts

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

3.2.1.3 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs associated with these financial assets are taken directly to the Income Statement.

3.2.1.4 Subsequent measurement

a) Financial assets 'at fair value through profit or loss' and 'available for sale'

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

Basis of valuation of government securities

The investment of the Fund in government securities is subsequently stated at fair value which is determined on the basis of rates announced by the Financial Market Association of Pakistan in accordance with the requirements of the NBFC Regulations, 2008.

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

Net gains and losses arising from changes in fair value of 'available for sale' financial assets are recognised as 'other comprehensive income' in the Income Statement until these are derecognised or impaired. At this time, the cumulative gain or loss previously recognised as 'other comprehensive income' is transferred to income before taxation as capital gain / (loss).

b) Loans and receivables

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

Gains or losses are recognised in the Income Statement through the amortisation process or when financial assets carried at amortised cost are derecognised or impaired.

3.2.1.5 Impairment

The Fund assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists for available for sale financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the Income Statement is reclassified from other comprehensive income to income before taxation.

For financial assets classified as 'loans and receivables', a provision for impairment is established when there is objective evidence that the Fund will not be able to collect all amounts due according to the original terms. The amount of the provision is determined based on the provisioning criteria specified by the SECP.

3.2.1.6 Derecognition

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

3.2.2 Financial liabilities

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

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

PICIC CASH FUND
Notes To The Financial Statements
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3.2.3 Offsetting of financial assets and liabilities

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

3.2.4 Derivatives

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

3.3 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are being amortised over a period of five years in accordance with the requirements set out in the Trust Deed of the Fund and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

3.4 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.

3.5 Collateral

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

3.6 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 year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders.

The fund has already distributed such income for the current year in order to avail this tax exemption. Accordingly, no tax liability has been recorded in these financial statements for the current year.

The Fund is also exempt from the Provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

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

3.7 Proposed distributions

Distributions declared subsequent to the reporting date are considered as non-adjusting events and are recognised in the financial statements in the period in which such distributions are declared.

3.8 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors 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.

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 (if applicable), any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

PICIC CASH FUND
Notes To The Financial Statements
For the year ended June 30, 2016

3.9 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

An equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' is created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption.

The Fund records that portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period which pertains to unrealised income / (losses) held in the Unit Holder's Fund in a separate reserve account and any amount remaining in this reserve account at the end of an accounting period (whether gain or loss) is included in the amount available for distribution to the unit holders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period is recognised in the Income Statement.

3.10 Net assets value per unit

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

3.11 Revenue recognition

- Income from government securities is recognised on an accrual basis.
- Realised capital gains / (losses) arising on sale of investments are included in the income statement on the date at which the transaction takes place.
- Income from term deposit receipts, certificates of investment and commercial paper is recognised on an accrual basis.
- 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.
- Profit on bank deposits is recognised on an accrual basis.
- Element of income / (loss) and capital gain / (losses) included in prices of units issued less those in units redeemed is included in the income statement on the date of issue and redemption of units.

3.12 Expenses

All expenses including NAV based expenses (namely management fee, trustee fee and annual fee payable to the SECP) are recognised in the Income Statement on an accrual basis.

3.13 Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of transactions. Foreign currency gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

	Note	2016 ----- Rupees in '000 -----	2015
4 BANK BALANCES			
In savings accounts	4.1	<u>1,624,223</u>	<u>442,130</u>
4.1 These accounts carry mark-up at rates ranging between 3.75% and 6.50% (2015: 4.5% and 6.34%) per annum.			
4.2 Cash and cash equivalents			
Bank balances		1,624,223	442,130
Term deposit receipt	5.4.2	-	500,000
		<u>1,624,223</u>	<u>942,130</u>

PICIC CASH FUND
Notes To The Financial Statements
For the year ended June 30, 2016

		2016	2015
	Note	----- Rupees in '000 -----	
5 INVESTMENTS			
Financial assets at fair value through profit or loss			
Market Treasury Bills	5.1	97,691	1,904,888
Pakistan Investment Bonds	5.2	-	-
		<u>97,691</u>	<u>1,904,888</u>
Loans and receivables	5.4	<u>430,000</u>	<u>1,050,000</u>
		<u><u>527,691</u></u>	<u><u>2,954,888</u></u>

PICIC CASH FUND
Notes To The Financial Statements
For the year ended June 30, 2016

