



AWTIL-CS/117/2018
June 22, 2018

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road, Karachi,
Pakistan.

SUBJECT: MERGER OF PIML STRATEGIC MULTI ASSET FUND WITH AND INTO PIML ASSET ALLOCATION FUND – APPLICATION FOR DELISTING FROM PSX.

Dear Sir,

In continuation of our letter dated May 09, 2018, please find enclosed swap ratio which form the basis of the scheme of merger (duly certified by the auditor), condensed interim special purpose financial statements of PIML-SMAF and PIML-AAF.

Further, with the completion of audit and regulatory modalities with respect to the completion of scheme of merger, it is hereby requested to kindly suspend and de-list PIML Strategic Multi Asset Fund (PIML SMAF) from Pakistan Stock Exchange.

Further it is pertinent to mention that annual listing fee of PSX for PIML Strategic Multi Asset Funds was paid for period from July 1, 2017 to June 30, 2018 via cheque No. 29197182 dated Aug 24, 2017. Hence there is no liability of PSX is due. (Letter attached)

Feel free to contact us if you require any further information.

With regards,

Naveed ul Islam
Company Secretary

*Akbar Sb,
for circulation
please.*

Abmce

AWT INVESTMENTS LIMITED

Rawalpindi: 2nd Floor, AWT Plaza, Mall Road. : +92-51-9272379
Karachi : 3rd Floor, Horizon Vista, Block 4, Clifton 5. : +92-21-38658883
Lahore : 2nd Floor, AGI, Awami Complex, Garden Town : +92-42-35860871-5



Annexure "A"

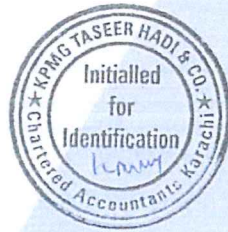
Schedule of Swap Ratios


(Based upon the net asset value per unit as on 07 May 2018)

Name of the Fund	Net assets value per unit as per audited financial statements (Rupees)
PIML Strategic Multi Asset Fund (PIML SMAF)	<u>108.50</u>
PIML Asset Allocation Fund (PIML AAF)	<u>94.76</u>

Swap ratio of PIML SMAF with PIML AAF: $108.50 / 94.76 = 1.1449978894$

One (1) unit of PIML SMAF is equal to 1.1449978894 units of PIML AAF




Chief Financial Officer
AWT Investments Limited
(Management Company)

AWT INVESTMENTS LIMITED

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AWT
PIML-FIN/0194/2017

September 06, 2017

Muhammad Ghufraan
Deputy General Manager
Pakistan Stock Exchange
Stock Exchange Building
Karachi.

SUBJECT: PAYMENT OF ANNUAL LISTING FEE & SECP'S LISTED COMPANY SUPERVISORY FEE - PIML

Dear Sir,

We refer to your invoices no. PSX/GEN-4787 dated July 14, 2017.

Please find enclosed seven cheques of our all funds for the Annual Listing fee from July 01, 2017 to June 30, 2018 and SECP's Listed Company Supervisory fee as under:

All figures in Rs

Serial no.	Fund Name	Net Assets-30 June 2017	Annual Listing Fee	Wth Tax Deducted	Net Annual listing Fee	SECP's Listed Company Supervisory fee	Cheque Amount
1.	PIML Income Fund	460,352,076	25,000	(2,000)	23,000	2,500	25,500
2.	PIML Islamic Income Fund	36,409,946	20,000	(1,600)	18,400	2,000	20,400
3.	PIML Daily Reserve Fund	238,621,174	25,000	(2,000)	23,000	2,500	25,500
4.	PIML Strategic Multi Asset Fund	197,279,943	25,000	(2,000)	23,000	2,500	25,500
5.	PIML Islamic Equity Fund	236,437,037	25,000	(2,000)	23,000	2,500	25,500
6.	PIML Value Equity Fund	205,315,938	25,000	(2,000)	23,000	2,500	25,500
7.	PIML Asset Allocation Fund	324,155,217	25,000	(2,000)	23,000	2,500	25,500

Yours Sincerely,


Hamaz Saboor
Chief Financial Officer
PIML



AWT INVESTMENTS LIMITED
Formerly "Primus Investment Management Limited"



KPMG Taseer Hadi & Co.

PIML Asset Allocation Fund
Condensed Interim Special Purpose
Financial Statements
For the period from 1 July 2017 to
07 May 2018



KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2, Beaumont Road
Karachi 75530 Pakistan
+92 (21) 35685847, Fax +92 (21) 35685095

Auditor's Report to the Directors of AWT Investments Limited (Management Company of PIML Asset Allocation Fund)

Opinion

We have audited the accompanying condensed interim special Purpose financial statements of the **PIML – Asset Allocation Fund** ("the Fund"), which comprise the condensed interim statement of assets and liabilities as at 07 May 2018, condensed interim income statement, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of movement in unit holders' fund for the period from 01 July 2017 to 07 May 2018, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the condensed interim special purpose financial statements give a true and fair view of the financial position of the Fund as at 07 May 2018, and of its financial performance and its cash flows for the period from 01 July 2017 to 07 May 2018, in accordance with basis of preparation described in note 2 to the condensed interim special purpose financial statements.

