

HBL

ASSET MANAGEMENT LTD.
ایس ایٹ مینجمنٹ لمیٹڈ



Investment Fund Annual Report 2017

MOVING TOWARDS
EXCELLENCE

TABLE OF CONTENTS

<i>Vision / Mission</i>	02
<i>Corporate Value</i>	03
<i>Corporate Information</i>	04
<i>Fund Information</i>	05
<i>Report of the Directors of the Management Company</i>	06
<i>Fund Manager Report</i>	17
<i>Performance Table</i>	20
<i>Proxy Voting Disclosure</i>	21
<i>Trustee Report to the Unit Holders</i>	22
<i>Statement of Compliance with the code of Corporate Governance</i>	23
<i>Auditors' Review Report to the Unit Holders on Statement of Compliance with the Practices of the code of Corporate Governance</i>	25
<i>Independent Auditor's Report to the Unit Holders</i>	26
<i>Statement of Assets and Liabilities</i>	28
<i>Income Statement</i>	28
<i>Statement of Comprehensive Income</i>	29
<i>Distribution Statement</i>	30
<i>Statement of Movement in Certificate Holders' Fund - Per Certificate</i>	31
<i>Statement of Changes in Equity</i>	32
<i>Cash Flow Statement</i>	33
<i>Notes to the Financial Statement</i>	34
<i>Income Statement Of Hbl Asset Management Limited In Relation To PICIC Investment Fund</i>	56
<i>Distribution Network</i>	57

OUR VISION

Enabling people to
advance with
confidence and
success.

OUR MISSION

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

PROGRESSIVENESS

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

MERITOCRACY

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

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.

OUR CORPORATE 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.

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 investor first.

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 expect us to possess and steadfastly adhere to high moral principles and professional standards.

CORPORATE INFORMATION

Management Company

HBL Asset Management Limited.

Board of Directors

Chairman	Mr. Towfiq Habib Chinoy	(Non-Executive Director)
Directors	Mr. Farid Ahmed Khan	(Executive Director)
	Mr. Rizwan Haider	(Non-Executive Director)
	Mr. Salahuddin Manzoor	(Non-Executive Director)
	Mr. Ava Ardeshir Cowasjee	(Non-Executive Director)
	Ms. Nadeem Abdullah	(Non-Executive Director)
	Mr. Rayomond Kotwal	(Non-Executive Director)

Audit Committee

Chairman	Mr. Nadeem Abdullah	(Non-Executive Director)
Members	Mr. Rizwan Haider	(Non-Executive Director)
	Mr. Ava Ardeshir Cowasjee	(Non-Executive Director)

Human Resource Committee

Chairperson	Ms. Towfiq Habib Chinoy	(Non-Executive Director)
Members	Mr. Farid Ahmed Khan	(Executive Director)
	Mr. Rayomond Kotwal	(Non-Executive Director)

Risk Management Committee

Chairman	Mr. Rizwan Haider	(Non-Executive Director)
Members	Mr. Salahuddin Manzoor	(Non-Executive Director)
	Mr. Farid Ahmed Khan	(Executive Director)

Company Secretary & Chief Financial Officer

Mr. Noman Qurban

AMC Rating

'AM2' (Positive Outlook)

Legal Advisors

Mandviwalla & Zafar, Advocates and Legal Consultants,
Mandviwalla Chambers, C-15, Block 2, Clifton, Karachi.

Website

www.hblasset.com

Head Office

7th Floor, Emerald Tower, G-19, Block-5, Main Clifton Road, Clifton, Karachi.

Registered Office

7th Floor, Emerald Tower, G-19, Block-5, Main Clifton Road, Clifton, Karachi.

FUND INFORMATION

NAME OF FUND	PICIC Investment Fund
NAME OF AUDITOR	Deloitte Yousuf Adil, Chartered Accountants
NAME OF TRUSTEE	Central Depository Company of Pakistan Limited.
NAME OF BANKERS	NIB Bank Limited. JS Bank Limited.

REPORT OF THE DIRECTORS' OF THE MANAGEMENT COMPANY FOR THE YEAR ENDED JUNE 30, 2017

The Board of Directors of HBL Asset Management Limited, the Management Company of PICIC Investment Fund (PIF or Fund) is pleased to present the 13th Annual Report of the PICIC Investment Fund.

Merger of the Management Company

During FY17 PICIC Asset Management Company Limited was merged with and into HBL Asset Management Limited under section 282L of the Companies Ordinance 1984 vide the merger order dated August 31, 2016 issued by the Securities Exchange Commission of Pakistan. HBL Asset Management Limited had earlier acquired 100% equity stake in the PICIC Asset Management Company Limited from NIB Bank Limited during FY16. Accordingly, effective from August 31, 2017 PICIC Growth Fund comes under management of HBL Asset Management 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.

FINANCIAL RESULTS

The financial results of PICIC Investment Fund for the year under review are summarized as under:

	(Rupees in '000')
Un-appropriated (Loss) brought forward	(371,235)
Profit after taxation for the year	848,003
Profit available for appropriation	<u>476,768</u>
Appropriation:	
Final Dividend for the year ended June 30, 2016 @ 4.20%	(119,332)
Accumulated profit carried forward	<u>357,436</u>
Earning per certificate (Rupees)	<u>2.98</u>

ECONOMIC REVIEW

Pakistan's economic performance in FY17 continued to post an improvement compared to the year before with real GDP growth accelerating to 5.3% compared to 4.5% in the year before. FY17's GDP growth rate was the highest in the past 10 years. Key factors behind the higher GDP growth rate was a turnaround in the agricultural sector, which posted 3.5% growth vs. just 0.3% growth in the previous year; meanwhile, industrial growth came in at 5.0% and services sector posted 6.0% growth. CPI inflation, though historically still very low, has surged to 4.16% in FY17 compared to 2.86% in the same period last year; higher fuel and food prices were the primary contributors to acceleration in inflation. Pakistan's fiscal deficit shown a deterioration in 9MFY17 where the fiscal deficit-to-GDP ratio has risen to 3.7% from 3.4% in the comparable period last year due to growth of 8.6% in tax revenues which was not sufficient to offset 10.9% increase in defense spending and 8.4% increase in development spending. Concerns on the external accounts position have re-emerged as the current account deficit for FY17 has increased to 4.0% of GDP vs. 1.7% in the same period last year on the back of falling textile exports, rising oil & machinery imports, and a decline in foreign remittance inflow especially from the Middle East. This slippage in the current account deficit occurred despite an inflow of USD 550 million under Coalition Support Fund (CSF) in early March. Foreign exchange reserves fell by 7.5% in FY17; nevertheless, the SBP's foreign exchange reserves provide adequate import cover of ~3.4 months. Challenges posed by the twin-deficit situation are likely to linger, however, with adequate support from strategic regional economies, the Pakistani economy looks set to overcome these. Pakistan's Economic outlook is positive with GDP growth expected to accelerate to 6.0% in FY18 (as per government target), inflation likely to remain comfortably in single-digits, and pro-growth policy action in the run-up to general elections next year.

MONEY MARKET REVIEW

The GoP held an Ijara Sukuk (fixed-rate) auction against the M1 Motorway as the underlying Asset on June 23, 2017, wherein a 3-year instrument was offered with a target of PKR 71.69 billion. Total bids received amounted to PKR 167.08 billion and the GoP raised PKR 71.01 billion from the auction at a cut-off rate of 5.24% p.a. Despite the latest auction, there is still a shortage of Shariah compliant investments, and therefore, yields on the Ijara Sukuks continue to be unappealing to investors. However, during 2HFY17, some corporate Sukuks were brought to market, which were well-received by investors. The yield curve has steepened during the period as secondary market yields on 3, 5 and 10-year PIBs have increased by 42, 48 and 58 bps respectively. Meanwhile, yields on the 3, 6 and 12-month T-Bills rose by 9, 13 and 13 bps respectively. The GoP raised PKR 894 billion through PIBs compared to the cumulative target of PKR 800 billion and maturities of PKR 1,936 billion. All PIB auctions held during 2QFY17 were scrapped. However, following the release of below-expected CPI data for the month of December 2016, the market anticipated that there would be no hike in the discount rate, and thus placed bids at more appropriate levels. The 5 and 10-year PIB cutoffs declined by 1 bp and 8 bps respectively FY17TD whereas the 3-year PIB cutoff remained unchanged. The large maturity of PIBs resulted in a sharp decline in government's borrowing from the commercial banks; from 1 July 2016

till 16 June 2017, the GoP had borrowed a mere PKR 29 billion on net basis compared to PKR 1,152 billion in the same period last year. Meanwhile, government borrowing from the SBP came in at PKR 1,083 billion during the period vs. a net retirement of PKR 370 billion in the same period last year. Through T-Bills, the GoP raised PKR 7,716 billion (including NCB) compared to the cumulative target of PKR 7,200 billion and maturities of PKR 6,431 billion. Going forward, monetary policy is likely to remain unchanged as the SBP would have to balance the need for growth with rising inflationary pressure and worsening current account deficit.

STOCK MARKET REVIEW

Driven by strong inflow of domestic liquidity, optimism surrounding Pakistan's upgrade to "Emerging Market" status by MSCI and higher GDP growth expectations, the KSE100 Index surged by 23% in FY17. However, most of the gains for the fiscal year were concentrated in the first half of the year; in the second half, political turmoil and regulatory actions stifled market performance. Mutual funds emerged as the largest net buyers (USD 576 million), followed by insurance firms (USD 220 million) and companies (USD 127 million). This strong buying by local institutional investors was sufficient to absorb the steady selling of foreign investors, who offloaded USD 652 million (net) of Pakistani equities. The rally was driven mainly by selected scrips in the banking sector, where investors expected that interest rates had bottomed-out, and selected scrips in the E&P and cement sectors which were expected to benefit from higher oil prices, strong growth in volumetric sales and new investment projects respectively. On the flip side, selected scrips in the fertilizer, textile and pharmaceutical sectors were the main drags on the market's performance. Furthermore, average daily trading volume shares posted a sizable improvement of 68% Y/Y in FY17 to 350 million shares, while average turnover increased by 61% Y/Y to PKR 15.3 billion. M&A and IPO activity also remained robust in the period, particularly in the food & personal care, cement, engineering and automobile parts sectors. During the year a consortium of Chinese investors and HBL acquired 40% stake in the PSX; subsequently, the book-building and IPO were conducted and the first trading session of the PSX stock was held on 29 June. Initial market response to the PSX book-building was muted, mainly due to tighter regulations surrounding the transaction, however, after three extensions in the book-building duration, the issue was eventually oversubscribed by a narrow margin. Going forward, we expect the market to continue its upward trajectory, given that Pakistan is still trading at a sizable discount to its Emerging Market peers in terms of P/E multiples and dividend yield. Pakistan also has the second-highest earnings growth in the region. These attractive valuations should act as a catalyst for inflows from foreign investors, adding to the anticipated inflow from passive Emerging Market Index funds. The recent acquisition of a large stake in the PSX by Chinese investors should also pave the way for the introduction of new products and greater visibility of the Pakistani market on the global stage. Over the longer term, the gathering momentum of the China-Pakistan Economic Corridor (CPEC) projects are likely to stimulate investment-led GDP growth which bodes well for Pakistan's equity market too.

OPERATING RESULTS

During the period under review total income stood at Rs. 977 million including unrealized gain of Rs. 438 million (2016: unrealized gain of Rs 113 million) as compared to a total income of Rs 391 million reported for the corresponding period.

Realized capital gain during the period stood at Rs 281 million as compared to Rs 76 million in the corresponding period. The dividend income during the period stood at Rs 243 million as compared to Rs 185 million in the corresponding period.

Total expenditure during the period stood at Rs 168 million as compared to Rs 146 million during the corresponding period.

Tax provision for the current year amounted to NIL due to tax exemption under Clause 99 of Part I of the Second Schedule of the Income Tax Ordinance, 2001 and Regulation 63 of NBFC & NE Regulations, 2008.

The net profit for the period stood at Rs 848 million as compared to Rs 245 million reported for the corresponding period. This translates into earning per certificate of Rs 2.98 for the period as compared Re 0.86 in the corresponding period.

The net assets increased from Rs 5,251 million as on June 30, 2016 to Rs 6,331 million as on June 30, 2017 and accordingly the net asset value per certificate increased from Rs 18.48 per certificate as on June 30, 2016 to Rs 22.28 per certificate as on June 30, 2017.

INCOME DISTRIBUTION

The Board of Directors of HBL Asset Management Limited (the Management Company) has declared a final cash dividend of 13.50% (i.e. Rs 1.35 per certificate) of PICIC Investment Fund for the year ended June 30, 2017 resulting in total cash payout of Rs. 383 million.

COMPLIANCE WITH THE REGULATION 65 OF THE NON-BANKING FINANCE COMPANIES AND NOTIFIED ENTITIES REGULATIONS, 2008

During the year, the SECP approved merger of PICIC Asset Management Company Limited with and into HBL Asset Management Limited dated August 31, 2016. Consequently, HBL Asset Management Limited became Management Company of the Fund. As per the merger order of SECP, the Fund was required to be converted into open-end fund from closed end fund scheme by December 31, 2016. The Management Company after resolving certain legal and operational matter relating to the Conversion exercise with SECP called the meeting of the certificate holders to approve the Conversion Plan on March 27, 2017. However, the meeting was postponed on the advice of SECP with the directives to amend the conversion plan in the best interest of the certificate holders. Currently, the Management Company is in discussion with SECP and other bodies to resolve issues related to conversion of the Fund. For details please refer to note no: 1 to the financial statements of the Fund.

MANAGEMENT COMPANY QUALITY RATING

The JCR-VIS Credit Rating Company Limited (JCR-VIS) has maintained management quality rating of 'AM2 (positive outlook)' to the Management Company.

Directors' Statement in Compliance with Code of Corporate Governance

This part of the Directors' report to certificate-holders is given as required under section 236 of the Companies Ordinance 1984:

1. The financial statements, prepared by the management company of the Fund, present fairly the state of affairs of the Fund, the result of its operations, cash flows and statement of movement in certificate holders' funds.
2. Proper books of account of Fund have been maintained.
3. Appropriate accounting policies have been consistently applied in preparation of financial statements. Accounting estimates are based on reasonable and prudent judgment.
4. International Accounting Standards, as applicable in Pakistan, have been followed in preparation of the financial statements.
5. The system of internal control is sound in design and has been effectively implemented and monitored.
6. There are no significant doubts upon the Fund's ability to continue as a going concern.
7. There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulations.
8. Summary of key financial data is provided in Performance Table and Annexure-1 of this report.
9. The Directors, CEO, CFO, Head of Internal Audit & Company Secretary and their spouses have made no transactions in the Fund's certificates during the year except as disclosed in respective notes to the financial statements of fund.
Note: The Board of Directors of the Management Company has set a threshold of Rs 1,200,000/- of annual basic salary earned by employees to categorized as "Executive"
10. The details of attendance of Board of Directors meeting is disclosed in the financial statements of fund. The details of attendance of Board Committee meetings are provided below:

Board Audit Committee

During the year ended June 30, 2017 four BAC meetings were held. Below is the attendance of BAC.

Name	Meeting Date			
	Apr 21, 2017	Feb 24, 2017	Oct 31, 2016	Aug 25, 2016
Nadeem Abdullah ¹	Present	Present	Present	N/A
Syed Rizwan Haider	Present	Present	Present	Present
Ava A. Cowasjee	Present	Present	Present	Present
Salahuddin Manzoor ²	N/A	N/A	N/A	Present

¹Appointed as member of BAC effective from August 26, 2016.

²Released as member of BAC effective from August 26, 2016.