5.1 Financial assets at fair value through profit or loss - held for trading

Issue date	Tenor	Face value			As at June 30, 2016			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 1, 2015	Purchased during the year	Disposed / matured during the year	As at June 30, 2016	Carrying value	Market value		
-----Rupees in '000-----									
Market Treasury Bills									
March 3, 2016	3 months	-	100,000	100,000	-	-	-	-	-
March 17, 2016	3 months	-	350,000	350,000	-	-	-	-	-
May 12, 2016	3 months	-	100,000	100,000	-	-	-	-	-
May 26, 2016	3 months	-	200,000	200,000	-	-	-	-	-
June 25, 2015	3 months	400,000	-	400,000	-	-	-	-	-
July 9, 2015	3 months	-	200,000	200,000	-	-	-	-	-
July 23, 2015	3 months	-	500,000	500,000	-	-	-	-	-
August 6, 2015	3 months	-	500,000	500,000	-	-	-	-	-
December 10, 2015	3 months	-	250,000	250,000	-	-	-	-	-
January 21, 2016	3 months	-	400,000	400,000	-	-	-	-	-
October 1, 2015	6 months	-	75,000	75,000	-	-	-	-	-
February 4, 2016	6 months	-	250,000	250,000	-	-	-	-	-
March 3, 2016	6 months	-	100,000	100,000	-	-	-	-	-
March 17, 2016	6 months	-	200,000	200,000	-	-	-	-	-
May 26, 2016	6 months	-	100,000	100,000	-	-	-	-	-
March 19, 2015	6 months	590,000	150,000	740,000	100,000	97,674	97,691	17	4.64%
May 28, 2015	6 months	259,500	-	259,500	-	-	-	-	-
June 25, 2015	6 months	700,000	-	700,000	-	-	-	-	-
May 14, 2015	6 months	-	8,000	8,000	-	-	-	-	-
August 6, 2015	6 months	-	710,000	710,000	-	-	-	-	-
August 20, 2015	6 months	-	502,200	502,200	-	-	-	-	-
September 3, 2015	6 months	-	100,000	100,000	-	-	-	-	-
October 29, 2015	6 months	-	200,000	200,000	-	-	-	-	-
June 11, 2015	6 months	-	500,000	500,000	-	-	-	-	-
November 12, 2015	6 months	-	435,000	435,000	-	-	-	-	-
December 10, 2015	6 months	-	250,000	250,000	-	-	-	-	-
January 7, 2016	6 months	-	250,000	250,000	-	-	-	-	-
January 21, 2016	6 months	-	450,000	450,000	-	-	-	-	-
January 8, 2015	12 months	-	635,000	635,000	-	-	-	-	-
March 5, 2015	12 months	-	100,000	100,000	-	-	-	-	-
August 6, 2015	12 months	-	50,000	50,000	-	-	-	-	-
August 20, 2015	12 months	-	250,000	250,000	-	-	-	-	-
Total - June 30, 2016		1,949,500	7,915,200	9,764,700	100,000	97,674	97,691	17	4.64%
Total - June 30, 2015		2,250,000	14,841,100	15,141,600	1,949,500	1,905,415	1,904,888	(527)	-

PICIC CASH FUND

Notes To The Financial Statements

For the year ended June 30, 2016

5.1.1.1 The effective yield on market treasury bills is 6.38% (2015: 6.94% to 6.95).

5.2 Pakistan Investment Bonds

July 18, 2013	03 years	-	450,000	450,000	-	-	-
		-	450,000	450,000	-	-	-
Total - As at June 30, 2016		-	450,000	450,000	-	-	-
Total - As at June 30, 2015		-	-	-	-	-	-

5.2.1 The effective yield on Pakistan Investment bonds 6.20% (2015: nil).

PICIC CASH FUND
Notes To The Financial Statements
For the year ended June 30, 2016

	Note	2016	2015
		----- Rupees in '000 -----	
5.3 Net unrealised appreciation on re-measurement of investments classified as financial assets at 'fair value through profit or loss'			
Market value of investments		97,691	1,904,888
Less: Carrying value of investments		<u>97,674</u>	<u>1,905,415</u>
		<u>17</u>	<u>(527)</u>
5.4 Loans and receivables			
Certificates of investment	5.4.1	430,000	550,000
Term deposit receipt	5.4.2	-	500,000
		<u>430,000</u>	<u>1,050,000</u>
5.4.1 Certificates of investments carry returns at rates ranging between 6.30% to 6.80% (2015 : 9%) per annum.			
5.4.2 Term deposit receipt carries return at ranging between 6.72% to 7.35% (2015: 7.35%).			
6 PROFIT RECEIVABLE			
Profit receivable on bank deposits		4,613	3,976
Profit receivable on certificates of investment		938	20,071
Profit receivable on term deposit receipt		-	604
		<u>5,551</u>	<u>24,651</u>
7 SECURITY DEPOSIT			
Security deposits with:			
Central Depository Company of Pakistan Limited		<u>100</u>	<u>100</u>
8 PREPAYMENTS AND ADVANCES			
Prepaid expenses		<u>88</u>	<u>77</u>
9 PRELIMINARY EXPENSES AND FLOATATION COSTS			
Opening balance	9.1	90	290
Less: Amortization during the year		<u>(90)</u>	<u>(200)</u>
Closing balance		<u>-</u>	<u>90</u>
9.1 Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund and are being amortised over a period of five years commencing from December 14, 2010 (post IPO) as per the requirements set out in the Trust Deed of the Fund.			
10 PAYABLE TO THE MANAGEMENT COMPANY			
Management fee	10.1	1,017	1,053
Sindh Sales Tax on Management Company's remuneration		166	169
Sales load payable		<u>15</u>	<u>11</u>
		<u>1,198</u>	<u>1,233</u>

PICIC CASH FUND

Notes To The Financial Statements

For the year ended June 30, 2016

- 10.1 Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Management Company of the Fund is entitled to a remuneration during the first five years of the Fund, of an amount not exceeding three percent of the average annual net assets of the Fund and, thereafter, of an amount equal to two percent of such assets of the Fund. The Management Company has charge its remuneration at the rate of 0.5% of the average net assets per annum for the year. The fee is payable monthly in arrears.