Basis for Opinion

We conducted our audit in accordance with auditing standards, as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the condensed interim special purpose financial statements section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the condensed interim special purpose financial statements in Pakistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for opinion.

Emphasis of Matter – Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to note 2 to the condensed interim special purpose financial statements, which describes the basis of accounting. The condensed interim special purpose financial statements have been prepared by the management for the purpose of calculating the net assets value per unit as at 07 May 2018 (in respect of merger as more fully explained note 2 to the condensed interim special purpose financial statements), to be submitted to the Securities and Exchange Commission of Pakistan and therefore certain disclosures and comparatives have not been included in the condensed interim special purpose financial statements. As a result these condensed interim special purpose financial statements, are not suitable for another purpose and should be read in conjunction with the condensed interim



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special purpose financial statements for the year ended 30 June 2017. Our report is intended solely for the Directors of the Management Company and should not be distributed to or used by parties other than the Directors of the Management Company and the Trustee of the Fund.

Further, as mentioned in note 2, these condensed interim special purpose financial statements have been prepared for the purpose of calculating the net assets value per unit as at 07 May 2018 due to the merger of PIML Asset Allocation Fund with PIML Strategic Multi Asset Fund (PIML SMAF). Details of the balances of PIML SMAF that shall be transferred to PIML Asset Allocation Fund, are given in note 1.5.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the condensed interim special purpose financial statements of the current period. These matters were addressed in the context of our audit of the condensed interim special purpose financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matters to be communicated in our report

Key audit matter	How the matter was addressed in our audit
<p>Valuation and Existence of investments</p> <p>Basis:</p> <p>The investment at fair value through income statement included in the condensed interim special purpose statement of assets and liabilities of the Fund amounting to Rs. 110.8 million as at 07 May 2018 were listed shares on the Pakistan Stock Exchange on that date, and represented over 52% of the net assets value of the Fund. These shares are held by Central Depository Company (CDC) of Pakistan which is also the trustee of the Fund.</p>	<ul style="list-style-type: none">• We tested the design and operating effectiveness of controls for the valuation of these Investments.• We obtained independent confirmation from CDC for the entire investment portfolio held at 07 May 2018, and agreed the quantity held to the accounting records.• We independently checked the valuation of the investments measured at fair value through income statement that are quoted on Pakistan Stock Exchange (PSX) by obtaining quotations appearing on PSX website and agreed the share price to the accounting records.



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Key audit matter	How the matter was addressed in our audit
<p>Risk:</p> <p>There is a risk that appropriate quoted price may not be used to determine fair value.</p> <p>Further, in respect of existence of investments, there is a risk that the Fund may have included investments in its financial statements which were not held by the Fund.</p>	<ul style="list-style-type: none">• Performed purchase and sale testing on a sample of trades made during the period for the purpose of checking the existence of deals executed.

Other Matter

The Fund has prepared a separate set of financial statements for the year ended 30 June 2017 in accordance with International Financial reporting Standards on which we issued a separate auditors' report to the unit holders of PIML Asset Allocation Fund dated 26 September 2017.

Management's Responsibility for the Condensed Interim Special Purpose Financial Statements

Management is responsible for the preparation and fair presentation of the condensed interim special purpose financial statements in accordance with basis of preparation as described in note 2 to the condensed interim special purpose financial statements, and for such internal control as the management determines is necessary to enable the preparation of condensed interim special purpose financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the condensed interim special purpose financial statements

Our objectives are to obtain reasonable assurance about whether the condensed interim special purpose financial statements are free from material misstatement,



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

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

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



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condensed interim special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Date: 30 May 2018

Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants
Aryn Pirani

PIML Asset Allocation Fund
 Condensed Interim Statement of Assets and Liabilities
 As at 07 May 2018

	Note	As at 07 May 2018	As at 30 June 2017
(Rupees in '000)			
Current assets			
Bank balances	5	95,546	40,332
Investments	6	110,774	275,805
Deferred formation cost	7	3,965	4,391
Dividend and other receivables	8	2,456	11,482
Security deposits	9	2,600	2,600
Total current assets		215,341	334,610
Current liabilities			
Payable to the Management Company		83	769
Remuneration payable to the Trustee		70	79
Annual fee payable to Securities and Exchange Commission of Pakistan		179	1,194
Accrued expenses and other liabilities	10	2,264	8,413
Total current liabilities		2,596	10,455
Contingency and commitment	12		
Net assets		212,745	324,155
Unit holders' fund		212,745	324,155
		(Number)	
Number of units in issue		2,244,984	3,130,120
		(Rupees)	
Net assets value per unit		94.76	103.56

The annexed notes from 1 to 14 form an integral part of these condensed interim special purpose financial statements.