Board Human Resource and Remuneration Committee (HR&R)

During the year ended June 30, 2017 one HR&R Committee meeting was held. Below is the attendance of (HR&R).

Name	Meeting Date
	April 27, 2017
Taufiq H. Chinoy	Present
Sima Kamil ¹	N/A
Farid Ahmed Khan	Present
Salahuddin Manzoor ²	Present
Raymond H. Kotwal ³	N/A

¹Resigned from Board of Directors effective from March 16, 2017.

²Attended meeting on special invitation.

³Appointed as committee member effective from August 25, 2017.

Board Risk Management Committee (BRMC)

During the year ended June 30, 2017 one BRMC meeting was held. Below is the attendance of BRMC.

Name	Meeting Date
	Feb 16, 2017
Syed Rizwan Haider	Present
Salahuddin Manzoor	Present
Farid Ahmed Khan	Present

11. The details as required by the code of corporate governance regarding the pattern of certificate holding are provided in the financial statements of the Fund. The break up certificate holding by size is provided in the respective section of Fund Manager Report in the respective financial statements of the Fund. The name wise detail of associated companies, undertakings, related parties and certificate holders holding more than 5% certificates are hereunder:

Description	Certificate Holding
Associated Companies & Directors:	
Habib Bank Limited	48,662,161
Jubilee General Insurance Company – Staff Provident Fund Trust	118,454
Jubilee General Insurance Company – Gratuity Fund Trust	224,000
Aga Khan University – Employee Provident Fund Trust	588,000
Aga Khan University – Gratuity Fund Trust	138,000
Jubilee General Insurance Company	107,879
Persons holding 5% or more certificates in fund :	
NIB Bank Limited	48,042,021
MCB Bank Limited	18,048,000
Pension Reserves Investment Trust Fund	14,417,456

Note: The Board of Directors of the Management Company has set a threshold of Rs 1,200,000/- of annual basic salary earned by employees to categorized as "Executive" .

AUDITORS

M/s Deloitte Yousuf Adil, Chartered Accountants existing auditors of PICIC Investment Fund retired and being eligible, offered themselves for re-appointment. The Board of Directors, on the recommendation of the Audit Committee, has re-appointed M/s Deloitte Yousuf Adil, Chartered Accountants as Auditors of the Fund for the next term.

ACKNOWLEDGEMENT

Finally, we once again avail this opportunity to thank all our valued certificate holders and correspondents for their continuing patronage and support. We would also like to thank 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 and 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 certificate-holders for the trust and confidence reposed in us.

On behalf of the Board of
HBL Asset Management Limited

Chief Executive Officer

Director

Karachi
August 25, 2017

مینجمنٹ کمپنی کا انضمام :

دوران سال 2017ء پبلک ایسیٹ مینجمنٹ لمیٹڈ کا ایچ بی ایل ایسیٹ مینجمنٹ لمیٹڈ میں انضمام ہو گیا۔ ایچ بی ایل ایسیٹ مینجمنٹ لمیٹڈ نے 2016ء میں این آئی بی بینک لمیٹڈ سے پبلک ایسیٹ مینجمنٹ کمپنی لمیٹڈ کے 100% حصص خرید لئے تھے۔ جس کے نتیجے میں 31 اگست 2016ء سے فنڈ ایچ بی ایل ایسیٹ مینجمنٹ لمیٹڈ کے زیر انتظام آ گیا۔ ایچ بی ایل ایسیٹ مینجمنٹ لمیٹڈ حبیب بینک لمیٹڈ کا 100% ملکیتی ذیلی ادارہ ہے۔ آغا خان فنڈ فار اکنامک ڈویلپمنٹ (S.A. (AKFED) حبیب بینک لمیٹڈ کا سرمایہ سرپرست ادارہ ہے۔

مالی نتائج:

زیر جائزہ سال کے لئے پبلک انویسٹمنٹ فنڈ کے مالیاتی نتائج کا خلاصہ درج ذیل ہے:

000/- روپے	
(371,235)	آگے لایا گیا جمع شدہ ادستائری نقصان
848,003	سال کے لئے ٹیکس منافع
476,768	تخصیص جمع کرنے ادستائری کے لئے دستیاب منافع
	تخصیص:
(119,332)	30 جون 2016 کو ختم ہونے کے لئے حتمی منافع منقسمہ @4.20%
357,436	آگے بھیجا گیا جمع شدہ ادستائری منافع
2.98	آمدنی سرٹیفکیٹ (روپے)

معیشت کا جائزہ:

مالی سال 2017ء میں پاکستان کی معاشی کارکردگی پچھلے سال 4.5% کی شرح نمو کے مقابل میں حقیقی مجموعی قومی پیداوار 5.3% کی شرح نمو کے ساتھ مسلسل بہتری کی طرف گامزن ہے۔ مالی سال 2017ء میں شرح نمو گزشتہ 10 سالوں میں سب سے زیادہ تھی۔ اس بلند شرح نمو کے پیچھے کارفرما کلیدی عوامل میں زرعی شعبہ میں بدلاؤ بھی شامل تھا۔ جس نے پچھلے سال میں 0.3% شرح نمو کے مقابلے میں اس سال 3.5% شرح نمو ظاہر کی۔ دریں اثنا صنعتی شرح نمو 5.0% رہی اور شعبہ ہائے خدمات نے 6.0% شرح نمو ظاہر کی۔ سی پی آئی افراتر اگرچہ تاریخی طور پر ابھی بہت کم ہے، مالی سال 2017ء میں بڑھ کر 4.16% رہا جبکہ پچھلے سال کے اسی عرصے میں یہ 2.86% تھا۔ افراتر میں اہم ترین حصہ ایندھن کی بلند ہوتی قیمتیں اور اجناس و اشیاء خواراک کی قیمتوں میں اضافے کا رہا۔ پاکستان کا مالیاتی خسارہ 9 ماہی سال 2017ء میں متزلی ظاہر کرتا رہا ہے۔ جہاں مالی خسارہ بانسبت مجموعی قومی پیداوار گزشتہ سال کے اسی عرصے کے مقابلے میں 3.4% سے بڑھ کر 3.7% ہو گیا۔ جس کی وجہ ٹیکس محصولات میں 8.6% کا اضافہ ہے جو کہ دفاعی اخراجات میں 10.9% اضافے کو متوازن کرنے اور ترقیاتی اخراجات میں 8.4% اضافے کے لئے کافی نہیں تھے۔ بیرونی حسابات کی صورتحال پر تشویش دوبارہ سے اٹھانے لگی ہے کیونکہ مالی سال 2017ء کے لئے حسابات جاری کا خسارہ مجموعی قومی پیداوار کے 4.0% تک بڑھ چکا ہے جبکہ پچھلے سال کے اسی عرصے میں یہ 1.7% تھا جس کی وجہ ٹیکسائل برآمدات میں کمی، تیل اور مشینری کی درآمدات میں اضافہ اور مشرق وسطیٰ سے خاص طور پر ترسیلات زر میں کمی ہے۔ حسابات جاری کے خسارے کا یہ رساؤ مارچ کے آغاز میں کولیشن سپورٹ فنڈ (CSF) کے تحت 550 ملین امریکی ڈالر کی آمد کے باوجود واقع ہوا۔ مالی سال 2017ء میں غیر ملکی زرمبادلہ کے ذخائر میں 7.5% کی کمی واقع ہوئی۔ اس کے باوجود بینک دولت پاکستان غیر ملکی زرمبادلہ کے ذخائر تقریباً ساڑھے تین ماہ کی درآمدات کے لئے کافی ہیں۔ جڑواں خسارے کی صورتحال کی طرف سے چیلنجز کا ممکنہ سامنا رہے گا۔ تاہم، منظم و مربوط علاقائی معیشتوں کی جانب سے مناسب تعاون کے ساتھ پاکستانی معیشت لگتا ہے ان چیزوں پر قابو کر لے گی۔ مالی سال 2018ء میں توقع کی جاتی ہے کہ مجموعی ملکی پیداوار کی شرح نمو تیز ہو کر 6.0% تک ہو جائے گی (جیسا کہ حکومت کا ہدف ہے) جس کے ساتھ ممکن ہے افراتر واحد ہند سے پرآسانی قائم رہے اور موافق شرح نمو پالیسی کا عمل آئندہ عام انتخابات تک جاری رہے۔ اس لئے پاکستان کی معاشی کارکردگی کی توقع مثبت ہے۔

بازار زر کا جائزہ:

حکومت پاکستان نے 23 جون 2017ء کو ایم۔ون موٹورے بطور بنیادی اثاثے کے عوض اجارہ سکوک (مقررہ شرح) کے نیلام کا انعقاد کیا۔ جس کے ذریعے 3 سالہ مدت کا سکوک 71.69 ارب روپے کے ہدف کے ساتھ پیش کیا گیا۔ 167.08 ارب روپے مالیت کی بولیاں حاصل کی گئیں اور حکومت پاکستان نے 5.24% کی سالانہ شرح پر نیلام سے 76.01 ارب روپے اکٹھا کر لئے۔ تازہ ترین نیلام

متاثر کیا۔ میچول فنڈ زسب سے بڑے خالص خریدار (576 ملین ڈالر) کے طور پر سامنے آئے، دوسرے نمبر پر بی۔ اے۔ اے (220 ملین ڈالر) اور ویکٹوریز (127 ملین ڈالر) رہے۔ مقامی ادارہ جاتی سرمایہ کاروں کی جانب سے یہ زبردست خریداری غیر ملکی سرمایہ کاروں کی مسلسل فروخت کو جذب کرنے کے لئے کافی تھی۔ جنہوں نے پاکستانی حصص 652 ملین ڈالر (خالص) مالیت کے فروخت کئے۔ یہ ریلی (یعنی مظاہرہ) زیادہ تر بینکاری شعبے میں مخصوص حصص کی طرف متحرک رہی، جہاں سرمایہ کاروں نے توقع کر لی کہ شرح سود کم کر دی گئی اور ای بی ڈی اور سینٹ کے شعبوں میں منتخب حصص، جن میں امید تھی کہ وہ بلند تیل کی قیمتوں باجم فروخت (یعنی وسیع پیمانے پر فروخت) میں مستحکم اضافے اور سرمایہ کاری کے لئے منصوبہ جات سے علی الترتیب مستفید ہوں گے۔ دوسری طرف کھاد، ٹیکسٹائل اور ادویات سازی کے شعبہ جات میں کچھ منتخب حصص ہی مارکیٹ میں کارکردگی میں گراؤ کی وجہ بنے۔ مزید یہ کہ روزانہ لین دین میں آنے والے حصص کے اوسط حجم نے مالی سال 2017ء میں سال بہ سال 68% کے قابل ذکر بہتری ظاہری کی جو کہ 350 ملین حصص رہا، جبکہ اوسط ٹرن اوور (یعنی دورہ سرمایہ) سال بہ سال 61% کے اضافے سے 15.3 ارب روپے ہو گیا۔ ایم اینڈ اے اور آئی پی او سرگرمی بھی اس عرصے میں زبردست رہی، خاص طور پر فوڈ اور پرنٹل کیئر، سینٹ، انجینئرنگ اور آٹوموبائل پارٹس کے شعبہ جات۔ دوران سال پاکستان اسٹاک ایکسچینج میں چینی سرمایہ کاروں اور ایچ بی ایل کے ایک کنسورٹیم نے 40% کا حصہ حاصل کر لیا۔ تینچنگ بلڈنگ اور آئی پی او کا انعقاد کیا گیا اور 29 جون 2017ء کو پاکستان اسٹاک ایکسچینج کا پہلا اسٹاک ٹریڈنگ سیشن منعقد ہوا۔

پاکستان اسٹاک ایکسچینج بک بلڈنگ کی طرف پہلا ردعمل تو چپ چاپ رہا جس کی بڑی وجہ لین دین کے اردگرد سخت ضوابط تھے۔ لیکن بک بلڈنگ کے دورانیے میں تین عدد تو سعیات کے بعد اجراء (ایٹو) آخر کار بہت باریک مارجن سے اور دوسرے سیکٹر ہو گیا۔ آگے بڑھتے ہوئے ہم توقع رکھتے ہیں کہ مارکیٹ کا اوپر کی جانب سفر جاری رہے گا۔ کیونکہ پاکستان اب بھی P/E ٹی پلو اور منافع منقسمہ آمدن کے لحاظ سے ایمرجنگ مارکیٹ کے دوسرے ساتھیوں کے مقابلے میں قابل ذکر رعایت پر ہے۔ پاکستان خطے میں دوسری سب سے بڑی آمدن شرح نمو کا حامل بھی ہے۔ یہ پرکشش تخمینہ جات غیر ملکی سرمایہ کاریوں کی طرف سے بہاؤ (رقوم لانے) کے لئے لازماً عمل انگیز کے طور پر کام کرنے چاہئیں، جس سے (Passive) پیسوا میرجنگ مارکیٹ انڈیکس فنڈز سے بہاؤ کی پیش بینی اپنی قدم میں اضافہ ہوگا۔ چینی سرمایہ کاروں کی جانب سے پاکستان اسٹاک ایکسچینج میں ایک بڑے حصے کے حالیہ حصول سے نئی مصنوعات متعارف کرانے کی راہ ہموار ہونی چاہئے اور اس سے عالمی منظر نامے پر پاکستانی مارکیٹ کی وسیع تر پذیرائی کی راہ بھی ہموار ہونی چاہئے۔ وسیع تر تناظر میں یہ ایک منصوبہ جات میں زبردست تیزی سے امکانات ہیں کہ سرمایہ کاری سے جڑے مجموعی ملکی پیداوار کی شرح نمو میں بل چل اور حرکت ہو جو پاکستان کے بازار حصص (ایکیویٹی مارکیٹ) کے لئے بھی بہت اچھا ہے۔

عملی نتائج:

زیر جائزہ عرصہ کے دوران کل آمدن بشمول 438 ملین روپے کے غیر حاصل شدہ کمپنیل گین 113:2016 ملین روپے کا غیر حاصل شدہ کمپنیل گین (977 ملین روپے رہی جبکہ اسی عرصے کے مقابل میں مقابلہ 391 ملین روپے کی کل آمدن ظاہر کی گئی ہے۔

کمپنیل گین اس عرصے کے دوران 281 ملین روپے رہا جبکہ تقابلی عرصے میں مقابلہ 76 ملین روپے تھا۔ اس عرصے کے دوران منافع منقسمہ آمدن 243 ملین روپے رہی۔ جبکہ تقابلی عرصے میں یہ مقابلہ 146 ملین روپے تھی۔

اس عرصے کے دوران کل اخراجات 168 ملین روپے رہے جبکہ تقابلی عرصے کے دوران یہ مقابلہ 146 ملین روپے تھے۔

پک انویسٹمنٹ فنڈ:

مینجمنٹ کمپنی کے ڈائریکٹرز کی رپورٹ:

30 جون 2017 کو ختم ہونے والے سال کے لئے پک انویسٹمنٹ فنڈ (PIF/Fund) کی مینجمنٹ کمپنی ایچ بی ایل ایسیٹ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز پک انویسٹمنٹ فنڈ کی 13 (تیرہویں) سالانہ رپورٹ پیش کرتے ہوئے اظہار مسرت کرتے ہیں۔

ادارہ جاتی نظم کے ضابطے کے ساتھ ڈائریکٹرز کے بیان کی موافقت:

- ۱ فنڈ کی منجمنٹ کمپنی کی جانب سے تیار کردہ مالیاتی گوشوارہ جات فنڈ کے امور کارس کے افعال کا نتیجہ، نقد بہاؤ اور فنڈ کے سرٹیفکیٹ ہولڈرز کی نقل و حرکت کا بیان منصفانہ طور پر پیش کرتے ہیں
 - ۲ فنڈ کے حسابات کی مناسب کتب برقرار رکھی گئی ہیں۔
 - ۳ مالیاتی گوشوارہ جات کی تیاری میں مناسب حساباتی پالیسیز کو مسلسل بروئے کار لایا جاتا رہا ہے۔ حساباتی تخمینہ معقول اور عطا آراء پر مبنی ہیں۔
 - ۴ انٹرنیشنل اکاؤنٹنگ اسٹینڈرڈز، جیسے پاکستان میں لاگو ہیں، مالیاتی گوشوارہ جات کی تیاری میں پیروی کی جاتی رہی ہے۔
 - ۵ انٹرنل کنٹرول کا نظام ترتیب و تشکیل میں اچھا ہے اور اسے موثر طریقے سے نافذ کیا گیا اور اسکی نگرانی کی گئی ہے۔
 - ۶ فنڈ کی بطور ایک جاری کاروبار تسلسل کی صلاحیت پر کوئی معنی خیز شک و شبہ نہیں ہے۔
 - ۷ ادارہ جاتی نظم کے بہترین طور طریقوں سے جیسا کہ ضوابط میں تفصیل دی گئی ہے کوئی بڑا اختلاف نہیں ہے۔
 - ۸ کلیدی مالیاتی معلومات کا خلاصہ فنڈ کے کارکردگی جدول (پرفارمنس ٹیبل اور ضمیمہ-1) میں مہیا کر دیا گیا ہے۔
 - ۹ دوران سال فنڈ کے سرٹیفکیٹس میں ڈائریکٹرز ہی ای او، ایف او، ہیڈ آف انٹرنل آڈٹ اور کمپنی سیکریٹری اور ان کے ذمہ داروں نے کوئی لین و دین نہیں کیا سوائے اس کے جو فنڈ کے مالیاتی گوشوارہ جات میں فراہم اور ظاہر کر دیے گئے ہیں۔
 - ۱۰ منجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے ایگزیکٹو کے طور پر درجہ بندی کرنے کے لئے ملازمین کی 1,200,000 روپے سالانہ بنیادی تنخواہ کی حد مقرر کر دی ہے۔
- بورڈ آف ڈائریکٹرز اجلاس کی حاضری کی تفصیلات متعلقہ فنڈ کے مالیاتی گوشوارہ جات میں ظاہر کر دی گئی ہیں۔ بورڈ آف ڈائریکٹرز کی ذیلی کمیٹی کے اجلاس کی حاضری کی تفصیلات ذیل میں فراہم کر دی گئی ہیں۔

کے باوجود شریعہ موافق سرمایہ کاروں کی اب بھی قلت ہے۔ اور اس لئے اجارہ سکوک پر آمدن سرمایہ کاروں کو تسلسل سے راغب نہیں کر سکیں۔ تاہم مالی سال 2017ء کے دوسرے نصف کے دوران کچھ ادارہ جاتی سکوک کا بھی بازار میں لائے گئے۔ جسے سرمایہ کاروں کی جانب سے اچھی حوصلہ افزائی ملی۔ خط آمدن اس عرصے کے دوران تیزی سے اوپر گیا کیونکہ ثانوی بازار کی آمدن برائے 5,3 اور 10 سالوں کے پاکستان انویسٹمنٹ بانڈز علی الترتیب 48,42 اور 58 بی پی ایس سے بڑھ گئیں۔ اسی اثنا میں 6,3 اور 12 مہینوں کے ٹی۔ بلز پر آمدن علی الترتیب 13,9 اور 13 بی پی ایس سے بڑھ گئیں۔ حکومت پاکستان نے پاکستان انویسٹمنٹ بانڈز کے ذریعے 800 ارب روپے کے مجموعی ہدف اور 1,926 ارب روپے کی ادائیگیوں کے مقابلے میں 894 ارب روپے جمع کئے۔ نیلام جو مالی سال 2017ء کے دوسرے نصف میں منعقد ہونے سے ختم کر دیئے گئے۔ تاہم دسمبر 2016ء کے مہینے کے لئے سی پی آئی ڈیٹا جو توقع سے نیچے جاری ہوا کے بعد مارکیٹ نے پیش بینی کی تھی کہ شرح رعایت میں کوئی اضافہ نہ ہوگا اور اسی لئے بڈز (بلیوں) کا تعین قدرے مناسب سطحوں پر کیا گیا۔ 5 اور 10 سال کے پی آئی بی آمدن مالی سال 2017ء میں اب تک علی الترتیب 1 بی پی ایس اور 8 بی پی ایس سے کم ہو گئیں جبکہ 3 سالہ پی آئی بی آمدن میں کوئی تبدیلی نہیں ہوئی۔ پی آئی بی کی بڑی ادائیگیاں تجارتی بینکوں سے حکومتی قرضہ جات میں تیزی سے کمی کی وجہ بنی۔ یکم جولائی 2016ء سے 16 جون 2017ء تک حکومت پاکستان نے پچھلے سال کی اسی عرصے میں 1,152 ارب روپے کے مقابلے میں خالص بنیاد پر صرف 29 ارب روپے کا قرض لیا۔ اسی اثنا میں بینک دولت پاکستان سے حکومتی قرضہ جات پچھلے سال کے اسی عرصے میں 370 ارب روپے کے خالص ادائیگی کے مقابلے میں دوران عرصہ 1,083 ارب روپے پر پہنچ گئے ہیں۔ حکومت پاکستان نے ٹی۔ بلز کے ذریعے 7,200 ارب روپے کے مجموعی ہدف اور 6,431 ارب روپے کی ادائیگیوں کے مقابلے میں 7,716 ارب روپے (بشمول این سی بی) اٹھائے۔ آگے بڑھتے ہوئے مالیاتی پالیسی ممکن ہے کہ تھریل نا ہو کیونکہ بینک دولت پاکستان کو بڑھتے ہوئے افراط زر کے دباؤ اور بڑھتی ہوئی حسابات جاریہ کی صورت حال کے ساتھ شرح نمو کے لئے توازن کی ضرورت ہوگی۔

بازار حصص کا جائزہ:

مسئم کلکی زر سال کے بہاؤ ایم ایس سی آئی کی جانب سے ایمر جنگ مارکیٹ حیثیت تک پاکستان کی بلند درجہ بندی کے پر امید ماحول اور بلند شرح نمو کی توقعات سے متحرک، مالی سال 2017ء میں کے ایس ای اینڈیکس 100 میں 23% کا اضافہ ہوا، تاہم مالی سال کے لئے زیادہ تر منافع سال کے پہلے نصف میں ہی مرکوز ہوا، دوسرے نصف میں سیاسی ہل چل اور انتظامی اقدامات نے مارکیٹ کی کارکردگی کو

بورڈ رسک مینجمنٹ کمیٹی (بی آرایم سی):

30 جون 2017ء کو ختم ہونے والے سال کے دوران بی آرایم سی کا ایک اجلاس منعقد ہوا۔ بی آرایم سی کی حاضری درج ذیل ہے۔

تاریخ اجلاس

نام	16 فروری 2017ء
رضوان حیدر	حاضر
صلاح الدین منظور	حاضر
فرید احمد خان	حاضر

سال رواں کیلئے ٹیکس کی کوئی صفحہ جس کی وجہ انکم ٹیکس آرڈیننس، 2001 کے جدول دوم کے حصہ اول کی شرح 99 اور این بی ایف سی اینڈ این ای ریگولیشنز، 2008 کے ضابطے 63 کے تحت ٹیکس استثناء ہے۔

اسی عرصے کے لئے خالص منافع 848 ملین روپے رہا جبکہ تقابلی عرصے کے لئے یہ مقابلاً 245 ملین روپے درج کیا گیا۔ یہ اس عرصے کے لئے 2.98 روپے کی آمدن فی سرٹیفکیٹ کو ظاہر کرتا ہے۔ جبکہ تقابلی عرصے میں یہ مقابلاً 0.86 روپے تھا۔

30 جون 2016ء کے برطابق خالص اثاثہ جات 5,251 ملین روپے سے بڑھ کر 30 جون 2017ء پر یہ 6,331 ملین روپے ہو گیا اور اس کے مطابق خالص مالیت اثاثہ فی سرٹیفکیٹ برطابق 30 جون 2016ء 18.48 روپے فی سرٹیفکیٹ سے بڑھ کر 30 جون 2017ء پر 22.28 روپے فی سرٹیفکیٹ ہو گیا۔

تقسیم آمدن:

ایچ بی ایل ایس ایٹ میجمنٹ لمیٹڈ (میجمنٹ کمپنی) کے بورڈ آف ڈائریکٹرز نے 30 جون 2017ء کو ختم ہونے والے سال کے لئے پلگ انویسٹمنٹ فنڈ کیلئے 13.50% کے حتمی نقد منافع منقسمہ (یعنی 1.35 روپے فی سرٹیفکیٹ) کا اعلان کیا ہے۔

نان بینک فنانس کمپنیز اینڈ نوٹیفائیڈ اینڈ اینڈریجسٹریٹڈ ریگولیشنز، 2008 کے ریگولیشن 65 کے ساتھ موافقت:

دوران سال ایس ای سی پی نے مورخہ 31 اگست 2016ء پلگ ایسٹ میجمنٹ کمپنی لمیٹڈ کے ایچ بی ایل ایس ایٹ میں انضمام کی منظوری دی۔ نتیجتاً ایچ بی ایل ایس ایٹ میجمنٹ لمیٹڈ فنڈ کی میجمنٹ کمپنی بن گئی۔ ایس ای سی پی کے حکم انضمام کے مطابق، فنڈ کیلئے مورخہ 31 دسمبر 2016ء تک کلوز اینڈ فنڈ اسکیم سے اوپن اینڈ فنڈ میں منتقلی درکار تھی۔ میجمنٹ کمپنی ایس ای سی پی کے ساتھ تبدیلی کے عمل (منتقلی کے عمل سے متعلق کچھ قانونی اور عملی امور حل کرنے کے بعد سرٹیفکیٹ ہولڈرز کا ایک اجلاس کیا تاکہ مارچ 2017ء پر منتقلی کے منصوبے کی منظوری دی جائے۔ تاہم احکامات کے ساتھ ایس ای سی پی کے مشورے پر کہ سرٹیفکیٹ ہولڈرز کے بہترین مفاد میں منتقلی کے منصوبے میں ترمیم کر دی جائے اجلاس ملتوی کر دیا گیا۔ فی الحال میجمنٹ کمپنی ایس ای سی پی اور دیگر اداروں کے ساتھ گفت و شنید میں مصروف ہے تاکہ فنڈ کی منتقلی سے متعلق امور حل کر لئے جائیں۔ تفصیلات کیلئے ازراہ کرم فنڈ کے مالیاتی گوشواروں کے ملاحظہ نمبر 1.5 کا مطالعہ کر لیجئے۔

میجمنٹ کمپنی کوالٹی ریٹنگ:

جے سی آر-وی آئی ایس کریڈٹ ریٹنگ کمپنی لمیٹڈ (JCR-VIS) نے میجمنٹ کمپنی کے لئے اے ایم 2 (مثبت توقع) کی میجمنٹ کوالٹی ریٹنگ برقرار رکھی ہے۔

بورڈ آڈٹ کمیٹی (بی اے سی):

30 جون 2017ء کو ختم ہونے والے سال کے دوران بی اے سی کے چار اجلاس منعقد ہوئے۔ بی اے سی کی حاضری درج ذیل ہے:

تاریخ اجلاس	25 اگست 2016ء	31 اکتوبر 2016ء	24 فروری 2017ء	21 اپریل 2017ء	نام
	N/A	حاضر	حاضر	حاضر	ندیم عبداللہ ¹
	حاضر	حاضر	حاضر	حاضر	رضوان حیدر
	حاضر	حاضر	حاضر	حاضر	آواے کاؤنجی
	حاضر	N/A	N/A	N/A	صلاح الدین منظور ²

¹ 26 اگست 2017ء سے بی اے سی کے رکن کے طور پر تقرری موثر

² 26 اگست 2017ء سے بی اے سی کے رکن کے طور پر سبکدوشی موثر

بورڈ آف ہیومن ریسورس اور ریمنیشن کمیٹی (ایچ آراینڈ آن):

30 جون 2017ء کو ختم ہونے والے سال کے دوران ایک ایچ آراینڈ آر کمیٹی اجلاس منعقد ہوا۔ ایچ آراینڈ آر کی حاضری درج ذیل ہے:

تاریخ اجلاس	27 اپریل 2017ء	نام
	حاضر	توفیق ایچ چینیائی
	N/A	سیما کمال ¹
	حاضر	فرید احمد خان
	حاضر	صلاح الدین منظور ²
	N/A	ریمنڈ ایچ کوٹوال ³

¹ 16 مارچ 2017ء سے بورڈ آف ڈائریکٹرز کے عہدے سے سبکدوشی موثر

² خصوصی دعوت پر اجلاس میں حاضری

³ 25 اگست 2017ء سے ایچ آراینڈ آر کمیٹی کے رکن پر تقرری موثر

ڈائریکٹرز اور منسلکہ کمپنیز:

فنڈ میں 5% یا اس سے زائد کی ہولڈنگ:

11 سرٹیفکیٹ ہولڈنگ کے اسلوب سے متعلق تفصیلات جیسا کہ ادارہ جاتی نظم کے ضابطے کی جانب سے درکار ہیں۔ فنڈ کے متعلقہ مالیاتی گوشوارہ جات میں فراہم کردی گئی ہے۔ جسامت کے لحاظ سے سرٹیفکیٹ ہولڈنگ کے حصے فنڈ کے مالیاتی گوشوارہ جات میں فنڈ منیجر رپورٹ کے متعلقہ حصے میں دیئے گئے ہیں۔ منسلکہ کمپنیز، متعلقہ فریقین اور 5% سے زیادہ پونٹ ہولڈنگ والے سرٹیفکیٹ ہولڈرز کی بالفاظ نام تفصیل درج ذیل کے مطابق ہیں۔

سرٹیفکیٹ ہولڈنگ

48,662,161

118,454

224,000

588,000

138,000

107,879

48,042,021

18,048,000

14,417,456

تفصیل

ڈائریکٹرز اور منسلکہ کمپنیز:

حبیب بینک لمیٹڈ

جوبلی جزل انشورنس کمپنی - اسٹاف پروویڈنٹ فنڈ ٹرسٹ

جوبلی جزل انشورنس کمپنی - گریجویٹ فنڈ ٹرسٹ

آغا خان یونیورسٹی - ایمپلائڈ پروویڈنٹ فنڈ ٹرسٹ

آغا خان یونیورسٹی - گریجویٹ فنڈ ٹرسٹ

جوبلی جزل انشورنس کمپنی

فنڈ میں 5% یا اس سے زائد کی ہولڈنگ:

این آئی بی بینک لمیٹڈ

ایم سی بی بینک لمیٹڈ

نیشنل ریزرو انویسٹمنٹ فنڈ

آڈٹرز:

میسرز ڈیلائیٹ یوسف عادل، چارٹرڈ اکاؤنٹنٹس جو پبلک انویسٹمنٹ فنڈ کے موجودہ آڈٹرز ہیں سکدوش ہو چکے ہیں اور چونکہ اہل ہیں اس لئے خود کو دوبارہ تقرری کے لئے پیش کر دیا ہے۔ بورڈ آف ڈائریکٹرز نے آڈٹ کمیٹی کی سفارش پر میسرز ڈیلائیٹ یوسف عادل، چارٹرڈ اکاؤنٹنٹس کو فنڈ کے آڈٹرز کے طور پر آئندہ مدت کیلئے دوبارہ مقرر کر لیا ہے۔

اعتراف:

آخر میں ہم پھر اس موقع کو نعمت جانتے ہوئے ہمارے تمام گرانقدر سرٹیفکیٹ ہولڈرز اور ان کے نمائندوں کا اگلی مسلسل سرپرستی اور تعاون کے لئے تہ دل سے شکر یہ ادا کرتے ہیں۔ ہم وزارت خزانہ، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، بینک دولت پاکستان، سنٹرل ڈپازٹری کمیٹی آف پاکستان لمیٹڈ (ٹرسٹی) نیشنل کلیئرنگ کمیٹی آف پاکستان لمیٹڈ اور دیگر انتظامی اداروں، مالیاتی اداروں اور آڈٹرز کے بھی اگلی لگا تار ہمنامی اور اعانت پر اگلے شکر گزار ہیں۔ بورڈ ہمارے عملے کی جانب سے اگلے عزم اور انتھک محنت کا اعتراف بھی کرنا چاہتا ہے اور سرٹیفکیٹ ہولڈرز کے ہم پر غیر متزلزل اعتماد اور یقین کا خلوص دل سے معترف ہے۔

منجانب بورڈ

ایچ بی ایل ایسٹ منجمنٹ لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو آفسر

مورخہ 25 اگست 2017ء

بہ مقام: کراچی

PICIC INVESTMENT FUND
SUMMARIZED OPERATING AND FINANCIAL RESULTS
FOR THE LAST SIX YEARS IN COMPARISON TO CURRENT YEAR

ANNEXURE -1

FOR THE LAST SIX YEARS IN COMPARISON TO CURRENT YEAR

YEAR ENDED	(Rupees in '000')					
	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
STATEMENT OF ASSETS & LIABILITIES						
Net Assets:						
Investment in HFT	3,430,762	2,802,089	2,481,244	3,361,494	3,112,061	2,347,660
Investment in AFS	2,664,461	2,313,820	2,350,987	2,359,181	1,774,763	919,945
Other Assets	421,285	354,767	406,197	403,147	137,731	274,324
Liabilities	(185,939)	(219,420)	(195,064)	(366,338)	(171,439)	(196,822)
Total	6,330,569	5,251,256	5,043,364	5,757,484	4,853,116	3,345,107
Financed By:						
Capital	2,841,250	2,841,250	2,841,250	2,841,250	2,841,250	2,841,250
Premium on issue of certificate	984,688	984,688	984,688	984,688	984,688	984,688
General Reserve	225	225	225	225	225	225
Reserver for issue of bonus certificate	-	-	-	-	-	-
Unappropriated (loss)/profit	357436	(371,236)	(616,294)	89,631	(230,318)	(883,509)
Surplus on revaluation of AFS Investment	2146970	1,796,329	1,833,495	1,841,690	1,257,271	402,453
Total	6,330,569	5,251,256	5,043,364	5,757,484	4,853,116	3,345,107
Net Asset Value per Certificate (Rupees)	22.28	18.48	17.75	20.26	17.08	11.77
INCOME STATEMENT						
Income:						
Gain/(Loss) on Sale of Investments -net	280,508	75,689	137,695	637,059	568,497	156,355
Unrealised appreciation/(diminution) on remeasurement of investment - net	437,875	112,531	(239,188)	291,433	222,166	(28,080)
Dividend income	242,717	185,384	178,063	202,092	217,662	197,514
Other Income	15,629	17,526	18,566	19,066	18,160	21,276
	976,729	391,130	95,136	1,149,650	1,026,485	347,065
Expenditure:						
Management Fee	124,151	97,087	100,573	101,795	76,458	64,904
Auditors' Remuneration	630	620	642	594	562	622
Other Expenses	43,247	48,364	74,772	82,952	51,005	36,510
	168,028	146,071	175,987	185,341	128,025	102,036
Profit/(Loss) Before Taxation	808,701	245,059	(80,851)	964,309	898,460	245,029
Provision/Reversal of Sindh Worker Welfare Fund	39,303	-	-	(19,286)	(17,969)	(4,904)
Taxation	-	-	-	-	-	-
Profit/(Loss) After Taxation	848,004	245,059	(80,851)	945,023	880,491	240,125
Earnings/(Loss) per Certificate (Rupees)	2.98	0.86	(0.28)	3.33	3.10	0.85

FUND MANAGER'S REPORT - PICIC INVESTMENT FUND

As at June 30, 2017

Type and Category of Fund

Equity / Closed-end

Investment Objective and Accomplishment of Objective

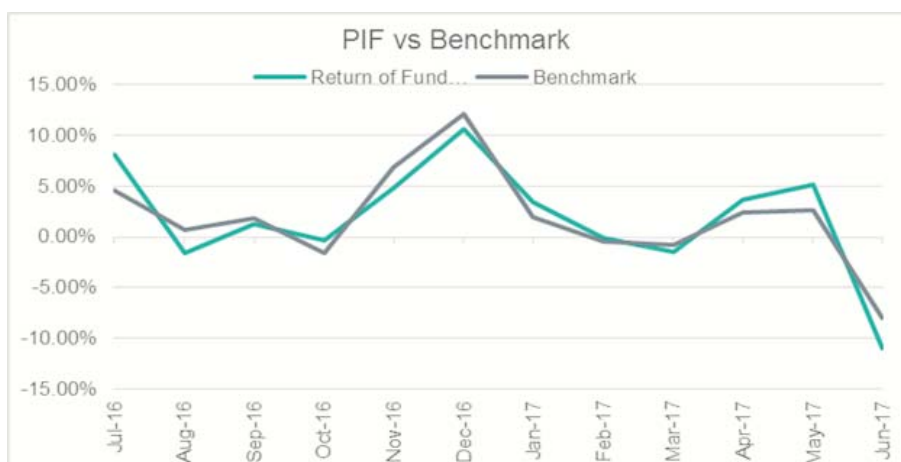
PICIC Investment Fund (PIF) is a closed-end equity fund. The objective of the Fund is capital growth of the Certificate Holders for which investments would be made in the best available opportunities, while considering acceptable risk parameters and applicable rules and regulations. The Collective Investment Scheme achieved its stated objective.

Benchmark and Performance Comparison with Benchmark

The Fund's benchmark is KSE-100 Index.

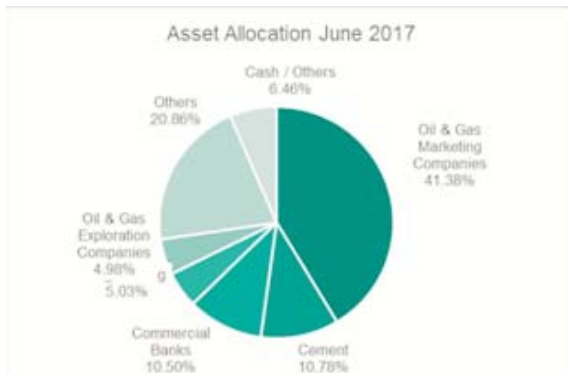
The Fund's total NAV increased by 23.18%, underperforming the benchmark KSE 100 Index by 0.06% during FY17. The Fund's ex. Frozen NAV increased by 29.84% during the stated period outperforming the benchmark KSE 100 Index by 6.60%. A comparison of the fund return with the benchmark is given below:

Month	Return of Fund Total	PIF Frozen	PIF -EX Frozen	Benchmark
June 2017	-10.95%	-16.95%	-6.02%	-7.96%
May 2017	5.13%	8.20%	2.73%	2.62%
April 2017	3.66%	3.55%	3.74%	2.38%
March 2017	-1.42%	-1.41%	-1.42%	-0.78%
February 2017	-0.13%	0.04%	-0.26%	-0.46%
January 2017	3.41%	4.64%	2.48%	1.99%
December 2016	10.65%	9.94%	11.19%	12.16%
November 2016	4.84%	-1.03%	9.87%	6.84%
October 2016	-0.31%	-1.07%	0.35%	-1.60%
September 2016	1.29%	2.73%	0.07%	1.84%
August 2016	-1.55%	-2.78%	-0.53%	0.71%
July 2016	8.12%	11.52%	5.43%	4.62%



Strategies and Policies employed during the Year

During the year under review, the Fund increased its exposure in equities marginally from 93.40% on June 30, 2016 to 93.54% on June 30, 2017. Further, sectors wise allocation was continuously reviewed and revisited throughout the year to ensure optimum return to the investors. Accordingly, exposures in Engineering and Oil and Gas exploration sectors were increased while decreasing exposure to Cements and Commercial Banks.



Significant Changes in Asset Allocation during the Year

The following table shows a comparison of top sector wise allocation of equity investments in the Fund as on June 30, 2017 and June 30, 2016:

SECTOR ALLOCATION (% of Total Assets)		
	June -17	June -16
Oil & Gas Marketing Companies	41.38%	42.29%
Cement	10.78%	14.70%
Commercial Banks	10.50%	11.56%
Engineering	5.03%	1.23%
Oil & Gas Exploration Companies	4.98%	2.62%
Others	20.86%	21.00%

Fund Performance (FINANCE)

the Board that the total income and net income of the Fund was Rs. 976.728 million and Rs. 848.003 million respectively during the year ended June 30, 2017. He further informed that Net Asset Value (NAV) per certificate of the Fund is Rs 22.28 per certificate as on June 30, 2017. The absolute return of the fund stood at 23.18% for the year ended June 30, 2017 against the benchmark (KSE 100 Index) return of 23.24%. The size of the fund was Rs. 5.251 billion as on June 30, 2016 which increased to Rs. 6.330 billion as on June 30, 2017.

Review of Market invested in

In FY17, KSE-100 index posted a gain of 23% and closed at 46,565pts as compared to FY16 return of 10%. This performance was driven by strong inflow of domestic liquidity, optimism surrounding Pakistan's upgrade to "Emerging Market" status by MSCI and higher GDP growth of 5.28%. Mutual funds emerged as the largest net buyers USD 576 million which absorbed the most of selling of foreign investors, who offloaded USD 652 million (net). Banks and Oil & Gas Exploration sectors were the prime outperformers during the period under review. Furthermore, average daily trading volume shares posted a sizable improvement of 68% Y/Y in FY17 to 350 million shares, while average turnover increased by 61% Y/Y to PKR 15.3 billion. In USD term KSE 100 index returned 22.5% which outperformed both MSCI Emerging Index (20.4%) and MSCI Frontier Index (15.1%). During the FY17, KSE-100 index touched the all-time high 52,877pts level in May'17 in anticipation of higher foreign inflows on inclusion of PSX into MSCI emerging market index, and nation friendly FY18 budget. However lower than expected foreign inflows, and unfriendly budget for stock market wherein tax on dividend has enhanced from 10% to 12.5% and capital gain tax surged from 12.5% to 15% dragged the KSE 100 index return. Furthermore SC hearings regarding Panama-JIT in Jun'17 expedite the bearish sentiment in local bourse and massive volatility was witnessed due to uncertainty on the political front.

On the macroeconomic front Pakistan has witnessed a smooth upward trend in GDP growth rate to reach 5.28% in FY17 (source: MoF) - the highest in 10 years. The outgoing fiscal year has witnessed an impressive growth in the LSM and agriculture output as well as in the services sector. However, there remain challenges on the external front owing to declining exports and widening of the current account deficit. During FY17, the current account deficit has reached ~ USD 12bn (4.2% of GDP) mainly due to flattish exports and surging imports. Workers' remittances figure is also not encouraging, declining by 3% during FY17 due to ongoing financial crises in the GCC region.

Distribution

The Board of Directors of the Management Company in its meeting held on August 25, 2017 approved a final cash dividend at the rate of Rs. 1.35 per certificate for the year ended June 30, 2017.

Significant Changes in the State of Affairs

During the year the Management Company of the Fund i.e. PICIC Asset Management Company Limited merged with and into HBL Asset Management Limited effective from August 31, 2016.

Breakdown of Certificate Holding by Size

From – To (No. of Certificates)	No. of Certificate Holders	Total No. of Certificates Held
1 – 100	3,159	198,110
101 – 500	6,833	1,738,256
501 – 1,000	2,225	1,641,283
100,1 – 10,000	2,558	8,310,599
10,001 – 100,000	631	20,210,514
100,001 – 500,000	108	23,519,418
500,001 – 1,000,000	20	13,817,561
1,000,001 – 5,000,000	19	51,161,211
5,000,001 and above	8	163,528,048
Total	15,561	284,125,000

Certificate Splits (FINANCE)

There were no certificate splits during the year.

Circumstances materially affecting the Interest of Certificate Holders (FINANCE)

Investments are subject to market risk.

Soft Commission

The Management Company from time to time receives research reports and presentations from brokerage houses.

PERFORMANCE TABLE - PICIC INVESTMENT FUND

As at June 30, 2017

	2017	2016	2015	2014	2013	2012
Net assets at the period end(Rs'000)	6,330,569	5,251,256	5,043,364	5,757,484	4,853,116	3,345,107
Net Assets Value per certificate (Rupees)	22.28	18.48	17.75	20.26	17.08	11.77
RETURN (%)						
Total return	23.18%	4.11%	-1.12%	35.39%	54.85%	4.27%
Income distribution	13.50%	4.20%	-	22.00%	22.00%	8.00%
Capital growth	9.68%	-0.09%	-1.12%	13.39%	32.85%	-3.73%
DISTRIBUTION						
First Interim dividend distribution	1.35	0.42	-	2.20	2.20	0.80
Date of Income Distribution	25-Aug-17	26-Aug-16	-	27-Aug-14	4-Sep-13	30-Aug-12
Total dividend distribution for the year/ period	1.35	0.42	-	2.20	2.20	0.80
AVERAGE RETURNS (%)						
Average annual return 1 year	23.18%	4.11%	-1.12%	35.39%	54.85%	4.27%
Average annual return 2 year	13.25%	1.46%	15.70%	44.79%	27.06%	11.07%
Average annual return 3 year	8.24%	11.70%	27.52%	29.78%	24.08%	12.34%
PORTFOLIO COMPOSITION - (%)						
Percentage of Assets as at 30 June:						
Bank Balances	5%	6%	7%	2%	2%	5%
GoP Ijarah Sukuks	-	-	-	-	-	-
Placement with Banks and DFIs	-	-	-	-	-	-
Corporate Sukuks	-	-	-	-	-	-
Stock / Equities	94%	93%	92%	93%	97%	92%
Others	1%	1%	1%	5%	1%	3%

Note:

The Fund was reorganized in June 2004

Disclaimer:

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

PROXY VOTING DISCLOSURE- PICIC INVESTMENT FUND

As at June 30, 2017

Summary of actual proxy voted by the Management Company in relation to investee company of the collective investment scheme.

PICIC Investment Fund	Meetings	Resolutions	For	Against	Abstain
Number	7	20	20	-	-
(%ages)		100%	100%	-	-

(h) Management Company did not participate in shareholders' meetings.

Investee Company	Meeting Dt	Meeting Type
Thal Limited.	29-09-2016	AGM
Pakistan Oilfields Ltd.	29-09-2016	AGM
Hub Power Company Limited	18-10-2016	AGM
Kot Addu Power	20-10-2016	AGM
Pakistan State Oil Co. Ltd.	21-10-2016	AGM
Lucky Cement Limited	29-10-2016	AGM
AMRELI STEELS LIMITED	25-10-2016	AGM
Oil & Gas Dev.Co	26-10-2016	AGM
Cherat Cement Company Limited	31-10-2016	AGM
Tariq Glass Limited	27-10-2016	AGM
Tariq Glass Limited	27-10-2016	AGM
Hub Power Co Ltd	15/2/2017	EOGM
Pak Suzuki Motor Company Limited	16/2/2017	EOGM
Pakistan Petroleum Ltd	28/2/2017	AGM
Engro Corporation Ltd.	6/4/2017	AGM
GlaxoSmithLine Pak Ltd	24/4/2017	AGM
Pak Elektron Ltd	24/4/2017	AGM
Pak Suzuki Motor Co Ltd	25/4/2017	AGM
Adamjee Insurance Co Ltd	18/4/2017	AGM
Indus Motor Co Ltd	5/5/2017	AGM
Honda Atlas Car (PAKISTAN) Ltd	13/6/2017	AGM

The proxy voting policy of the Fund is available on the website of the Management Company and detailed information regarding actual proxies voted by Management Company in respect of the Fund is also available without charge, upon request, to all unit holders.