Through the first supplement Offering Document of the Fund the Management Company has reduced its remuneration to 0.50% of the average annual net assets of the fund effective from August 1, 2014. The reduced remuneration shall be subjected to the sales tax on services which is levied at the rate of 14.00% of such remuneration. The amount is payable monthly in arrears.

	Note	2016	2015
		----- Rupees in '000 -----	
11 PAYABLE TO THE TRUSTEE			
Trustee fee	11.1	<u>242</u>	<u>218</u>

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

- 11.2 The tariff structure applicable to the Fund is as follows:

**Amount of Funds Under Management
[Average Net Assets Value (NAV)]**

Upto Rs 1,000 million
Exceeding Rs 1,000 million and upto
Rs 10,000 million

Tariff per annum

0.15% per annum of NAV
Rs 1.5 million plus 0.075% per annum of NAV
exceeding Rs 1,000 million

**Amount of Funds Under Management
[Average Net Assets Value (NAV)]**

Over Rs 10,000 million

Tariff per annum

Rs 8.25 million plus 0.06% per annum of NAV,
exceeding Rs 10,000 million

	Note	2016	2015
		----- Rupees in '000 -----	
12 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN			
Annual fee	12.1	<u>2,462</u>	<u>3,185</u>

- 12.1 Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 a collective investment scheme categorised as a money market scheme is required to pay as annual fee to the Securities and Exchange Commission of Pakistan, an amount equal to 0.075 percent of the average annual net assets of the scheme. The fee is payable annually in arrears.

13 ACCRUED EXPENSES AND OTHER LIABILITIES

Provision for Workers' Welfare Fund	13.1	15,093	15,093
Provision for Federal Excise Duty and additional sales tax on management fee	13.2	7,528	4,533
Withholding tax payable		25,982	41
Auditors' remuneration		275	325
Printing charges		175	150
Brokerage payable		25	36
Fund operations, accounting and related cost payable	13.3	201	-
Sales load payable to the NIB Bank Limited		-	1
		<u>49,277</u>	<u>20,179</u>

PICIC CASH FUND

Notes To The Financial Statements

For the year ended June 30, 2016

13.1 Provision for Workers' Welfare Fund

The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs. 0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honourable High Court of Sindh (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication.

During the year ended June 30, 2011, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. However, on December 14, 2010, the Ministry filed its response against the constitutional petition requesting the Court to dismiss the petition. According to the legal counsel who is handling the case there is a contradiction between the aforementioned clarification issued by the Ministry and the response filed by the Ministry in the Court.

During the year ended June 30, 2012, the Honourable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006 and the Finance Act, 2008, had declared the said amendments as unlawful and unconstitutional. In March 2013, a larger bench of the Honourable Sindh High Court (SHC) passed an order declaring that the amendments introduced in the WWF Ordinance, 1971 through the Finance Act, 2006 and the Finance Act, 2008 do not suffer from any constitutional or legal infirmity. However, the Honourable High Court of Sindh has not addressed the other amendments made in the WWF Ordinance 1971 about applicability of WWF to the CISs which is still pending before the court.

In a judgement of May 2014, the Peshawar High Court (PHC) had also held these amendments to be ultra vires as they lacked the essential mandate to be introduced and passed through the Money Bill under the Constitution.

On June 04, 2015, the Provincial Assembly of Sindh passed the Sindh Workers' Welfare Fund Bill under which financial institutions are included in the definition of industrial establishment and every industrial establishment located in the Province of Sindh and having a total income exceeding Rs 500,000 for the accounting period beginning on or after December 31, 2013 is required to pay WWF to the Sindh Revenue Board. In this connection the Mutual Funds Association of Pakistan has obtained an opinion which concludes that mutual funds will not be covered in the definition of financial institution and will, hence, not fall within the purview of Sindh Workers' Welfare Fund Act, 2015.

The Finance Act, 2015 has excluded Mutual Funds and Collective Investment Schemes from the definition of 'Industrial establishment' subject to WWF under WWF Ordinance, 1971. The amendment is however applicable prospectively i.e. from tax year 2016.

Without prejudice to the above, the Management Company, as a matter of abundant caution as the matter is still pending in the SHC, has decided to retain the provision for WWF made till June 30, 2015 amounting to Rs 15.093 million in this financial information. Had the same not been made the net asset value of the Fund as at June 30, 2016 would have been higher by Re 0.721 per unit.