Kamran

**For AWT Investments Limited
 Formerly Primus Investment Management Limited
 (Management Company)**


 Chief Executive Officer


 Chief Financial Officer


 Director

PIML Asset Allocation Fund
 Condensed Interim Income Statement
 For the period from 01 July 2017 to 07 May 2018

(Rupees in '000)

Income

Return / mark-up on:	
- Bank balances	3,741
- Term deposit receipts	1,179
- Quoted sukuk certificates	61
Dividend income (held for trading investments)	4,229
Loss on sale of held for trading investments - net	(14,120)
Unrealized loss on revaluation of held for trading investments - net	(9,734)
	<u>(14,644)</u>

Less: Expenses

Remuneration of the Management Company	3,766
Sindh sales tax on Management Company's remuneration	490
Remuneration to the Trustee	596
Sindh sales tax on Trustee's remuneration	78
Annual fee to the Securities and Exchange Commission of Pakistan	179
Amortisation of deferred formation cost	426
Auditors' remuneration	189
National Clearing Company of Pakistan Limited fee	335
Annual listing fee	23
Bank and settlement charges	112
Securities transaction cost	346
Printing, stationery and postage	61
	<u>6,601</u>

Net loss for the period before taxation

(21,245)

Taxation

-

Net loss for the period

(21,245)

Allocation of net loss for the period

Net loss for the period after taxation	(21,245)
Income already paid on units redeemed	-
	<u>(21,245)</u>

Accounting income available for distribution

- Relating to capital gains	-
- Excluding capital gains	-
	<u>-</u>

The annexed notes from 1 to 14 form an integral part of these condensed interim special purpose financial statements.

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


 Chief Executive Officer


 Chief Financial Officer


 Director

PIML Asset Allocation Fund
Condensed Interim Statement of Comprehensive Income
For the period from 01 July 2017 to 07 May 2018

		(Rupees in '000)
Net loss for the period		(21,245)
Other comprehensive income for the period		-
Total comprehensive income for the period	<i>Rupees</i>	<u><u>(21,245)</u></u>

The annexed notes from 1 to 14 form an integral part of these condensed interim special purpose financial statements.

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**For AWT Investments Limited
Formerly Primus Investment Management Limited
(Management Company)**



Chief Executive Officer



Chief Financial Officer



Director

PIML Asset Allocation Fund
 Condensed Interim Cash Flow Statement
 For the period from 01 July 2017 to 07 May 2018

(Rupees in '000)

CASH FLOWS FROM OPERATING ACTIVITIES

Net loss for the period before taxation (21,245)

Adjustments for:

Return / mark-up on:

- Bank balances	(3,741)
- Term deposit receipts (loans and receivables)	(1,179)
- Quoted sukuk certificates (held for trading)	(61)
Dividend income (held for trading investments)	(4,229)
Loss on sale of held for trading investments - net	14,120
Unrealized loss on revaluation of held for trading investments - net	9,734
Amortisation of deferred formation cost	426
	<u>(6,175)</u>

Decrease in current assets

Investments - net	141,173
Other receivable	8,037
	<u>149,210</u>

Decrease in current liabilities

Payable to the Management Company	(686)
Remuneration payable to the Trustee	(9)
Annual fee payable to Securities and Exchange Commission of Pakistan	(1,015)
Accrued expenses and other liabilities	(6,149)
	<u>(7,859)</u>

Return / mark-up received on:

- Bank balances	3,653
- Term deposit receipts	1,725
- Quoted sukuk certificates (held for trading)	61
- Dividend income (held for trading investments)	4,764
Net cash flows from operating activities	<u>145,379</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Amount received on issuance of units	8,413
Amount paid on redemption of units	(98,578)
Net cash flows from financing activities	<u>(90,165)</u>

Net increase in cash and cash equivalents during the period 55,214

Cash and cash equivalents at beginning of the period	40,332
Cash and cash equivalents at end of the period	<u><u>95,546</u></u>

Rupees

The annexed notes from 1 to 14 form an integral part of these condensed interim special purpose financial statements.