TRUSTEE REPORT TO THE CERTIFICATE HOLDERS

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

We, Central Depository Company of Pakistan Limited, being the Trustee of PICIC Investment Fund (the Fund) are of the opinion that HBL Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2017 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 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.

Aftab Ahmed Diwan

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi, February 26, 2017

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2017.

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.

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

1. 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. Farid Ahmed Khan (Chief Executive Officer)
Non- Executive Directors	Mr. Towfiq H. Chinoy (Chairman) Mr. Rayomond H. Kotwal Syed Rizwan Haider Mr. Salahuddin Manzoor

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

2. 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).
3. 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 NBFIs, or, being a Broker of a stock exchange, has been declared as a defaulter by that stock exchange.
4. Two casual vacancies occurring on the board on April 27, 2017 and June 22, 2017 were filled up by the directors within 42 and 16 days respectively.
5. 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.
6. 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.
7. 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.
8. 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. The minutes of the meetings were appropriately recorded and circulated.
9. 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.
10. The board has approved appointment of Head of Internal Audit and existing Chief Financial Officer and Company Secretary continue to serve as per their terms of employment duly approved by the Board.
11. 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.
12. 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 certificates 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. The board has formed an Audit Committee. It comprises three Members, of whom three are non-executive directors and the chairman of the committee is an independent 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. The board has formed an HR and Remuneration Committee. It comprises of three members, of whom two are non-executive directors and the chairman of the committee is a non-executive director. However due to resignation of Ms.Sima Kamil from the board effective from March 16, 2017 the committee members reduced to two. The board has reconstituted the committee effective from August 25, 2017 and it comprise of three members.
18. The Board has outsourced the internal audit function of the Fund to EYFord Rhodes, Chartered Accountants, Karachi, for the year ended June 30, 2017, 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 certificates 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 the 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 certificate, 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. The company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.
24. We confirm that all other material principles contained in the CCG have been complied with.

For and on behalf of the board

Chief Executive Officer

Director

Karachi
August 25, 2017



Deloitte Yousuf Adil
Chartered Accountants
Cavish Court, A-35, Block 7 & 8
KCHSU, Shahrah-e-Faisal
Karachi-75350
Pakistan

Tel: +92 (0) 21 3454 6494-7
Fax: +92 (0) 21- 3454 1314

www.deloitte.com

Review report to the unit holders' on the Statement of Compliance with the best practices of the Code of Corporate Governance

We have reviewed the enclosed Statement of Compliance (the Statement) with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors (the Board) of HBL Asset Management Limited, the Management Company of **PICIC Investment Fund** (the Fund) for the year ended June 30, 2017 to comply with Regulation No. 5.19 of the Rule Book of the 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 of the Fund. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement reflects the status of the Fund'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 part of our audit of 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's statement on internal control covers all risk 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 for their review and approval the Fund's 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 prices recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of approval of the related party transactions by the Board 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 prices or not.

Based on our review, nothing has come to our attention, which causes us to believe that the Statement does not appropriately reflect the Fund'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, 2017.

We draw attention to the following;

- Paragraph 17 of the Statement wherein it has been stated that the composition of the Human Resource and Remuneration (HR&R) Committee was remediated subsequent to year end.


Chartered Accountants

Dated: September 22, 2017
Place: Karachi

Member of
Deloitte Touche Tohmatsu Limited

Independent auditors' report to the certificate holders

Report on the financial statements

We have audited the accompanying financial statements of **PICIC Investment Fund (the Fund)**, which comprise the statement of assets and liabilities as at June 30, 2017, and the related income statement and other comprehensive income, cash flow statement, distribution statement, statement of movement in certificate holders' fund – per certificate and statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management Company's responsibility for the financial statements

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

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 about 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, whether 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 the Management Company, 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 financial position of the Fund as at June 30, 2017, and of its financial performance, cash flows and transactions for the year then ended in accordance with approved accounting standards as applicable in Pakistan.

Emphasis of matter

We draw attention to note 1.4 in the financial statements that explains status of conversion of the Fund from close-end fund to open-end scheme. Our opinion is not qualified in respect of this matter.

Report on other legal and regulatory requirements

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

Other matter

The financial statements of the Fund for the year ended June 30, 2016 were audited by another firm of Chartered Accountants who vide their report dated August 26, 2016 expressed an unmodified opinion thereon.


Chartered Accountants

Engagement Partner
Naresh Kumar

Date: September 22, 2017
Place: Karachi

PICIC Investment Fund
Statement of Assets and Liabilities
As at June 30, 2017

	Note	2017 ----- Rupees in '000'	2016 -----
Assets			
Bank balances	5	350,631	316,611
Investments	6	6,095,223	5,115,909
Dividend and profit receivable	7	66,857	35,456
Deposits and prepayments	8	3,798	2,700
Total assets		6,516,508	5,470,676
Liabilities			
Payable to the Management Company	9	12,447	10,415
Payable to the Trustee	10	965	416
Payable to Securities and Exchange Commission of Pakistan	11	5,897	4,612
Payable against purchase of investment		4,108	6,636
Accrued expenses and other liabilities	12	81,271	118,394
Unclaimed dividend		81,250	78,948
Total liabilities		185,939	219,420
Net assets		6,330,569	5,251,256
Capital and reserves			
Issued subscribed and paid up capital	13	2,841,250	2,841,250
Premium on issue of certificates		984,688	984,688
Unappropriated profit		357,436	(371,235)
General Reserve		225	225
Net unrealized appreciation on re-measurement of investments classified as 'available for sale'		2,146,970	1,796,328
Total certificate holders' funds		6,330,569	5,251,256
Contingencies and commitments			
	14		
		----- Rupees -----	
Net assets value per certificate	15	22.28	18.48

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive

Director

PICIC Investment Fund
Income Statement and Other Comprehensive Income
For the year ended June 30, 2017

	Note	2017 ----- Rupees in '000 -----	2016 -----
Income			
Capital gain on sale of investments - net		280,508	75,689
Dividend income		242,717	185,384
Unrealised appreciation on re-measurement of investment at fair value through profit or loss - held-for-trading' - net		437,875	112,531
Profit on bank deposits		15,629	17,526
		976,728	391,130
Operating expenses			
Remuneration of the Management Company	9.1	124,151	97,087
Sindh Sales Tax on remuneration of the Management Company	9.2	16,140	13,592
Provision for Federal Excise Duty and additional sales tax on remuneration of the Management Company	12.1	-	17,722
Remuneration of the Trustee	10.1	5,061	4,313
Annual fee to Securities and Exchange Commission of Pakistan	11.1	5,897	4,612
Allocation of expenses related to registrar services, accounting, operation and valuation services	9.3	6,252	2,523
Auditors' remuneration	16	630	620
Fee and subscription		807	956
Securities transaction cost		5,984	2,550
Settlement and bank charges		520	633
Printing charges		2,586	1,463
		168,028	146,071
Net income from operating activities		808,700	245,059
Reversal of provision for Workers' Welfare Fund	12.2	60,378	-
Provision for Sindh Workers' Welfare Fund	12.2	(21,075)	-
		39,303	-
Net income for the year before taxation		848,003	245,059
Taxation	17	-	-
Net income for the year after taxation		848,003	245,059
Other comprehensive (loss) / income for the year			
Items that may be reclassified to income statement and other comprehensive income			
Unrealised diminution on re-measurement of investments classified as available-for-sale'	6.3	350,642	(37,167)
Total comprehensive income for the year		1,198,645	207,892
Earnings per certificate	18	2.98	0.86

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

**For HBL Asset Management Limited
(Management Company)**

Chief Financial Officer

Chief Executive

Director

PICIC Investment Fund
Distribution Statement
For the year ended June 30, 2017

	2017	2016
	----- Rupees in '000 -----	
Unappropriate Profit brought forward		
- Realised loss	(483,766)	(377,106)
- Unrealised gain / (loss)	112,531	(239,188)
	<u>(371,235)</u>	<u>(616,294)</u>
Net income for the year after taxation	848,003	245,059
Final dividend for the year ended June 30, 2016 Rs. 0.42 per certificate declared on August 26, 2016	(119,332)	-
Unappropriated profit carried forward	357,436	(371,235)
	<u>357,436</u>	<u>(371,235)</u>
Unappropriated profit comprising of:		
- Realised loss	(80,439)	(483,766)
- Unrealised gain	437,875	112,531
	<u>357,436</u>	<u>(371,235)</u>

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive

Director

PICIC Investment Fund

Statement of Movement in Certificate Holders' Fund - Per Certificate

For the year ended June 30, 2017

Note	2017 ----- Rupees in '000 -----	2016
Net assets value at the beginning of the year	18.48	17.75
Movement in net assets value from operating activities		
Capital gain on sale of investments - net	0.99	0.27
Dividend income	0.85	0.65
Net unrealised appreciation on re-measurement of investment at fair value through profit or loss - held-for-trading'	1.54	0.40
Profit on bank deposits	0.06	0.06
	3.44	1.38
Operating expenses	(0.59)	(0.51)
Net income in net assets value from operating activities	2.85	0.87
Reversal of provision for Workers' Welfare Fund	0.21	-
Provision for Sindh Workers' Welfare Fund	(0.07)	-
Movement in net assets value from financing and investing activities		
Final dividend	(0.42)	-
Net Unrealised appreciation on re-measurement of investment classified as 'available-for-sale'	1.23	(0.13)
Net increase/(Decrease) net asset value from financing and investing activities	0.81	(0.13)
Net assets value at the end of the year	22.28	18.48

15

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive

Director

PICIC Investment Fund

Cash Flow Statement

For the year ended June 30, 2017

	2017	2016
	----- Rupees in '000 -----	
Cash flow from operating activities		
Net income for the year before taxation	848,003	245,059
Adjustments for non-cash items		
Capital gain on sale of investments - net	(280,508)	(75,689)
Unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	(437,875)	(112,531)
Profit on bank deposits	(15,629)	(17,526)
Dividend income	(242,717)	(185,384)
Provision for Sindh workers welfare fund	(60,378)	-
Reversal of provision for Workers' Welfare Fund	21,075	-
	(168,028)	(146,071)
Decrease / (Increase) in assets		
Investments - net	89,712	(132,625)
Deposits and prepayments	(1,098)	-
	88,614	(132,625)
Increase / Decrease in liabilities		
Payable to the Management Company	2,033	748
Payable to the Trustee	549	56
Payable to Securities and Exchange Commission of Pakistan	1,285	(165)
Payable against purchase of investments	(2,529)	6,636
Accrued expenses and other liabilities	2,181	17,479
	3,519	24,753
Dividend received	211,949	187,272
Bank profits received	14,996	17,635
	226,945	204,907
Net cash generated / (used in) from operating activities	151,050	(49,036)
Cash flows from financing activities		
Dividend paid	(117,030)	(397)
Net cash used in financing activities	(117,030)	(397)
Net increase / (decrease) in cash and cash equivalents	34,020	(49,433)
Cash and cash equivalents at the beginning of the year	316,611	366,044
Cash and cash equivalents at the end of the year	350,631	316,611

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive

Director

PICIC Investment Fund
Statement of Changes in Equity
For the year ended June 30, 2017

	Issued, subscribed and paid-up capital	Premium on issue of certificates	General Reserve	Unappropriated profit	Net unrealised appreciation on re- measurement of investments classified as 'available-for-sale'	Total
----- Rupees in '000' -----						
Balance as at June 30, 2015	2,841,250	984,688	225	(616,294)	1,833,495	5,043,365
Total comprehensive income for the year						
Profit for the year	-	-	-	245,059	-	245,059
Other comprehensive income						
Net unrealised diminution on re-measurement of investments classified as 'available-for-sale'	-	-	-	-	(37,167)	(37,167)
	-	-	-	245,059	(37,167)	207,892
Balance as at June 30, 2016	2,841,250	984,688	225	(371,235)	1,796,328	5,251,256
Total comprehensive income for the year						
Net income for the year	-	-	-	848,003	-	848,003
Other comprehensive income						
Net unrealised diminution on re-measurement of investments classified as 'available-for-sale'	-	-	-	-	350,642	350,642
	-	-	-	848,003	350,642	1,198,645
Transactions with certificate holders						
Final dividend for the year ended June 30, 2016 Rs. 0.42 per certificate declared on August 26, 2016	-	-	-	(119,332)	-	(119,332)
	-	-	-	(119,332)	-	(119,332)
Balance as at June 30, 2017	2,841,250	984,688	225	357,436	2,146,970	6,330,569

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

**For HBL Asset Management Limited
(Management Company)**

Chief Financial Officer

Chief Executive

Director

PICIC Investment Fund

Notes To The Financial Statements

For the year ended June 30, 2017

1 STATUS AND NATURE OF BUSINESS

- 1.1 PICIC Investment Fund is close-end equity scheme established under a Trust Deed, executed between PICIC Asset Management Company (Now HBL Asset Management Limited) as the Management Company and Central Depository Company of Pakistan Limited as the Trustee.
- 1.2 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 was located at 24-C, Khayban-e- Hafiz, Phase VI, D.H.A Karachi, Pakistan. Subsequent to the year end, the registered office has been relocated at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.
- 1.3 The Certificates of the Fund are listed on Pakistan Stock Exchange Limited the principal business of the Fund is to invest in listed equity securities with an object to general capital growth.
- 1.4 During the year, the SECP approved merger of PICIC Asset Management Company Limited with and into HBL Asset Management Limited dated August 31, 2016. Consequently, HBL Asset Management Limited became Management Company of the Fund. As per the merger order of SECP, the Fund was required to be converted into open-end fund from closed end fund scheme by December 31, 2016. The Management Company after resolving certain legal and operational matter relating to the Conversion exercise with SECP called the meeting of the certificate holders to approve the Conversion Plan on March 27, 2017. However, the meeting was postponed on the advice of SECP with the directives to amend the conversion plan in the best interest of the certificate holders. Currently, the Management Company is in discussion with SECP and other bodies to resolve issues related to conversion of the Fund.
- 1.5 JCR-VIS Credit Rating Company has assigned an asset manager rating of 'AM2' to the Management Company.
- 1.6 Title to the assets of the Fund is held in the name of Central Depository Company Limited as trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the 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 the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the 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.

During the year, the Companies Act, 2017 (the new Companies Act) was enacted and promulgated on May 30, 2017. However, SECP has notified through Circular No. 17 dated July 20, 2017 that companies whose financial year closes on or before June 30, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except that investments are measured at fair value.

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the fund's functional and presentation currency. All amounts have been rounded off to the nearest of rupees, unless otherwise indicated.