13.2 Provision for Federal Excise Duty and additional sales tax

As per the requirement of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Management Company has been applied effective 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.

On September 4, 2013, a Constitutional Petition has been filed in Honourable Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED. In this respect, the Honourable SHC has issued a stay order against recovery proceedings. The hearing of the petition is pending.

As a matter of abundant caution, the Management Company has made a provision with effect from June 13, 2013, aggregating to Rs 7.528 million for Federal Excise Duty and additional sales tax on management remuneration arising as a result of imposition thereof.

Had the provision not been made the net asset value of the Fund as at June 30, 2016 would have been higher by Re 0.250 per unit.

The Finance Act, 2016 has excluded service provided by Asset Management Companies from chargeability of FED where such provincial sales tax is applicable on such services. However, provision made till June 30, 2016 has not been reversed as the above lawsuit is pending in the SHC.

13.3 Fund operations, accounting and related costs

During the year, the Securities and Exchange Commission of Pakistan notified amendments in the Non-Banking Finance Companies and Notified Entities Regulation, 2007 dated November 25, 2015, where the asset management companies are allowed to charge fees and expenses related to registrar services, accounting, operation and valuation services related to CIS maximum up to 0.1% of average annual net assets of the Scheme or actual whichever is less. In this regard, the Management Company has started charging these expenses effective from December 1, 2015.

14 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2016.

PICIC CASH FUND
Notes To The Financial Statements
For the year ended June 30, 2016

	2016	2015
	----- Rupees in '000 -----	
15 PROFIT ON BANK DEPOSIT		
Income on saving accounts	26,908	21,734
16 AUDITORS' REMUNERATION		
Annual audit fee	240	240
Fee for half yearly review	135	135
Other certification and Out of pocket expenses	37	53
	<u>412</u>	<u>428</u>

17 TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. The Fund has not recorded provision for taxation as the Management Company intends to distribute at least 90 percent of the Fund's accounting income for the current year as reduced by capital gains (whether realised or unrealised) to its certificate holders.

18 EARNINGS PER UNIT

Earnings per unit (EPU) has not been disclosed as in the opinion of management determination of cumulative weighted average number of outstanding units is not practicable.

19 FINANCIAL INSTRUMENTS BY CATEGORY

	----- As on June 30, 2016 -----			
	At fair value through profit or loss	Loans and receivables	Available for sale	Total
	----- Rupees in '000 -----			
Assets				
Bank balances	-	1,624,223	-	1,624,223
Investments	97,691	430,000	-	527,691
Profit receivable	-	5,551	-	5,551
	<u>97,691</u>	<u>2,059,774</u>	<u>-</u>	<u>2,157,465</u>

	----- As on June 30, 2016 -----		
	At fair value through profit or loss	Other financial liabilities	Total
	----- Rupees in '000 -----		
Liabilities			
Payable to the Management Company	-	1,198	1,198
Payable to the Trustee	-	242	242
Accrued expenses and other liabilities	-	651	651
Payable against redemption of units	-	28	28
Dividend payable	-	490	490
	<u>-</u>	<u>2,609</u>	<u>2,609</u>

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	----- As on June 30, 2015 -----			
	At fair value through profit or loss	Loans and receivables	Available for sale	Total
Assets	----- Rupees in '000 -----			
Bank balances	-	442,130	-	442,130
Investments	1,904,888	1,050,000	-	2,954,888
Profit receivable	-	24,651	-	24,651
Deposits	-	100	-	100
	<u>1,904,888</u>	<u>1,516,881</u>	<u>-</u>	<u>3,421,769</u>

	----- As on June 30, 2015 -----		
	At fair value through profit or loss	Other financial liabilities	Total
Liabilities	----- Rupees in '000 -----		
Payable to the Management Company	-	1,233	1,233
Payable to the Trustee	-	218	218
Accrued expenses and other liabilities	-	512	512
Payable against redemption of units	-	148,104	148,104
	<u>-</u>	<u>150,067</u>	<u>150,067</u>

20 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Connected persons include PICIC Asset Management Company Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, HBL Group Being the Holding Group, other collective investment schemes managed by the Management Company, other associated companies of the Management Company and directors and officers of the Management Company.

The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with the market rates.

Remuneration and front-end load payable to the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Offering Document respectively.

Remuneration payable to the Trustee is determined in accordance with the provisions of the Trust Deed.