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


 Chief Executive Officer


 Chief Financial Officer


 Director

PIML Asset Allocation Fund

Condensed Interim Statement of Movement in Unit Holders' Fund

For the period from 01 July 2017 to 07 May 2018

	Capital Value	Undistributed income	Total
	(Rupees in '000)		
Net assets at beginning of the period	313,022	11,133	324,155
Issuance of 90,424 units			
- Capital value	9,364	-	9,364
- Element of loss	(951)	-	(951)
Total proceeds on issuance of units	8,413	-	8,413
Redemption of 975,560 units			
- Capital value	(101,029)	-	(101,029)
- Element of income	2,451	-	2,451
Total payments on redemption of units	(98,578)	-	(98,578)
Total comprehensive income for the period - net loss	-	(21,245)	(21,245)
Net assets as at end of the period	222,857	(10,112)	212,745
Undistributed income brought forward:			
- Realized income at beginning of the period		2,802	
- Unrealized income at beginning of the period		8,331	
		<u>11,133</u>	
Accounting income available for distribution:			
Relating to capital gains		-	
Excluding capital gains		-	
		-	
Net loss for the period after taxation		(21,245)	
Undistributed loss at end of the period		<u>(10,112)</u>	
Represented by:			
- Realized loss at end of the period		(378)	
- Unrealized loss at end of the period		(9,734)	
Undistributed loss at end of the period		<u>(10,112)</u>	
Net assets value per unit at beginning of the period			<u>103.56</u>
Net assets value per unit at end of the period			<u>94.76</u>

The annexed notes from 1 to 14 form an integral part of these condensed interim special purpose financial statements.

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


Chief Executive Officer


Chief Financial Officer


Director

PIML Asset Allocation Fund

Notes to the Condensed Interim Special Purpose Financial Statements

For the period from 01 July 2017 to 07 May 2018

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 PIML Asset Allocation Fund ("the Fund") was established under a Trust Deed, dated 29 September 2015, executed between AWT Investment Limited (formerly Primus Investment Management Limited) as Management Company, a company incorporated under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and the Central Depository Company of Pakistan Limited (CDC) as a Trustee. The Securities and Exchange Commission of Pakistan (SECP) registered the Fund as a Notified Entity on 15 October 2015, under Regulations 44 of the Non Banking Finance Companies and Notified Entities Regulations, 2008 (Establishment and Regulation) Rules.
- 1.2 The Management Company of the Fund has been licensed by SECP to undertake Asset Management Services and Investment Advisory Services as a Non-Banking Finance Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). Registered office of the Management Company is situated at 4th Floor, Horizon Vista, Commercial 10, Block 4, Scheme No. 5, Clifton, Karachi.
- 1.3 The Fund is an open end mutual Fund and is listed on the Pakistan Stock Exchange. The Fund offers units for public subscription on a continuous basis. These can be redeemed by surrendering them to the Fund at the option of the unit holder.

The Scheme is an 'Open end Asset Allocation Scheme' as per the criteria for the categorization of open-end collective investment schemes specified by the Securities and Exchange Commission of Pakistan. The objective of the Fund is to achieve long term capital growth by investing mainly in listed equity securities.

The Scheme is permitted to invest in listed equity securities including modaraba units (up to 90%), units of real estate investments (up to 25%), corporate debt securities (up to 50%), Pakistan investment bonds, federal investment bonds, treasury bills, ijara sukuk and other securities or instruments issued or guaranteed by federal government and permitted by SECP (up to 100%), cash and near cash instruments which includes cash in bank accounts (excluding TDRs), treasury bills not exceeding 90 days maturity (up to 100% with minimum cap of 10%), money market instruments including musharika certificates, certificate of deposits, certificate of investments issued by financial institutions (up to 90%), money market placements with commercial banks, DFIs and NBFCs (up to 80%), daily product deposits with commercial banks (up to 100%), long, medium and short term deposits / placements with commercial banks (up to 90%), commercial paper (up to 20%), reverse repo against fixed income government securities (up to 100%), convertible debt securities issued by corporate / financial institutions (up to 30%), convertible and non-convertible preference shares (up to 20%), margin / trade financing products / systems (up to 30%), ready / future spread transactions (up to 30%), investment in equity future contracts (up to 90%), authorised investment in overseas market subject to prior approvals and guidelines of the SECP and State Bank of Pakistan (SBP) (up to 30% subject to cap of US 15 million dollars or such other limit or cap imposed by SECP or SBP) and in any other securities or instruments that may be permitted or approved under SECP rules, regulations or any other directive from time to time (up to 20%).