2.4 Critical accounting estimates and judgments

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

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

- (i) classification and valuation of financial assets (notes 4.2.1.1 and 4.2.1.4); and
- (ii) impairment of financial assets (note 4.2.1.5)

3 NEW ACCOUNTING STANDARDS / AMENDMENTS AND IFRS INTERPRETATIONS THAT ARE EFFECTIVE FOR THE YEAR ENDED JUNE 30, 2017

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

The following standards, amendments and interpretations are effective for the year ended June 30, 2017. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Effective from accounting period beginning on or after:

Amendments to IFRS 10 'Consolidated Financial Statements', IFRS 12 'Disclosure of Interests in Other Entities' and IAS 28 'Investments in Associates and Joint Ventures' - Investment Entities: Applying the consolidation exception

January 01, 2016

Amendments to IFRS 11 'Joint Arrangements' - Accounting for acquisitions of interests in joint operations

January 01, 2016

Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure initiative

January 01, 2016

Amendments to IAS 16 'Property Plant and Equipment' and IAS 38 'Intangible Assets' - Clarification of acceptable methods of depreciation and amortisation

January 01, 2016

Amendments to IAS 16 'Property Plant and Equipment' and IAS 41 'Agriculture' - Measurement of bearer plants

January 01, 2016

Amendments to IAS 27 'Separate Financial Statements' - Equity method in separate financial statements

January 01, 2016

Certain annual improvements have also been made to a number of IFRSs.

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

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

Effective from accounting period beginning on or after:

Amendments to IFRS 2 'Share-based Payment' - Clarification on the classification and measurement of share-based payment transactions

January 01, 2018

Effective from accounting period beginning on or after:

Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' - Sale or contribution of assets between an investor and its associate or joint venture

Effective from accounting period beginning on or after a date to be determined.

Amendments to IAS 7 'Statement of Cash Flows' - Amendments as a result of the disclosure initiative

January 01, 2017

Effective from accounting period beginning on or after a date to be determined.

Amendments to IAS 12 'Income Taxes' - Recognition of deferred tax assets for unrealised losses	January 01, 2017
Amendments to IAS 40 'Investment Property': Clarification on transfers of property to or from investment property	January 01, 2017
IFRIC 22 'Foreign Currency Transactions and Advance Consideration': Provides guidance on transactions where consideration against non-monetary prepaid asset / deferred income is denominated in foreign currency.	January 01, 2018.
IFRIC 23 'Uncertainty over Income Tax Treatments': Clarifies the accounting treatment in relation to determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 'Income Taxes'.	January 01, 2019

Certain annual improvements have also been made to a number of IFRSs.

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 9 – Financial Instruments
- IFRS 14 – Regulatory Deferral Accounts
- IFRS 15 – Revenue from Contracts with Customers
- IFRS 16 – Leases
- IFRS 17 – Insurance Contracts

4 SIGNIFICANT ACCOUNTING POLICIES

4.1 Cash and cash equivalents

Cash and cash equivalents comprise balances with banks and short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are carried in the statement of assets and liabilities at cost.

4.2 Financial instruments

4.2.1 Financial assets

4.2.1.1 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) Investments at fair value through profit or loss - held-for-trading

An investment that is acquired principally for the purpose of generating profit from short-term fluctuations in prices is classified as "fair value through profit or loss - held-for-trading".

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.

4.2.1.2 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.

4.2.1.3 Initial recognition and measurement

All financial assets are initially recognised at cost, being the fair value of the consideration given including the transaction cost associated with the acquisition, except in case of "financial assets at fair value through profit or loss", in which case the transaction costs are charged off to the income statement and statement of comprehensive income.

4.2.1.4 Subsequent measurement

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

Subsequent to initial measurement, financial assets 'at fair value through profit or loss' and 'available for sale' are valued as follows:

Basis of valuation of equity securities

Equity securities are valued on the basis of closing quoted market prices available at the stock exchange. A security listed on the stock exchange for which no sale is reported on the reporting date is valued at its last sale price on the next preceding date on which such exchange is open and if no sale is reported for such date, the security is valued at an amount neither higher than the closing asked price nor lower than the closing bid price.

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 the fair value of available for sale financial assets are taken to the statement of comprehensive income until these are derecognised or impaired. At the time of impairment or derecognition, the cumulative gain or loss previously recognised in the statement of comprehensive income is shown in the income statement.

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.

4.2.1.5 Impairment

The Management Company assesses at each reporting date whether there is objective evidence that the Fund's financial assets or a group of financial assets are impaired. If any such indication exists, the recoverable amount of such assets is estimated. An impairment loss is recognised whenever the carrying value of an asset exceeds its recoverable amount.

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 provision against these amounts is made as per the provisioning policy duly formulated and approved by the Board of Directors of the Management Company in accordance with the requirements of the SECP.

4.2.1.6 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.

4.2.2 Financial liabilities

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

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

4.2.3 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.

4.2.4 Provisions

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

4.3 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 in cash to the unit holders.

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

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 in cash at least ninety percent of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders.

4.4 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.

4.5 Net assets value per certificate

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

4.6 Revenue recognition

- Dividend income is recognised when the right to receive dividend is established i.e. on the date of book closure of the investee company / institution declaring the dividend.
- Realised capital gains / (losses) arising on sale of investments are included in the income statement and other comprehensive income on the date at which the transaction takes place.
- Mark-up / return on government securities, bank profits and investment in debt securities are recognised on a time apportionment basis using the effective interest method.
- 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 and other comprehensive income in the period in which they arise.

4.7 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 and other comprehensive income on a time apportionment basis using the effective interest method.

	Note	2017 ----- Rupees in '000 -----	2016 -----
5 BANK BALANCES			
In savings accounts	5.1	261,960	234,617
in dividends accounts		88,671	81,995
		<u>350,631</u>	<u>316,611</u>

5.1 These accounts carry mark-up at rates ranging between 5.35% and 6.60% (2016: 3.75% and 6.70%) per annum.

	Note	2017 ----- Rupees in '000 -----	2016 -----
6 INVESTMENTS			
Investment in Marketable securities:			
Financial assets 'at fair value through profit or loss'	6.1	3,430,762	2,992,887
Available for sale	6.2	2,664,461	517,491
		6,095,223	3,510,378

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

Shares of listed companies - Fully paid up ordinary shares of Rs 10 each unless otherwise stated.

Name of investee company	Number of Shares					Carrying value as at June 30, 2017 (Rupees in '000)	Market value as at June 30, 2017 (Rupees in '000)	Appreciation / (diminution)	Capital gain	Dividend Income	Market value as a percentage of		Par value as a percentage of issued capital of the investee company
	As at July 1, 2016	Purchases during the year	Right issue	Sales during the year	As at June 30, 2017						Total Investments	Net Assets	
Automobile Assembler													
Honda Atlas Cars (Pakistan) Limited	-	67,200	-	-	67,200	53,584	58,309	4,725	-	875	0.96%	0.92%	0.05%
Indus Motor Company Limited	-	28,320	-	-	28,320	50,106	50,795	689	-	850	0.83%	0.80%	0.04%
Pak Suzuki Motor Company Limited	-	70,000	-	-	70,000	42,151	54,625	12,474	-	385	0.90%	0.86%	0.09%
	-	165,520	-	-	165,520	145,841	163,729	17,888	-	2,110	2.69%	2.59%	
Automobile Parts and Accessories													
Exide Pakistan Limited	54,560	-	-	11,270	43,290	34,235	40,628	6,393	1,259	544	0.67%	0.64%	0.56%
General Tyre & Rubber Co of Pakistan Limited	-	111,000	-	-	111,000	31,386	33,689	2,303	-	-	0.55%	0.53%	0.19%
Thal Limited (Par value Rs. 5 per share)	-	110,500	-	-	110,500	53,747	66,966	13,219	-	530	1.10%	1.06%	0.14%
	54,560	221,500	-	11,270	264,790	119,368	141,282	21,915	1,259	1,074	2.32%	2.23%	
Cable and Electrical Goods													
Pak Elektron Limited	162,500	664,000	-	180,000	646,500	55,859	71,322	15,463	1,131	1,123	1.17%	1.13%	0.13%
TPL Trakker Limited	2,056,000	-	-	844,500	1,211,500	15,229	11,970	(3,259)	748	352	0.20%	0.19%	0.56%
	2,218,500	664,000	-	1,024,500	1,858,000	71,087	83,292	12,204	1,879	1,475	1.37%	1.32%	
Chemicals													
Lotte Chemical Pakistan Limited	6,695,500	-	-	6,695,500	-	-	-	-	18,917	-	-	-	-
ICI Pakistan Limited	-	43,900	-	-	43,900	24,495	48,051	23,555	-	746	0.79%	0.76%	0.05%
Engro Polymer & Chemicals Limited	-	1,250,000	-	-	1,250,000	37,813	45,625	7,812	-	-	0.75%	0.72%	0.19%
	6,695,500	1,293,900	-	6,695,500	1,293,900	62,308	93,676	31,367	18,917	746	1.54%	1.48%	

Name of investee company	Number of Shares					Carrying value as at June 30, 2017 (Rupees in '000)	Market value as at June 30, 2017 (Rupees in '000)	Appreciation / (diminution)	Capital gain	Dividend Income	Market value as a percentage of		Par value as a percentage of issued capital of the investee company
	As at July 1, 2016	Purchases during the year	Right issue	Sales during the year	As at June 30, 2017						Total Investments	Net Assets	
Cement													
Cherat Cement Company Limited	2,679,000	-	-	1,689,000	990,000	118,374	176,992	58,618	66,554	6,561	2.90%	2.80%	0.56%
D.G Khan Cement Company Limited	-	502,500	-	-	502,500	114,971	107,113	(7,858)	-	-	1.76%	1.69%	0.11%
Fauji Cement Company Limited	-	610,000	-	610,000	-	-	-	-	(211)	160	-	-	-
Lucky Cement Limited	290,500	-	-	25,000	265,500	172,179	222,027	49,848	8,041	2,905	3.64%	3.51%	0.08%
Pioneer Cement Limited	2,753,000	-	-	1,244,000	1,509,000	162,067	196,170	34,103	24,300	12,984	3.22%	3.10%	0.66%
	5,722,500	1,112,500	-	3,568,000	3,267,000	567,591	702,302	134,711	98,684	22,610	11.52%	11.09%	
Commercial Banks													
Bank Al-Falah Limited	11,149,500	-	-	8,219,000	2,930,500	74,933	117,806	42,873	72,484	-	1.93%	1.86%	0.18%
Habib Bank Limited**	817,800	256,000	-	285,000	788,800	166,464	212,298	45,834	18,636	12,060	3.48%	3.35%	0.05%
MCB Bank Limited	363,500	417,000	-	50,000	730,500	159,162	153,719	(5,443)	1,603	12,288	2.52%	2.43%	0.07%
United Bank Limited	597,000	389,900	-	135,000	851,900	164,080	200,639	36,560	6,810	9,614	3.29%	3.17%	0.07%
National Bank of Pakistan Limited	-	325,000	-	325,000	-	-	-	-	(273)	-	-	-	-
	12,927,800	1,387,900	-	9,014,000	5,301,700	564,638	684,462	119,824	99,260	33,962	11.23%	10.81%	
Engineering													
Aisha Steel Mills Limited	1,347,500	383,600	383,100	1,010,600	1,103,600	11,706	22,447	10,742	2,633	-	0.37%	0.35%	0.16%
Aisha Steel Mills Limited - Preference Shares	130,000	-	26,000	26,000	130,000	910	3,078	2,168	-	-	0.05%	0.05%	0.29%
Aisha Steel Mills Limited - Conv Cum Pref Shares	1,065,000	-	-	-	1,065,000	14,378	45,848	31,471	-	-	0.75%	0.72%	36.58%
Amrelli Steel Limited	890,000	13,000	-	166,000	737,000	35,164	90,614	55,450	2,357	1,448	1.49%	1.43%	0.25%
International Steels Limited***	-	606,500	-	-	606,500	85,532	77,565	(7,966)	-	1,266	1.27%	1.23%	0.14%
International Industries Limited	-	200,200	-	25,000	175,200	47,300	64,573	17,273	589	1,239	1.06%	1.02%	0.15%
Crescent Steel & Allied Products Limited	-	100,000	-	-	100,000	24,381	23,857	(524)	-	-	0.39%	0.38%	0.13%
	3,432,500	1,303,300	409,100	1,227,600	3,917,300	219,370	327,984	108,614	5,579	3,953	5.38%	5.18%	
Fertilizer													
Engro Corporation Limited	377,600	162,500	-	55,000	485,100	156,568	158,099	1,531	3,282	11,490	2.59%	2.50%	0.09%
Engro Fertilizers Limited	4,980,000	-	-	3,819,000	1,161,000	74,861	64,134	(10,728)	(1,546)	20,425	1.05%	1.01%	0.09%
Fauji Fertilizers Bin Qasim Limited	109,500	510,000	-	-	619,500	34,227	26,539	(7,688)	-	310	0.44%	0.42%	0.07%
Fauji Fertilizers Company Limited	50,000	50,000	-	100,000	-	-	-	-	(883)	155	-	-	-
	5,517,100	722,500	-	3,974,000	2,265,600	265,657	248,772	(16,885)	853	32,380	4.08%	3.93%	
Glass & Ceramics													
Tariq Glass Industries Limited	-	84,000	-	84,000	-	-	-	-	470	227	-	-	-
	-	84,000	-	84,000	-	-	-	-	470	227	-	-	-
Insurance													
TPL Direct Insurance Limited	153,708	-	-	-	153,708	2,744	3,781	1,038	-	-	0.06%	0.06%	0.20%
Adamjee Insurance Co Limited	-	907,500	-	250,000	657,500	49,736	44,947	(4,789)	(1,661)	2,144	0.74%	0.71%	0.19%
	153,708	907,500	-	250,000	811,208	52,480	48,728	(3,752)	(1,661)	2,144	0.80%	0.77%	
Oil and Gas Exploration Companies													
Oil and Gas Development Company	795,700	380,000	-	190,000	985,700	139,763	138,678	(1,085)	3,192	5,966	2.28%	2.19%	0.02%
Pakistan Oilfields Limited	96,000	80,000	-	12,500	163,500	61,351	74,908	13,557	519	4,422	1.23%	1.18%	0.07%
Pakistan Petroleum Limited	-	425,000	-	-	425,000	72,132	62,960	(9,172)	-	2,502	1.03%	0.99%	0.02%
Mari Petroleum Company Limited	-	30,620	-	-	30,620	42,418	48,246	5,828	-	-	0.79%	0.76%	0.03%
	891,700	915,620	-	202,500	1,604,820	315,664	324,791	9,128	3,711	12,890	5.33%	5.13%	