Details of transactions carried out by the Fund with connected persons and balances with them other than those disclosed elsewhere in these condensed interim financial statements, as at period end, are as follows:

	2016	2015
	----- Rupees in '000 -----	
Transactions during the year		
PICIC Asset Management Company Limited		
Issue of 9,927,168 (2015: 9,781,784) units	1,013,320	983,717
Redemption of 11,285,892 (2015: 8,735,486) units	<u>1,186,961</u>	<u>896,936</u>
Remuneration of Management Company	<u>16,415</u>	<u>22,530</u>
Sindh Sales Tax on remuneration of Management Company	<u>2,298</u>	<u>3,379</u>
Sales load accrued to the Management Company	<u>265</u>	<u>263</u>
FED Provision borne by the Management Company	<u>-</u>	<u>560</u>
Remuneration of Fund operation, accounting and related cost	<u>1,176</u>	<u>-</u>

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	2016	2015
	----- Rupees in '000 -----	
NIB Bank Limited*		
Profit on bank deposits	237	484
Bank charges	8	14
Sales load accrued	-	22
Central Depository Company of Pakistan Limited - Trustee		
Remuneration	3,659	3,932
CDC Connection charges	7	6
Habib Bank Limited - Associated Company		
Return on Deposit Accounts	68	9
Directors and Executives of the Management Company		
Issue of 41,879 (2015: 16,044) units	4,390	1,622
Redemption of 18,678 (2015: 5,354) units	1,973	556
Cash dividend	163	24
Jubilee General Insurance Company Limited - Associated Company		
Issue of nil (2015: 397,865) units	-	40,000
Redemption of 1,498,147 (2015: nil) units	155,321	-
Barrett Hodgson Pakistan (Pvt.) Limited - Connected person due to holding more than 10% units		
Issue of 4,816,641 (2015: nil) units	493,615	-
Redemption of 4,682,038 (2015: nil) units	490,724	-
Fauji Oil Terminal Distribution Company Connected Person due to holding more than 10% units		
Issue of 3,700,378 (2015: 6,816,741) units	371,985	700,464
Redemption of 3,553,580 (2015: 4,643,002) units	377,002	502,509
Balances outstanding at the year end		
PICIC Asset Management Company Limited		
Outstanding 6,981,354 (June 2015: 8,340,077) units	701,960	836,410
Payable to the Management Company	1,183	1,222
Sales load payable	15	11
Habib Bank Limited - Associate		
Bank Balances	350,041	148
NIB Bank Limited*		
Bank balance in savings account	-	7,461
Profit receivable	-	43
Sales load payable	-	1

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	2016	2015
	----- Rupees in '000 -----	
Central Depository Company Of Pakistan Limited - Trustee		
Trustee fee payable	242	218
Security deposit held	<u>100</u>	<u>100</u>
Directors and Executives of the Management Company		
Outstanding 27,889 (2015: 16,020) units	<u>2,940</u>	<u>1,607</u>
Jubilee General Insurance Company Limited - Associated Company		
Nil (2015: 1,498,147) units	<u>-</u>	<u>150,302</u>
Barrett Hodgson Pakistan (Pvt.) Limited - Connected person due to holding more than 10% units		
3,124,244 (June 2015: nil) units	<u>314,134</u>	<u>-</u>
Fauji Oil Terminal Distribution Company- Connected Person due to holding more than 10% units		
Outstanding 3,700,377 (2015: 3,553,580) units	<u>372,065</u>	<u>356,381</u>

*NIB Bank Limited ceased to be connected party effective from March 2, 2016. Transactions and balances from effective date are not reported in these financial statements.

21 FINANCIAL RISK MANAGEMENT

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.

The Fund's risk management policies are established to identify and analyse 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.

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

Market risk

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

The Management Company manages market risk by monitoring exposure in marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee of the Fund and the regulations laid down by the Securities and Exchange Commission of Pakistan.

21.1.1 Currency risk

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

21.1.2 Yield / interest rate risk

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

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a) Sensitivity analysis for variable rate instruments

Presently, the Fund does not hold any variable rate instruments.

b) Sensitivity analysis for fixed rate instruments

Fixed rate instruments comprise Market Treasury Bills, certificates of investment commercial paper and bank balances. Except for Market Treasury Bills, the Fund's income and net assets are substantially independent of changes in market interest rates.

Treasury bills which are classified as financial assets 'at fair value through profit or loss' expose the Fund to fair value interest rate risk. In case of 100 basis points increase in rates announced by Financial Market Association on June 30, 2016, with all other variables held constant, the net income for the year and net assets would be lower by Rs 0.382 million (2015: Rs 6.235 million). In case of 100 basis points decrease in rates announced by Financial Market Association on June 30, 2016, with all other variables held constant, the net income for the year and net assets would be higher by Rs 0.385 million (2015: Rs 6.282 million).

The composition of the Fund's investment portfolio and rates announced by Financial Market Association of Pakistan is expected to change over time. Therefore, the sensitivity analysis prepared as of June 30, 2016 is not necessarily indicative of the effect on the Fund's net assets of future movements in interest rates.