- 1.4 Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as a Trustee of the Fund.
- 1.5 During the period, the SECP vide its letter number SCD/AMCW/AWTIL/351/2018 dated 25 April 2018 has granted its approval under regulation 58(1)(m) of the Non Banking Finance Companies and Notified Entities Regulations, 2008 read with Circular No. 20 of 23 June 2009 for the merger of PIML Asset Allocation Fund (PIML AAF) and PIML Strategic Multi Asset Fund (PIML SMAF) into PIML- AAF ("the Surviving Scheme") in terms of the Scheme of Merger as approved by the Board of Directors of AWT Investments Limited, and the unit holders of the respective schemes in their general meetings held on 27 October 2017 and 16 March 2018

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respectively. The whole of undertaking PIML SMAF which includes all assets, rights, liabilities, bank balances, obligations, mandates, undertaking, securities, contracts documents, records etc. shall stand transferred to and vested in PIML AAF from 8 May 2018 ('effective date of merger'). Accordingly the balances as of 07 May 2018 of the above Fund to be transferred to PIML AAF is as follows:

	PIML SMAF (Rupees in '000')
Assets	151,182
Less: Liabilities	<u>(3,760)</u>
Net Assets	<u><u>147,422</u></u>

The Merging Schemes shall stand merged with and into the Surviving Scheme on the basis of the swap ratio to be calculated on the basis of net assets values (NAVs) of the Merging and the Surviving Schemes at the close of the business day on 07 May 2018 (the day immediately preceding the effective date of merger).

In accordance with the directions of the SECP, the fresh issuance of units (other than bonus units in the form of dividend) of PIML AAF and PIML SMAF shall remain and has been suspended from 13 March 2018 till the effective date of merger (both days inclusive).

As a result of the merger, an appropriate number of units of PIML AAF (based on the swap ratio) shall be issued to those eligible persons whose names appear in the Register of Unitholders of PIML SMAF as at the close of business on 07 May 2018 (the day immediately preceding the effective date of merger) without charge of any load by the Management Company. Upon the allotment of units of PIML AAF to the eligible persons, all units representing their holding in PIML SMAF shall stands cancelled.

2 BASIS OF PREPARATION

These condensed interim special purpose financial statements have been prepared for the purpose of calculating the net assets value per unit of the Fund and determination of Swap ratio of the Fund as at 7 May 2018 to be submitted to the SECP as required in paragraph (c) (xiii) of letter dated 25 April 2018 issued by SECP to the Chief Executive Officer of AWT Investments Limited in respect of the merger of PIML SMAF with and into PIML AAF. As a result, these condensed interim special purpose financial statements are not suitable for another purpose and should be read in conjunction with the financial statements for the year ended 30 June 2017.

2.1 Statement of compliance

- 2.1.1 These condensed interim special purpose financial statements has been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting' except for certain disclosures and comparatives which have not been included, provisions of and directives issued under the Companies Act, 2017, Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). In case the requirements differ, the requirements of the Rules, the Regulations and the directives issued by the SECP shall prevail.

2.2 Basis of measurement

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

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2.3 Functional and presentation currency

These condensed interim special purpose financial statements are presented in Pakistan Rupees, which is the Fund's functional and presentation currency. All financial information presented in Pakistan Rupees has been rounded off to the nearest thousand rupees, except otherwise stated.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies and methods of computation adopted in the preparation of these condensed interim special purpose financial statements are the same as those applied in preparing the financial statements as at and for the year ended 30 June 2017 except as explained in note 3.2.

3.2 The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated 03 August 2017 has made certain amendments in the NBFC Regulations. The notification includes a definition and explanation relating to 'element of income' and excludes the element of income from the expression 'accounting income' as described in Regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. Furthermore, the revised regulations also require certain additional disclosures with respect to 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', whereas disclosure with respect to 'Distribution Statement' has been deleted in the revised regulations.

4 ESTIMATES AND JUDGEMENTS

The preparation of condensed interim special purpose financial statements requires management to make judgements, estimates and assumption that affect the application of accounting policies and reported amount of assets and liabilities, income and expenses. Actual result may differ from these estimates.

The significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended 30 June 2017.

5	BANK BALANCES	Note	As at 07 May 2018	As at 30 June 2017
			(Rupees in '000)	
	Profit and loss sharing accounts	5.1	<u>95,546</u>	<u>40,332</u>

5.1 These accounts carry profit rate ranging from 4% to 6.25% (2017: 4% to 6.40%) per annum.

6 INVESTMENTS

At fair value through profit and loss - held for trading

Listed equity securities	6.1	110,774	211,461
Quoted sukuk certificates	6.3	-	10,070

Loans and receivables

Term deposit receipts		-	54,274
		<u>110,774</u>	<u>275,805</u>

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6.1 Listed equity securities - held for trading

(Ordinary shares have a face value of Rs. 10/- each unless stated otherwise)