Name of investee company	Number of Shares					Carrying value as at June 30, 2017 (Rupees in '000)	Market value as at June 30, 2017 (Rupees in '000)	Appreciation / (diminution)	Capital gain	Dividend Income	Market value as a percentage of		Par value as a percentage of issued capital of the investee company
	As at July 1, 2016	Purchases during the year	Right issue	Sales during the year	As at June 30, 2017						Total Investments	Net Assets	
Oil & Gas Marketing Companies													
Sui Northern Gas Pipeline Limited	-	415,000	-	200,000	215,000	33,282	32,018	(1,265)	1,761	-	0.53%	0.51%	0.03%
	-	415,000	-	200,000	215,000	33,282	32,018	(1,265)	1,761	-	0.53%	0.51%	
Paper & Board													
Century Paper & Board Mills Limited	-	275,000	-	275,000	-	-	-	-	1,214	-	-	-	-
	-	275,000	-	275,000	-	-	-	-	1,214	-	-	-	-
Pharmaceuticals													
Abbott Laboratories (Pakistan) Limited	128,650	-	-	-	128,650	97,002	120,236	23,234	-	5,145	1.97%	1.90%	0.13%
GlaxoSmith Kline Pakistan Limited	963,300	-	-	678,300	285,000	59,026	56,122	(2,904)	3,877	3,152	0.92%	0.89%	0.09%
GlaxoSmith Kline Consumer Healthcare Pakistan Limited	290,490	-	-	290,070	420	26	88	62	25,800	-	-	-	-
Wyeth Pakistan Limited	35,120	-	-	23,900	11,220	21,552	22,419	867	15,208	652	0.37%	0.35%	0.08%
The Searle Company Limited	-	85,700	-	-	85,700	54,817	43,877	(10,940)	-	-	0.72%	0.69%	0.06%
	1,417,560	85,700	-	992,270	510,990	232,423	242,742	10,319	44,885	8,949	3.98%	3.83%	
Power Generation and Distribution													
The Hub Power Company Limited	145,000	940,000	-	-	1,085,000	128,009	127,412	(597)	-	4,937	2.09%	2.01%	0.09%
K-Electric Limited (Par value Rs. 3.50 per share)	2,100,000	1,850,000	-	1,418,500	2,531,500	21,395	17,467	(3,927)	1,130	-	0.29%	0.28%	0.01%
Kot Addu Power Company Limited	1,222,000	-	-	458,000	764,000	68,187	55,023	(13,164)	(5,707)	10,004	0.90%	0.87%	0.09%
	3,467,000	2,790,000	-	1,876,500	4,380,500	217,590	199,902	(17,688)	(4,577)	14,941	3.28%	3.16%	
Refinery													
Attock Refinery Limited	-	75,000	-	75,000	-	-	-	-	4,746	-	-	-	-
	-	75,000	-	75,000	-	-	-	-	4,746	-	-	-	-
Textile													
Nishat (Chunian) Limited	-	412,000	-	362,000	50,000	3,096	2,566	(530)	4,970	781	0.04%	0.04%	0.02%
Nishat Mills Limited	-	452,500	-	50,000	402,500	61,391	63,869	2,478	738	-	1.05%	1.01%	0.11%
Gul Ahmed Textile Mills Limited	-	540,000	68,000	268,000	340,000	18,922	13,933	(4,989)	70	-	0.23%	0.22%	0.10%
Mohib Textile Mills Limited*	40,820	-	-	-	40,820	0	-	-	-	-	-	-	0.27%
Sunshine Cloth Limited*	50,000	-	-	-	50,000	0	-	-	-	-	-	-	0.64%
	90,820	1,404,500	68,000	680,000	883,320	83,409	80,368	(3,041)	5,778	781	1.32%	1.27%	
Tobacco													
Pakistan Tobacco Company Limited	33,460	-	-	-	33,460	42,178	56,715	14,537	-	837	0.93%	0.90%	0.01%
	33,460	-	-	-	33,460	42,178	56,715	14,537	-	837	0.93%	0.90%	
Miscellaneous													
TPL Properties Limited	500,000	-	-	500,000	-	-	-	-	(2,250)	-	-	-	-
	500,000	-	-	500,000	-	-	-	-	(2,250)	-	-	-	-
Total	43,122,708	13,823,440	477,100	30,650,140	26,773,108	2,992,887	3,430,762	437,875	280,508	139,079	56%	54.19%	

*Suspended/Delisted Companies

**Sponsors of Management Company

*** Related party due to common directorship

Investments include shares having market value aggregating to Rs. 294.798 million (June 30, 2016: Rs. 281.300 million) that have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in terms of Circular No. 11 dated October 23, 2007 issued by the SECP.

- 9.1** Under the provisions of the Offering Document of the Fund the Management Company is entitled to a Remuneration at the rate of 2% of the average annual net asset of the fund. The remuneration is paid to the Management Company monthly in arrears. The remuneration is also subject to Sindh Sales Tax on services at applicable rate.
- 9.2** The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 13 percent (June 30, 2016: 14 percent) on the remuneration of Management Company through Sindh Sales Tax on Services Act, 2011.
- 9.3** As per Regulation 60(3)(s) of the amended NBFC Regulations dated November 25, 2015, fee and expenses pertaining to registrar services, accounting, operation and valuation services related to a Collective Investment Scheme (CIS) are chargeable to the CIS, maximum upto 0.1 percent of the average annual net assets or the actual cost whichever is lower. Accordingly, the Management Company has charged aforementioned expenses to the extent of 0.1% of the average annual net assets, being lower amount, to the Fund during the year.

	Note	2017 ----- Rupees in '000 -----	2016 -----
10 PAYABLE TO THE TRUSTEE			
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	10.1	892	380
CDC Charges payable		73	36
		<u>965</u>	<u>416</u>

10.1 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.

10.2 The tariff structure applicable to the Fund is as follows:

Amount of Funds Under Management [Average Net Assets Value (NAV)]	Tariff per annum
Upto 250 million	0.20% per annum
Exceeding Rs 250 million and upto Rs 500 million	Rs. 500,000 plus 0.15% p.a on amount exceeding Rs. 250 million
Exceeding Rs 500 million and upto Rs 2000 million	Rs. 875,000 plus 0.08% p.a on amount exceeding Rs. 500 million
Exceeding Rs 2000 million and upto Rs 5000 million	Rs. 2,075,000 plus 0.06% p.a on amount exceeding Rs. 2000 million
Exceeding Rs 5000 million	Rs. 3,875,000 plus 0.05% p.a on amount exceeding Rs. 5000 million

	Note	2017 ----- Rupees in '000 -----	2016 -----
11 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN			
Annual fee	11.1	<u>5,897</u>	<u>4,612</u>

11.1 Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 a collective investment scheme categorised as a equity scheme is required to pay as annual fee to the Securities and Exchange Commission of Pakistan, an amount equal to 0.095 percent of the average annual net assets of the scheme. The fee is payable annually in arrears.

	Note	2017 ----- Rupees in '000 -----	2016 -----
12 ACCRUED EXPENSES AND OTHER LIABILITIES			
Provision for Federal Excise Duty and additional sales tax on management fee	12.1	55,961	55,961
Provision for Workers' Welfare Fund	12.2	-	60,378
Provision for Sindh Workers' Welfare Fund	12.2	21,075	-
Zakat Payable		1,891	-
Printing charges		1,523	1,400
Auditors' remuneration		457	360
Security Transaction Costs		340	269
Withholding tax payable		24	26
		<u>81,271</u>	<u>118,394</u>

12.1 As per the requirement of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16 percent on the remuneration of the Management Company has been applied effective from June 13, 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED results in double taxation, which does not appear to be the spirit of the law, hence, a petition was collectively filed by the Mutual Fund Association of Pakistan along-with Central Depository Company of Pakistan Limited with the Sindh High Court (SHC) on September 04, 2013.

While disposing the above petition through order dated July 16, 2016, the SHC declared the said provisions to be ultra vires and as a result no FED is payable with effect from July 01, 2011. However, the tax authorities subsequently filed appeal against the decision of the SHC in the Supreme Court of Pakistan, which is pending for the decision.

The Finance Act, 2016 excluded the mutual funds from the levy of FED with effect from July 01, 2016. therefore, no provision is charged during the year ending June 30, 2017.

However, since the appeal is pending in Supreme Court of Pakistan, the Management Company, as a matter of abundant caution, has made a provision on FED on remuneration of Management Company, aggregating to Rs. 55.961 million. Had the provision not being made, the Net Asset Value per certificate as at June 30, 2017 would have been higher by Rs. 0.20 (June 30, 2016: Rs. 0.20) per certificate.

12.2 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 (CISs) / mutual funds 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 Honorable High Court of Sindh, challenging the applicability of WWF to the CISs, which is pending adjudication.

The Finance Act 2015 incorporated an amendment in WWF Ordinance by excluding CIS from the definition of Industrial Establishment, and consequently CIS are no more liable to pay contribution to WWF with effect from July 1, 2015.

Subsequently, the Ministry of Labour and Manpower (the Ministry) vide its letter dated July 15, 2010 clarified that "Mutual Fund(s) is a product which is being managed / sold by the Asset Management Companies which are liable to contribute towards Workers Welfare Fund under Section 4 of the WWF Ordinance. However, the income on Mutual Fund(s), the product being sold, is exempted under the law *ibid*".

Further, the Secretary (Income Tax Policy) Federal Board of Revenue (FBR) issued a letter dated October 6, 2010 to the Members (Domestic Operation) North and South FBR. In the letter, reference was made to the clarification issued by the Ministry stating that mutual funds are a product and their income are exempted under the law *ibid*. The Secretary (Income Tax Policy) Federal Board of Revenue directed that the Ministry's letter may be circulated amongst field formations for necessary action. Following the issuance of FBR Letter, show cause notice which had been issued by taxation office to certain mutual funds for payment of levy under WWF were withdrawn. However, the Secretary (Income Tax Policy) Federal Board of Revenue vide letter January 4, 2011 has cancelled ab-initio clarificatory letter dated October 6, 2010 on applicability of WWF on mutual funds and issued show cause notices to certain mutual funds for collecting WWF. In respect of such show cause notices, certain mutual funds have been granted stay by Honorable High Court of Sindh on the basis of the pending constitutional petition in the said court as referred above.

During the year ended June 30, 2013, the Larger Bench of the Sindh High Court (SHC) issued a judgment in response to a petition in another similar case in which it is held that the amendments introduced in the WWF Ordinance through Finance Acts, 2006 and 2008 do not suffer from any constitutional or legal infirmity.

During the year ended June 30, 2014, the Honorable Peshawar High Court on a petition filed by certain aggrieved parties (other than the mutual funds) have adjudicated that the amendments introduced in the Workers Welfare Fund Ordinance, 1971 through the Finance Acts of 1996 and 2009 lacks the essential mandate to be introduced and passed through the money bill under the Constitution of Pakistan and hence have been declared as ultra vires the Constitution.

However, in the current year, the Supreme Court of Pakistan (SCP) passed a judgment on November 10, 2016, deciding that amendments made through the Finance Acts through which WWF was levied are unlawful, as such are not in nature of tax; therefore, it could not be introduced through the money bill. However, the Federal Board of Revenue has filed a review petition in the SCP against the said judgment, which is pending for hearing in the SCP.

Further, the Government of Sindh also introduced levy of the Sindh Workers' Welfare Fund (SWWF) through the Sindh Workers' Welfare Act, 2014. The Mutual Fund Association of Pakistan, in the previous years based on opinion obtained from the tax consultants, concluded that SWWF is not applicable on mutual funds. MUFAP also wrote to the Sindh Revenue Board (SRB) that mutual funds are not establishments and are pass through vehicles; therefore, they do not have any worker and, as a result, no SWWF is payable by them. SRB responded back that as mutual funds are included in definition of financial institutions in the Financial Institutions (Recovery of Finance) Ordinance, 2001, and thus SWWF is payable by them. MUFAP has taken up the matter with the concerned ministry [Sindh Finance Ministry] for appropriate resolution of the matter.

Considering the above developments, the Management Company assessed the position of the Fund with regard to reversal of provision of WWF and recognition of provision of SWWF, and decided that:

- As an abundant caution, the Sindh Workers' Welfare Fund (SWWF) should be recognized from July 01, 2014, and
- Provision computed for SWWF should be adjusted against provision of WWF, as the SCP declared WWF unlawful. It was also decided that if any further provision is required, then it should be recognized in books of the Fund. If provision of WWF is in excess of provision required for SWWF, the remaining provision of WWF should be carried forward unless further clarification is received from the MUFAP.

As a result, the Management Company assessed that no further provision is required for SWWF and additional provision of WWF should be carried forward till the matter is cleared.

In the wake of the aforesaid developments, the MUFAP called its Extraordinary General Meeting (EOGM) on January 11, 2017, wherein the MUFAP recommended to its members that effective from January 12, 2017, Workers' Welfare Fund (WWF) recognised earlier should be reversed in light of the decision made by the Supreme Court of Pakistan; and as an abundant caution, Sindh Workers' Welfare Fund (SWWF) should be recognized effective from May 21, 2015.

MUFAP also communicated the above-mentioned decisions to the Securities and Exchange of Commission (SECP) through its letter dated January 12, 2017, and the SECP through its letter dated February 01, 2017, advised that the adjustment should be prospective and supported by adequate disclosures.

As a result of the above recommendations of the MUFAP, the Fund on January 12, 2017, reversed the provision of WWF amounting to Rs. 60.378 million. Further, the Fund has recognised provision for SWWF amounting to Rs. 21.075 million in these financial statements. Had the provision not being made, the net asset value per unit as at June 30, 2017 would have been higher by Rs. 0.0742 per certificate.

13 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2016 Number of certificates in '000	2015		2017 ----- Rupees in '000 -----	2016 ----- Rupees in '000 -----
		Fully paid ordinary certificates of Rs. 10 each		
272,875	272,875	Issued for cash	2,728,750	2,728,750
11,250	11,250	Issued as bonus certificates	112,500	112,500
<u>284,125</u>	<u>284,125</u>		<u>2,841,250</u>	<u>2,841,250</u>

14 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments at the year end (2016: Nil)

15 NET ASSETS VALUE PER CERTIFICATE

	2017 ----Rupees in '000'-----	2016 ----Rupees in '000'-----
Total net assets-Rupees in thousands	6,330,569	5,251,256
Total certificates in issue-in thousand	284,125	284,125
Net assets value per certificate - Rupees	22.28	18.48

16 AUDITORS' REMUNERATION

Annual audit fee	360	360
Fee for half yearly review	173	165
Other certifications and out of pocket	97	95
	<u>630</u>	<u>620</u>

17 TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed to the unit holders in cash. 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 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 year as reduced by capital gains, whether realised or unrealised, to its certificate holders.

18 EARNING PER CERTIFICATE

	2017 ----- Rupees in '000 -----	2016 ----- Rupees in '000 -----
There is no dilutive effect on earning per certificate as computed below:		
Net income for the year after taxation	<u>848,003</u>	<u>245,059</u>

Weighted average number of certificates- in thousands

-----Number of Certificates-----

284,125 284,125

Earning per certificate

-----Rupees-----

2.98 0.86

19 FINANCIAL INSTRUMENTS BY CATEGORY

----- As on June 30, 2017 -----				
	At fair value through profit or loss	Loans and receivables	Available for sale	Total
----- Rupees in '000 -----				
Assets				
Bank balances	-	350,631	-	350,631
Investments	3,430,762	-	2,664,461	6,095,223
Dividend and Profit receivable	-	66,857	-	66,857
	<u>3,430,762</u>	<u>417,487</u>	<u>2,664,461</u>	<u>6,512,710</u>

----- As on June 30, 2017 -----			
	At fair value through profit or loss - held-for-trading	Other financial liabilities	Total
----- Rupees in '000 -----			
Liabilities			
Payable to the Management Company	-	12,447	12,447
Payable to the Trustee	-	965	965
Payable against purchase of investment	-	4,108	4,108
Accrued expenses and other liabilities	-	2,320	2,320
Unclaimed dividend	-	81,250	81,250
	<u>-</u>	<u>101,090</u>	<u>101,090</u>

----- As on June 30, 2016 -----				
	At fair value through profit or loss - held-for-trading	Loans and receivables	Available for sale	Total
----- Rupees in '000 -----				
Assets				
Bank balances	-	316,611	-	316,611
Investments	2,802,089	-	2,313,820	5,115,909
Dividend and Profit receivable	-	35,456	-	35,456
	<u>2,802,089</u>	<u>352,067</u>	<u>2,313,820</u>	<u>5,467,976</u>

	----- As on June 30, 2016 -----		
	At fair value through profit or loss - held-for- trading	Other financial liabilities	Total
Liabilities	----- Rupees in '000 -----		
Payable to the Management Company	-	10,415	10,415
Payable to the Trustee	-	416	416
Payable against purchase of investment	-	6,636	6,636
Accrued expenses and other liabilities	-	2,029	2,029
Unclaimed dividend	-	78,948	78,948
	-	98,443	98,443

20 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Connected persons include HBL Asset Management Limited being the Management Company, Habib Bank Limited being the Sponsor, Central Depository Company of Pakistan Limited, being the Trustee of the Fund, other collective investment schemes managed by the Management Company, directors and officers of the Management Company, directors of connected persons and persons having 10% or more beneficial ownership of the units of the Fund.