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

----- As at June 30, 2016 -----

	Exposed to yield / interest rate risk			Not exposed to yield/ interest rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		
----- Rupees in '000 -----					
On-balance sheet financial instruments					
Financial assets					
Bank balances	1,624,223	-	-	-	1,624,223
Investments					
Financial assets at fair value through Profit or loss - held for trading	975,329	929,559	-	-	1,904,888
Loans and receivables	430,000	-	-	-	430,000
Profit receivable	-	-	-	5,551	5,551
	<u>3,029,552</u>	<u>929,559</u>	<u>-</u>	<u>-</u>	<u>3,964,662</u>
Financial liabilities					
Payable to the Management Company	-	-	-	1,198	1,198
Payable to the Trustee	-	-	-	242	242
Accrued expenses and other liabilities	-	-	-	675	675
Payable against redemption of units	-	-	-	28	28
	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,143</u>	<u>2,143</u>
On-balance sheet gap	<u>3,029,552</u>	<u>929,559</u>	<u>-</u>	<u>3,408</u>	<u>3,962,519</u>
Off-balance sheet financial instruments	-	-	-	-	-
Off-balance sheet gap	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

PICIC CASH FUND
Notes To The Financial Statements
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----- As at June 30, 2015 -----

	Exposed to yield / interest rate risk			Not exposed to yield/ interest rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		
----- Rupees in '000 -----					
On-balance sheet financial instruments					
Financial assets					
Bank balances	442,130	-	-	-	442,130
Investments					
Financial assets at fair value through Profit or loss - held for trading	975,329	929,559	-	-	1,904,888
Loans and receivables	1,050,000	-	-	-	1,050,000
Profit receivable	-	-	-	24,651	24,651
	2,467,459	929,559	-	24,751	3,421,769
Financial liabilities					
Payable to the Management Company	-	-	-	1,233	1,233
Payable to the Trustee	-	-	-	218	218
Accrued expenses and other liabilities	-	-	-	512	512
Payable against redemption of units	-	-	-	148,104	148,104
	-	-	-	150,067	150,067
On-balance sheet gap	2,467,459	929,559	-	(125,316)	3,271,702
Off-balance sheet financial instruments	-	-	-	-	-
Off-balance sheet gap	-	-	-	-	-

The rates of return on financial instruments are as follows:

	2016	2015
	----- Percentage per annum -----	
Bank balances	3.75 % to 6.50%	4.50 % to 6.34%
Market treasury bills	6.38%	6.94% to 6.95%
Certificates of investment	6.30% to 6.80%	9.00%
Term deposit receipt	6.72% to 7.35%	7.35%

21.1.3 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. Currently, the Fund does not hold any security which exposes the Fund to price risk.

21.2 Credit risk

Credit risk represents the risk of a loss if the counter parties fail to perform as contracted. The Fund's credit risk is primarily attributable to its investment in debt securities, loans and receivables and bank balances. Risks attributable to investments in Market Treasury Bills is limited as these are guaranteed by the Federal Government while bank balances are maintained with banks with a reasonably high credit rating.

The analysis below summarises the credit quality of the Fund's financial assets:

Short Term Rating	2016	2015
Bank Balances	100%	100%
A1+/A-1+		
Term deposit receipt	-	100%
A1+/A-1+		
Certificates of investment	100%	100%
A1+/A-1+		
Letter of Placements	-	100%
A1+/A-1+		

PICIC CASH FUND
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Long term ratings

Particulars

For the year ended June 30, 2016				Total
----- Percentage -----				

Rating Category

	AAA	AA+	AA	AA-	
Bank Balances	21.55%	0.27%	77.85%	0.32%	100.00%
Term deposit receipt	0.00%	0.00%	0.00%	0.00%	0.00%
Certificates of investment	-	100.00%	-	-	100.00%

For the year ended June 30, 2015				Total
----- Percentage -----				

Rating Category

	AAA	AA+	AA	AA-	
Bank Balances	0.03%	54.67%	43.61%	1.69%	100.00%
Term deposit receipt	0.00%	100%	0.00%	-	100.00%
Certificates of investment	-	100.00%	-	-	100.00%

The maximum exposure to credit risk before any credit enhancement as at June 30, 2016 is the carrying amount of these financial assets. None of these assets are 'impaired' or 'past due but not impaired'.

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is mainly concentrated in government securities and bank balances while the remaining transactions are entered into with diverse credit-worthy counterparties thereby mitigating any significant concentration of credit risk to counterparties other than the government.

21.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to daily cash redemptions, if any, at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation. Its policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

The Fund has the ability to borrow in the short term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the total net asset value of the Fund at the time of borrowing and shall be repayable within 90 days. The facility would bear interest at commercial rates and would be secured against the assets of the Fund. However, during the current year no borrowings were made by the Fund.

In order to manage the Fund's overall liquidity, the Fund also has the ability to withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests 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. However, no such instances were witnessed by the Fund during the current year .

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

PICIC CASH FUND
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Liabilities

Payable to the Management Company
 Payable to the Trustee
 Accrued expenses and other liabilities
 Payable against redemption of units

----- As at June 30, 2016 -----

Upto three months	More than three months and upto one year	More than one year	Total
----- Rupees in '000 -----			
1,198	-	-	1,198
242	-	-	242
675	-	-	675
28	-	-	28
<u>2,143</u>	<u>-</u>	<u>-</u>	<u>2,143</u>

Liabilities

Payable to the Management Company
 Payable to the Trustee
 Accrued expenses and other liabilities
 Payable against redemption of units

----- As at June 30, 2015 -----

Upto three months	More than three months and upto one year	More than one year	Total
----- Rupees in '000 -----			
1,233	-	-	1,233
218	-	-	218
512	-	-	512
148,104	-	-	148,104
<u>150,067</u>	<u>-</u>	<u>-</u>	<u>150,067</u>

22 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences can arise between carrying values and fair value estimates.