Sectors / Companies	Number of shares				Holding at the end of the period	Rupees in '000		% of Total Investment	
	Holding at the beginning of the period	Acquired during the period	Bonus received during the period	Disposed during the period		Carrying value before revaluation as at 07 May 2018	Market value / carrying value as at 07 May 2018 (after revaluation)		
Oil and Gas Marketing Companies									
Pakistan State Oil Company Limited - note 6.2 & 6.3	40,000	5,000	4,200	24,000	25,200	8,128	8,471	6%	
Shell Pakistan Limited	-	12,000	-	-	12,000	4,048	4,152	4%	
Sui Northern Gas Pipelines Limited	50,000	26,500	-	110,000	-	-	-	-	
						12,166	12,628	11%	
Oil and Gas Exploration Companies									
Oil and Gas Development Company Limited	-	55,000	-	55,000	-	-	-	-	
Pakistan Petroleum Limited	-	10,000	-	10,000	-	-	-	-	
Refinery									
National Refinery Limited (related party)	-	23,000	-	23,000	-	-	-	-	
Fertilizer									
Engro Corporation Limited - note 6.4	40,000	7,500	-	28,500	19,000	8,179	5,921	5%	
Industrial Transportation									
Pakistan International Bulk Terminal Limited	-	225,000	-	225,000	-	-	-	-	
Cement									
D.G. Khan Cement Company Limited	52,500	24,000	-	46,500	30,000	8,298	4,237	4%	
Fauji Cement Company Limited	250,000	70,000	-	320,000	-	-	-	-	
Cheroot Cement Company Limited	101,500	-	-	101,500	-	-	-	-	
Pioneer Cement Limited	15,000	-	-	15,000	-	-	-	-	
Lucky Cement Company Limited (related party)	11,000	18,000	-	11,000	18,000	12,444	11,378	10%	
						18,738	15,515	14%	
Pharmaceuticals									
The Squate Company Limited - note 6.2	21,000	4,000	2,000	12,000	15,000	8,571	5,303	5%	
Gilva Sindh-Kare Pakistan Limited	24,000	20,500	-	24,000	20,500	2,588	2,838	3%	
						10,157	9,139	8%	
Textile Composite									
Nishat Mills Limited	30,000	72,200	-	17,500	84,700	12,398	11,560	11%	
						12,398	11,560	11%	
Automobile Assembler									
Pak Suzuki Motor Company Limited	9,000	-	-	9,000	-	-	-	-	
Indus Motor Company Limited	1,500	4,250	-	1,100	4,650	8,113	8,207	7%	
						8,113	8,207	7%	
Power Generation & Distribution									
The Hub Power Company Limited	-	15,000	-	15,000	-	-	-	-	
K Electric Limited (face value of Rs 3.5 each)	400,000	450,000	-	855,000	-	-	-	-	
Kid Aara Power Company Limited	35,000	5,000	-	40,000	-	-	-	-	
Commercial Banks									
Bank Alfalah Limited	100,000	65,000	-	35,000	130,000	5,274	6,599	6%	
National Bank of Pakistan	80,000	-	-	80,000	-	-	-	-	
United Bank Limited	-	32,000	-	32,000	-	-	-	-	
MCB Bank Limited	10,000	35,000	-	35,000	8,400	1,755	1,728	2%	
Faysal Bank Limited	1,000	-	-	1,000	-	-	-	-	
						7,029	8,327	8%	
Cable and Electrical Goods									
Pak Electronics Limited	53,000	55,000	-	148,000	-	-	-	-	
Insurance									
Adaniye Insurance Company Limited	225,000	4,000	-	225,000	-	-	-	-	
IGI Life Insurance Limited	9,000	-	-	9,000	-	-	-	-	
Paper and Board									
Packages Limited (related party)	-	9,800	-	-	9,800	5,349	5,028	5%	
Engineering									
Mughal Iron and Steel Industries Limited	120,000	15,000	-	20,000	115,000	9,174	7,405	7%	
International Industries Limited	40,000	2,000	-	17,000	25,000	9,168	8,834	8%	
Asha Steel Mills Limited	532,000	290,000	-	332,000	400,000	3,009	7,250	7%	
						28,349	21,525	19%	
General Industrials									
Synthetic Products Enterprises Limited	112,500	15,500	-	35,000	100,000	7,503	5,164	5%	
Chemicals									
Engro Polymer and Chemicals Limited	-	405,000	-	405,000	-	-	-	-	
Leasing Companies									
Orx Leasing Pakistan Limited	-	180,000	-	-	180,000	6,528	7,248	7%	
Held for trading investments as at 07 May 2018					Rupees	120,508	110,774	100%	
Carrying value before revaluation as at 30 June 2017							203,200		
Market value / carrying value as at 30 June 2017 (after revaluation)							211,481		

10/11

6.2 Finance Act, 2014 had introduced tax on bonus shares issued by the Companies. Most Equity Funds including the Fund have challenged the applicability of withholding tax provision on bonus shares before Honourable High Court of Sindh ("the Court") on various legal grounds and have sought relief from the Court. In the Fund's case, up to the period end, tax in the shape of 130 shares of The Searle Company Limited (till 30 June 2017: Nil), and 210 shares of Pakistan State Oil Company Limited (30 June 2017: Nil) had been withheld by CDC. Market value of these shares as at 07 May 2018 amounted to Rs. 0.115 million (30 June 2017: Nil) and are included in the fund's investments in these condensed interim special purpose financial statements.