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

Remuneration payable to Management Company and Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.

Details of the transactions with connected persons and balances with them, if not disclosed elsewhere in the condensed interim financial information are as follows:

Transactions during the year

	2017	2016
	----- Rupees in '000 -----	
HBL Asset Management Limited		
Remuneration of Management Company	124,151	97,087
Sindh Sales Tax on remuneration of Management Company	16,140	13,592
Reimbursement of Fund Operations, accounting and Related costs	6,252	2,523
Habib Bank Limited - Associated Company		
Dividend Income	12,060	4,197
NIB Bank Limited		
Connected Person Due to Holding more than 10% Certificate)		
Profit on bank deposits	13,116	17,526
Bank charges	12	8
Central Depository Company of Pakistan Limited - Trustee		
Remuneration	5,061	4,313
CDC Connection charges	491	625

	2017	2016
	----- Rupees in '000 -----	
International Steels Limited		
Dividend Income	1,266	-
Balances outstanding at the year end		
HBL Asset Management Limited		
Payable to the Management Company	10,548	8,752
Sindh Sales tax payable on remuneration to management company	1,372	1,225
Finance and operational cost	527	438
Associated Companies		
Habib Bank Limited		
Certificate Held:48,662,161 (2016: 48,662,161) Certificate	486,621	486,622
Jubilee General Insurance Company Limited		
Certificate Held:107,879 (2016: 1,607,879) Certificate	1,078	16,078
Jubilee General Insurance Company Limited		
Staff Provident Fund Trust		
Certificate Held:118,454 (2016: 118,454) Certificate	1,184	1,184
Jubilee General Insurance Company Limited		
Gratuity Fund Trust		
Certificate Held:224,000 (2016: 224,000) Certificate	2,240	2,240
Aga Khan University Employees Provident Fund Trust		
Certificate Held:588,000 (2016: 588,000) Certificate	5,880	5,880
Aga Khan University Employees Gratuity Fund Trust		
Certificate Held:138,000 (2016: 138,000) Certificate	1,380	1,380
NIB Bank Limited		
Connected Person Due to Holding more than 10% Certificate)		
Bank balance	97,311	316,611
Certificate Held:48,042,021 (2016: 48,042,021) Certificate	480,420	480,420
Central Depository Company Of Pakistan Limited - Trustee		
Trustee fee payable	965	416
Security deposit held	200	200
CDC Charges Payable	73	36
Directors and Executives of the Management Company		
Certificate Held:5,678 (2016: 5,678) Certificate	57	57

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 analyze the risks faced by the Fund, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Fund's activities.

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

21.1 Market risk

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

The Management Company manages 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 all transactions are carried out in Pak Rupees.

21.1.2 Interest rate risk

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

a) Cash flow interest rate risk

The Fund's interest rate risk arises from the balances in savings accounts. The net income for the period would have increased / (decreased) by Rs. 3.507 million (June 30, 2016 : Rs 3.166 million), had the interest rates on savings accounts with banks increased / (decreased) by 100 basis points.

b) Fair value interest rate risk

Since the Fund currently does not have any fixed rate instruments that are impacted by market interest rates, therefore, it is not exposed to fair value interest rate risk.

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.

The Fund is exposed to equity securities price risk because of investments held by the Fund and classified on the Statement of Assets and Liabilities as financial assets 'at fair value through profit or loss held for trading' and 'available for sale'. To manage its price risk arising from investments in equity securities, the Fund diversifies its portfolio within the eligible stocks prescribed in the Trust Deed. The Fund's constitutive document / regulations also limit individual equity securities to no more than 10% of net assets, or issued capital of the investee company, whichever is lower, and sector exposure limit to 30% of net assets. However, relaxation in this regard has been obtained from the regulators in respect of frozen investments classified as 'available for sale' as disclosed in note 6.2.

In case of 5% increase / decrease in the fair value of the Fund's equity securities on June 30, 2017, net assets of the Fund would have increased / decreased by Rs. 171.538 million (2016: Rs. 133.223 million) as a result of gains / losses on equity securities in 'fair value through profit and loss - held-for-trading' category, with corresponding effect on operating income reported in 'Income statement and other comprehensive income'.

In case of 5% increase / decrease in the fair value of the Fund's equity securities on June 30, 2017, net assets of the Fund would have increased / decreased by Rs. 140.104 million (2016: Rs. 115.691 million) as a result of gains / losses on equity securities in 'available for sale' category, with corresponding effect on Other comprehensive income reported in 'Income statement and other comprehensive income'.

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 mainly arises from deposits with banks and financial institutions and credit exposure arising as a result of dividend receivable on equity securities.

Management of credit risk

For banks and financial institutions, the Fund keeps deposits with reputed institutions. Credit risk on account of dividend receivable is minimal due to the statutory protections. All transactions in listed securities are settled / paid for upon delivery using the system of National Clearing Company of Pakistan Limited. The risk of default in these transactions is considered minimal due to inherent systematic measures taken therein. The Fund's policy is to enter into financial contracts in accordance with the investment guidelines approved by the Investment Committee, its Trust Deed and the requirements of the NBFC rules and the regulations and the guidelines given by the SECP from time to time.

The analysis below summaries the credit quality of the balances in deposit accounts with Banks with which the Fund has kept such balances as at June 30, 2017:

Name of the bank	Balance as at June 30, 2017	Latest available published rating as at June 30, 2017	Rating agency
Rupees in '000			
Savings Accounts			
NIB Bank Limited	95,497	A1+	PACRA
JS Bank Limited	253,320	A1+	PACRA

Name of the bank	Balance as at June 30, 2016	Latest available published rating as at June 30, 2017	Rating agency
Rupees in '000			
Savings Accounts			
NIB Bank Limited	316,611	A1+	PACRA

The maximum exposure to credit risk before considering any collateral as at June 30, 2017 and June 30, 2016 is the carrying amount of the financial assets. Investments in equity securities, however, are not exposed to credit risk. None of these assets are 'impaired' nor 'past due but not impaired'.

Concentration of credit risk

Concentration of credit risk arises when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. The Fund's portfolio of financial assets is broadly diversified and transactions are entered into with diverse credit worthy counterparties thereby mitigating any significant concentration of credit risk.

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.

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through other facilities. The Fund manages the liquidity risk by maintaining sufficient cash balance with banks and marketable securities.

The Fund has a policy is to invest the majority of its assets in investments that are traded in an active market and can be readily disposed off. The Fund's listed securities are considered readily realisable, as they are listed on the Pakistan Stock Exchange Limited.

The Fund is not materially exposed to liquidity risk as all obligations / commitments of the Fund are short-term in nature and are restricted to the extent of available liquidity and significant assets of the Fund are readily disposable in the market.

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.

----- As at June 30, 2017 -----			
Upto three months	More than three months and upto one year	More than one year	Total
----- Rupees in '000 -----			
Liabilities			
Payable to the Management Company	12,447	-	12,447
Payable to the Trustee	965	-	965
Payable against purchase of investment	4,108	-	4,108
Accrued expenses and other liabilities	81,271	-	81,271
Unclaimed dividend	81,250	-	81,250
	180,042	-	180,042

----- As at June 30, 2016 -----			
Upto three months	More than three months and upto one year	More than one year	Total
----- Rupees in '000 -----			
Liabilities			
Payable to the Management Company	10,415	-	10,415
Payable to the Trustee	416	-	416
Payable against purchase of investment	6,636	-	6,636
Accrued expenses and other liabilities	118,394	-	118,394
Unclaimed dividend	78,948	-	78,948
	214,808	-	214,808

22 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the 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.

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

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

The Fund classifies 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:

- Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Fair value measurements using 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
- Fair value measurements using Inputs for assets or liability that are not based on observable market data (i.e. unobservable inputs) (level 3).

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

June 30, 2017									
Carrying amount					Fair Value				
Fair value through profit and loss held-for-trading	Available-for-sale	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	
Note ----- (Rupees in '000) -----									
On-balance sheet financial instruments									
Financial assets measured at fair value									
Investments - Listed equity securities	3,430,762	2,664,461	-	-	6,095,223	6,095,223	-	-	6,095,223
	3,430,762	2,664,461	-	-	6,095,223	6,095,223	-	-	6,095,223
Financial assets not measured at fair value									
Bank balances	-	-	350,631	-	350,631				
Dividend and Profit receivable	-	-	66,857	-	66,857				
	-	-	417,487	-	417,487				
Financial liabilities not measured at fair value									
Payable to Management Company				12,447	12,447				
Payable to Trustee				965	965				
Payable against purchase of investment				4,108	4,108				
Accrued expenses and other liabilities				4,211	4,211				
				21,731	21,731				
June 30, 2016									
Carrying amount					Fair Value				
Fair value through profit and loss held-for-trading	Available-for-sale	Loans 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 - Listed equity securities	2,992,887	517,491	-	-	3,510,378	3,510,378	-	-	3,510,378
	2,992,887	517,491	-	-	3,510,378	3,510,378	-	-	3,510,378
Financial assets not measured at fair value									
Bank balances	-	-	316,611	-	316,611				
Dividend and Profit receivable	-	-	35,456	-	35,456				
	-	-	352,067	-	352,067				
Financial liabilities not measured at fair value									
Payable to Management Company				10,415	10,415				
Payable to Trustee				416	416				
Payable against purchase of investment				6,636	6,636				
Accrued expenses and other liabilities				2,029	2,029				
				19,495	19,495				

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

Transfers during the year

There were no transfers between various levels of fair value hierarchy during the year.

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

Top ten brokers during the year ended June 30, 2017

- 1 Askari Securities Limited
- 2 BMA Capital Management
- 3 DJM Securities (Pvt) Ltd
- 4 Elixir Securities Pakistan (Private) Limited
- 5 Global Securities Pakistan Limited
- 6 IGI Finex Securities Limited
- 7 JS Global Capital Limited
- 8 Next Capital Limited
- 9 Taurus Securities Limited
- 10 WE Financial Services Limited

Top ten brokers during the year ended June 30, 2016

- 1 Askari Securities Limited
- 2 Bhayani Securities Private. Limited
- 4 Elixir Securities Pakistan (Private) Limited
- 5 Global Securities Pakistan Limited
- 3 Invest and Finance Securities Limited
- 7 JS Global Capital Limited
- 6 Moonaco Securities (Private) Limited
- 8 Next Capital Limited
- 9 Taurus Securities Limited
- 10 WE Financial Services Limited

24 PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER

Details of members of the Investment Committee of the Fund as on June 30, 2017 are as follows:

S. No.	Name	Designation	Qualification	Experience in years
1	Farid Ahmed Khan	Chief Executive Officer	CFA	22+
2	Muhammad Imran	Chief Investment Officer	MBA	17+
3	Colin Miranda	Acting Head of Research	CFA, MBA	8+
4	Jawad Naeem	Fund Manager-Equity	MBA (Finance)	9.5+
5	Adeel Abdul Wahab	Fund Manager	ACCA	8+
6	Noman Ameer	Manager Risk	MBA	10+

25 PATTERN OF UNITHOLDING

----- As at June 30, 2017 -----

Category	Number of units holders	Number of units held	Unit holding or investment amount	Percentage of total
Rupees in '000				
Individuals	15,380	103,205,836	1,032,058	36.32%
Associated Companies and Directors	9	49,844,172	498,442	17.54%
Insurance Companies	15	5,936,530	59,365	2.09%
Bank/DFIs	26	75,661,917	756,619	26.63%
NBFCs	27	10,225,580	102,256	3.60%
Foreign companies	3	23,152,706	231,527	8.15%
Others	101	16,098,259	160,983	5.67%
		284,125,000	2,841,250	100%

----- 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	15,841	99,119,269	991,193	34.89%
Associated Companies and Dire	9	51,344,172	513,442	18.07%
Insurance Companies	15	1,886,747	18,867	0.66%
Bank/DFIs	27	79,114,417	791,144	27.84%
NBFCs	1	4,748	47	0.0016%
Foreign companies	3	25,881,706	258,817	9.11%
Others	135	26,773,941	267,739	9.42%
		284,125,000	2,841,250	100.00%

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

Five meetings of the Board of Directors were held on August 26, 2016, October 31, 2016, December 16, 2016, February 24, 2017 and April 27, 2017 respectively. Information in respect of the attendance by the Directors in the meetings is given below:

	Name of Director	Number of meetings			Meeting not attended
		Held	Attended	Leave granted	
1	Mr. Towfiq H. Chinoy	5	5	-	-
2	Ms. Ava Ardeshir Cowasjee	5	5	-	-
3	Mr. Nadeem Abdullah	5	4	1	April 27, 2017
4	Mr. Farid Ahmed Khan ¹	4	4	-	-
5	Mr. Rehan N. Shaikh ²	1	1	-	-
6	Ms. Sima Kamil ³	4	4	-	-
7	Mr. Rizwan Haider	5	4	1	April 27, 2017
8	Mr. Salahuddin Manzoor	5	5	-	-
9	Mr. Aamir Irshad ⁴	-	-	-	-
10	Mr. Rayomond Kotwal ⁵	-	-	-	-

- 1 Appointed on September 1, 2016 by Board Of Directors in 57th meeting.
- 2 Resigned on August 31, 2016.
- 3 Resigned on March 16, 2017.
- 4 Appointed on April 27, 2017 and resigned on June 06, 2017.
- 5 Appointed on June 22, 2017.

27 TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio of the Fund for the year ended is 2.97% (YTD) which includes 0.64% representing government levy and SECP fee.

28 NON-ADJUSTING EVENT AFTER THE REPORTING DATE

The Board of Directors of the Management Company in its meeting held on 25 August 2017 has proposed a final cash distribution of Rs. 1.35 per certificate (June 30, 2016 Rs. 0.42 per certificate). The financial statements of the Fund for the year ended June 30, 2017 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, 2018.

29 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **25 August, 2017** 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 HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive

Director

**INCOME STATEMENT OF HBL ASSET MANAGEMENT LIMITED
IN RELATION TO PICIC INVESTMENT FUND (SCHEME)
FOR THE YEAR ENDED JUNE 30, 2017**

Rupees in '000'

INCOME

Management fee	157,938
Dividend income	-
	157,938

EXPENSES

Salaries and allowances	30,940
Defined benefit plan	226
Directors remuneration	133
Office rent	6,836
Telephone expenses	497
Electricity and water charges	1,620
Office Repair & maintenance	1,281
Traveling and conveyance	273
Printing and stationary	483
Fee and subscription	865
Internal auditors remuneration	908
Insurance Expenses	784
Information technology expenses	1,930
Auditors' remuneration	178
Marketing expenses	777
Distribution expenses	-
News papers & periodicals	23
Postage	259
Depreciation	1,278
Amortization of intangible asset	242
Security / Cleaning expenses	96
Writen off fixed assets	-
Miscellaneous	595
Finance Cost	34,051
Workers Welfare Fund	1,119
	88,122
Profit before taxation	69,816
Taxation - current	26,293
Profit after taxation	43,523

Note: Other revenue and expenses not relating to the scheme have not been included in the above statement.

HBL

ASSET MANAGEMENT LTD.

ایس ایٹ ایس ایٹ منیجمنٹ لمیٹڈ

Head Office Karachi:
7th Floor, Emerald Tower, Clifton,
Karachi.
UAN:111 HBL AMC (111-425-262)
Fax: 021-35168455
info@hblasset.com

Lahore:
7-E/2 , Main Boulevard,
Gulberg III Main Boulevard Gulberg,
Lahore 54000, Pakistan
Phone: 042-35773914-15

Islamabad:
HBL Corporate Center,
HBL building, Jinnah Avenue,
Islamabad
Tel: 051-2821183
Fax: 051-2822206