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 traded in an open market are revalued at the market prices prevailing at the close of trading on the reporting date. The estimated fair value of all other financial assets and liabilities is not considered to be significantly different from book values as the items are either short-term in nature or periodically repriced.

International Financial Reporting Standard (IFRS) 13, "Fair Value Measurement" requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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 (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

PICIC CASH FUND
Notes To The Financial Statements
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The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

		June 30, 2016								
		Carrying Amount			Fair Value					
Note	Fair Value through Profit and Loss	Loas and Receivables	Other Financial Liabilities	Total	Level 1	Level 2	Level 3	Total		
----- (Rupees in '000) -----										
On-balance sheet financial instruments										
Financial assets measured at fair value										
	Investments in Market Treasury Bills	5.3 & 22.1	97,674	-	-	97,674	97,674	-	-	97,674
			97,674	-	-	97,674	97,674	-	-	97,674
Financial assets not measured at fair value										
	Bank balances	22.1	-	1,624,223	-	1,624,223	-	-	-	-
	Profit receivable	4	-	5,739	-	5,739	-	-	-	-
		6 to 8	-	1,629,962	-	1,629,962	-	-	-	-
Financial liabilities not measured at fair value										
	Payable to the Management Company	22.1	-	-	1,198	1,198	-	-	-	-
	Payable to the Trustee	10	-	-	242	242	-	-	-	-
	Accrued expenses and other liabilities	11	-	-	475	475	-	-	-	-
	Payable against redemption of units	13	-	-	28	28	-	-	-	-
			-	-	1,943	1,943	-	-	-	-

		June 30, 2015								
		Carrying Amount			Fair Value					
Note	Fair Value through Profit and Loss	Loas and Receivables	Other Financial Liabilities	Total	Level 1	Level 2	Level 3	Total		
----- (Rupees in '000) -----										
On-balance sheet financial instruments										
Financial assets measured at fair value										
	Investments in Market Treasury Bills	5.3 & 22.1	1,905,415	-	-	1,905,415	1,905,415	-	-	1,905,415
			1,905,415	-	-	1,905,415	1,905,415	-	-	1,905,415
Financial assets not measured at fair value										
	Bank balances	22.1	-	442,130	-	442,130	-	-	-	-
	Profit receivable	4	-	24,918	-	24,918	-	-	-	-
		6 to 8	-	467,048	-	467,048	-	-	-	-
Financial liabilities not measured at fair value										
	Payable to the Management Company	22.1	-	-	1,198	1,198	-	-	-	-
	Payable to the Trustee	10	-	-	242	242	-	-	-	-
	Accrued expenses and other liabilities	11	-	-	475	475	-	-	-	-
	Payable against redemption of units	13	-	-	148,104	148,104	-	-	-	-
			-	-	150,019	150,019	-	-	-	-

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22.1 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 fair value.

22.2 Valuation techniques

For level 1 investments at fair value through profit or loss - held for trading investment in respect of Treasury Bills, Fund uses rates which are derived from PKRV rates at reporting date per certificates multiplied by the number of certificates held as at year end.

22.3 Transfers during the period

During the year ended June 30, 2016, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 financial instruments.

23 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by redeemable units. These units are entitled to distributions and to payment of a proportionate share, based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown in the Statement of Movement in Unit Holders' Fund. The Fund has no restrictions on the subscription and redemption of units except for maintaining minimum fund size of Rs.100 million at all times.

The Fund's objectives when managing unit holders' fund are to safeguard its ability to continue as a going concern so that it can continue to provide returns to unit holders and to maintain a strong base of assets under management.

In accordance with the risk management policies stated in note 21, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption requests, which would be augmented by short-term borrowings or disposal of investments where necessary.

24 LIST OF TOP TEN BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID / PAYABLE

S.No.	Particulars	2016	2015
----- Percentage -----			
1	Optimus Markets (Private) Limited	29.70%	10.93%
2	Next Capital Limited	18.94%	23.63%
3	JS Global Capital Limited	14.37%	27.01%
4	Invest Capital Markets Limited	12.01%	6.89%
5	Vector Capital (Private) Limited	9.55%	N/A
6	Pearl Securities Limited	3.28%	N/A
7	BMA Capital Management Limited	2.61%	7.06%
8	Icon Securities (Private) Limited	2.41%	3.12%
9	Invest One Markets (Private) Limited	2.24%	N/A
10	Global Securities Pakistan Limited	1.65%	7.91%
11	Vector Capital (Private) Limited	-	6.11%
12	Arif Habib Limited	-	1.91%
13	KASB Securities Limited	-	1.65%

25 PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER

Details of members of the Investment Committee of the Fund as on June 30, 2016 are as follows:

S. No.	Name	Designation	Qualification	Experience in years
1	Rehan N. Shaikh	Chief Executive Officer	Bachelor of Commerce	19+
2	Tauqeer Shamshad *	Head of Fixed Income	MBA	29+
3	Noman Ameer	Manager Risk	MBA	9+

25.1 * Mr. Tauqeer Shamshad is the manager of the Fund. He is also the Fund Manager of PICIC Income Fund and PICIC Islamic Income Fund.