6.3 Quoted Sukuk Certificates- Held For Trading

Face value of Rs. 5,000/- each.

Sectors / Companies	Number of certificates			Carrying value before revaluation as at 07 May 2018	Market value / carrying value as at 07 May 2018 (after revaluation)	% of Total Investment
	Holding at beginning of the period	Acquired during the period	Disposed during the period			
Psk Elektron Limited	2,000	-	2,000	-	-	-
Cost of held for trading investments as at 30 June 2017			Rupees in '000	10,000		

6.4 Following shares (mentioned in note 6.1) have been pledged with National Clearing Company of Pakistan Limited:

	As at 07 May 2018	
	(Number of shares)	(Rupees in '000)
Engro Corporation Limited	5,000	1,559
Pakistan State Oil Company Limited	21,000	7,059
	<u>26,000</u>	<u>8,618</u>

7 DEFERRED FORMATION COST

	As at 07 May 2018	As at 30 June 2017
	(Rupees in '000)	
Formation cost incurred	4,391	4,890
Amortised to the income statement during the period	(426)	(499)
Unamortised cost at end of the period	<u>3,965</u>	<u>4,391</u>

8 DIVIDEND AND OTHER RECEIVABLES

Dividend receivable (held for trading investments)		619	1,154
Income tax recoverable	8.1	1,719	1,719
Prepaid listing fee		4	-
Return / mark-up receivable on:			
- Bank balances		114	26
- Term deposit receipts		-	546
- Quoted sukuk certificates		-	88
Receivable against sale of investment		-	7,949
		<u>2,456</u>	<u>11,482</u>

8.1 Clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 provides exemption from withholding tax deduction on dividends received by the collective investment scheme from investee companies.

However a letter dated 30 June 2010 issued by Federal Board of Revenue to Assistant Director (Sch), Central Directorate of National Savings, Islamabad states that the said exemption will be applicable if exemption certificate under section 159(1) of Income Tax Ordinance, 2001 is issued by the concerned Commissioner of Inland Revenue.

Based on the above letter, above withholding tax of Rs. 1.719 million has been deducted by certain investee companies on dividends. The management is in the process of recovering the above tax amount deducted.

9 SECURITY DEPOSIT

	As at 07 May 2018	As at 30 June 2017
	(Rupees in '000)	
Central Depository Company of Pakistan Limited	100	100
National Clearing Company of Pakistan Limited	2,500	2,500
	<u>2,600</u>	<u>2,600</u>

10 ACCRUED EXPENSES AND OTHER LIABILITIES		As at 07 May 2018	As at 30 June 2017
		(Rupees in '000)	
Provision of Sindh Worker Welfare Fund	10.1	1,050	1,050
Federal Excise Duty on Remuneration of Management Company	10.2	845	845
Sindh sales tax on remuneration of the Management Company	10.3	129	218
Capital gain tax payable (subsequently paid)		-	6,069
Sindh sales tax payable on Trustee remuneration		9	10
Auditors' remuneration payable		121	153
Payable against printing, postage and stationery		41	38
Fee payable to National Clearing Company of Pakistan Limited		36	30
Withholding tax payable		33	-
		<u>2,264</u>	<u>8,413</u>

- 10.1 Provision for Sindh Workers' Welfare Fund has been made pursuant to MUFAP's recommendation to all its members on 12 January 2017 against the backdrop of the Sindh Revenue Board (SRB) letter to mutual funds in January 2016 whereby SRB directed the mutual funds to register and pay Sindh Workers Welfare Fund (SWWF) for the accounting year closing on or after 31 December 2013. This is on the premise that mutual funds are included in definition of Financial Institutions (Recovery of Finance) Ordinance, 2001 hence WWF is payable by the them. Though MUFAP has taken up the matter with the Sindh Finance Ministry to have CISOs / mutual funds excluded from the applicability of SWWF at 2% of the net income earned by a Fund effective from 12 April 2016 (the date of the commencement of the Funds's operation).

Above decisions regarding the recognition of SWWF, based on MUFAP's recommendation, was communicated to the SECP and the Pakistan Stock Exchange Limited on 12 January 2017 and SECP vide its letter dated 1 February 2017 has advised MUFAP that the adjustments relating to the above should be prospective. Accordingly, the Fund has recorded these adjustments in its books on 12 January 2017.