PICIC CASH FUND
Notes To The Financial Statements
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26 PATTERN OF UNITHOLDING

----- As at June 30, 2016 -----

Category	Number of units holders	Number of units held	Unit holding or investment amount	Percentage of total
Rupees in '000				
Individuals	173	2,089,344	210,124	9.99%
Associated Companies and Directors	1	6,981,354	702,112	33.37%
Insurance Companies	2	67,981	6,837	0.32%
Retirement Funds	6	1,066,153	107,223	5.10%
Trust	2	769,066	77,328	3.68%
Others	8	9,946,494	1,000,332	47.55%
		<u>20,920,392</u>	<u>2,103,956</u>	<u>100.00%</u>

----- As at June 30, 2015 -----

Category	Number of units holders	Number of units held	Unit holding or investment amount	Percentage of total
Rupees in '000				
Individuals	214	5,731,483	575,996	17.73%
Associated Companies and Directors	5	14,899,299	1,494,221	45.99%
Insurance Companies	5	2,441,813	244,885	7.54%
Retirement Funds	8	412,727	41,392	1.27%
Others	13	8,899,607	892,523	27.47%
		<u>32,384,929</u>	<u>3,249,017</u>	<u>100.00%</u>

27 ATTENDANCE AT MEETINGS OF THE BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The 82nd, 83rd, 84th, 85th and 86th meetings were held on September 9, 2015, October 19, 2015, February 10, 2016, March 2, 2016 and April 29, 2016 respectively. Information in respect of the attendance by the Directors in the meetings is given below:

S.No.	Name of Director	Number of meetings			Meetings not attended
		Held	Attended	Leave Granted	
1	Mr. Atif R. Bokhari ¹	4	3	1	83rd
2	Mr. Shahid Zaki ¹	4	4	-	-
3	Mr. Imran Ahmad Mirza ¹	4	3	1	83rd
4	Mr. Jaudat Hussain ¹	4	1	3	82nd, 83rd and 84th
5	Mr. Shah Miftah Ul Azim Azmi ¹	4	4	-	-
6	Mr. Tufail Jawed Ahmed ¹	4	4	-	-
7	Mr. Suleman Chhagla ¹	4	4	-	-
8	Mr. Towfiq H. Chinoy ²⁻³	2	2	-	-
9	Ms. Sadia Khan ²⁻⁴	2	1	1	86th
10	Mr. Ayaz Ahmed ²⁻⁴	2	2	-	-
11	Ms. Sima Kamii ²⁻³	2	2	-	-
12	Mr. Rizwan Haider ²⁻³	2	2	-	-
13	Mr. Salahuddin Manzoor ²⁻³	2	2	-	-
14	Mr. Rehan N. Shaikh ²⁻³	2	2	-	-
15	Mr. Nadeem Abdullah ⁵	-	-	-	-
16	Ms. Ava Ardeshir Cowasjee ⁵	-	-	-	-

PICIC CASH FUND
Notes To The Financial Statements
For the year ended June 30, 2016

¹ Directors resigned on March 2, 2016.

² Directors appointed on March 2, 2016 on divestment of 100 % equity stake in the PICIC Asset Management Company Limited by NIB Bank Limited to HBL Asset Management Company Limited as per clause of share purchase agreement. Securities and Exchange Commission of Pakistan granted HBL Asset Management Company to appoint common Directors on the Board of PICIC Asset Management Company Limited.

³ Directors resigned and re-elected on completion of their three year term on April 29, 2016.

⁴ Directors resigned on completion of their three year term on April 29, 2016.

⁵ Directors appointed through election of directors on April 29, 2016.

28 NON-ADJUSTING EVENT AFTER THE REPORTING DATE

The Board of Directors of the Management Company in its meeting held on August 26, 2016 has approved a final distribution of Rs. 0.02 per unit. The financial statements of the Fund for the year ended June 30, 2016 do not include the effect of the final distribution which will be accounted for in the financial statements of the Fund for the year ending June 30, 2017.

29 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **August 26, 2016** by the Board of Directors of the Management Company.

30 CORRESPONDING FIGURES

Corresponding figures have been rearranged or reclassified, where necessary, for the purpose of better presentation. No significant rearrangement or reclassification was made in these financial statements during the current year.

31 GENERAL

Figures have been rounded off to the nearest thousand Rupees.

For PICIC Asset Management Limited
(Management Company)

Chief Executive

Director

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HBL Asset Management Limited



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