The management continues to maintain provision for SWWF up to 07 May 2018. Had the provision for SWWF not been recorded in the condensed interim special purpose financial statements of the Fund, the net asset value of the Fund as at 07 May 2018 would have been higher by Re 0.47 per unit (30 June 2017: Re 0.34 per unit).

Furthermore on 10 November 2016, Honourable Supreme Court of Pakistan (SCP) passed a judgment declaring the amendments made in the Finance Acts 2006 and 2008 pertaining to WWF as illegal citing that WWF was not in the nature of tax and could, therefore, not have been introduced through money bills. Accordingly, the aforesaid amendments have been struck down by the SCP. The Federal Board of Revenue has filed a petition with the SCP against the said judgment, which is pending hearing. While the petitions filed by the Collective Investment Schemes (CISOs) on the matter are still pending before the Sindh High Court (SHC), the Mutual Funds Association of Pakistan (MUFAP) collectively on behalf of the asset management companies and their CISOs have taken legal and tax opinions on the impact of the SCP's judgement on the CISOs petition before the SHC. Both the legal and tax advisors consulted were of the view that the SCP's judgment has removed the very basis on which the demands were raised against the CISOs. Therefore, there was no longer any liability against the CISOs under the WWF Ordinance and that all cases pending in the SHC or lower appellate forums will now be disposed of in light of the earlier judgement of the SCP.

Based on the above facts and on recommendation of MUFAP, the entire provision against WWF held by the Fund till 30 June 2015, was reversed by the Fund on 12 January 2017.

- 10.2 As per the requirements of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16 percent on the remuneration of the Management Company has applied effective from 13 June 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED may result in double taxation, which does not appear to be the spirit of the law, hence, a petition was collectively filed by the Mutual Funds Association of Pakistan with the Sindh High Court (SHC) on 4 September 2013. While disposing the above petition through order dated 16 July 2016, the SHC declared the said provisions to be ultra vires and as a result no FED is payable with effect from 01 July 2016. However, tax authorities subsequently filed appeal against the decision the SHC in the Supreme Court of Pakistan, which is pending for the decision. Furthermore, the Finance Act 2016 also introduced an amendment to the Federal Excise Act, 2005 whereby FED was withdrawn on services of different industries including Non-Banking Financial Institutions, which are already subject to provisional sales tax.

However, since the appeal is pending in the Supreme Court of Pakistan against of the decision of Sindh High Court. The Management Company, as a matter of abundant caution, is carrying provision for FED for the period from 13 June 2013 to 30 June 2016 aggregating to Rs.1.145 million. Had the provision not been made, Net asset Value per unit of the Fund as at 07 May 2018 would have been higher by Re 0.38 (30 June 2017: Re. 0.27) per unit.

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10.3 The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% (30 June: 14%) on Management Company's remuneration. Above liability includes Rs. 118,277 (30 June: Rs. 118,277) accrued on Federal Excise Duty (FED) on the management remuneration as more fully explained in note 10.2 above. Had the provision on FED not been made, Net Asset Value per unit of the Fund as at 07 May 2018 would have been higher by Re. 0.05 (30 June 2017: Re. 0.04) per unit.

11 TOTAL EXPENSE RATIO

Securities and Exchange Commission of Pakistan (SECP) vide its directive no. SCD/PRDD/Direction/18/2016 dated 20 July 2016, require the Collective Investment Scheme (CIS) shall disclose Total Expense Ratio (TER) in the periodic financial statements of CIS / the Fund. TER of the Fund for the period ended 07 May 2018 is 2.65% which includes 0.34% representing government levies, Workers Welfare Fund and SECP fee. As per the NBFC Regulations, the total expense ratio of the Asset Allocation Fund shall be capped up to 4%.

12 Contingency and commitment

The Fund has no Contingency and commitment at the period end except the contingency as mentioned in note 10.1.

13 FINANCIAL RISK MANAGEMENT

The Fund's financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended 30 June 2017.

14 GENERAL

14.1 Comparatives and certain disclosures are not included as these are condensed interim special purpose financial statements prepared for the purpose of calculating the net assets value per unit and Swap ratio of the Fund as of 07 May 2018. Detailed notes and disclosures have been disclosed in the financial statements for the year ended 30 June 2017. As a result, these condensed interim special purpose financial statements are not suitable for another purpose and should be read in conjunction with the financial statements for the year ended 30 June 2017. The financial year of the Fund will end on 30 June 2018.

14.2 These condensed interim special purpose financial statements were approved on _____ by the Board of Directors of the Management Company.

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**For AWT Investments Limited
Formerly Primus Investment Management Limited
(Management Company)**



Chief Executive Officer



Chief Financial Officer



Director

clause 14.2 of the auditors report of special purpose financial statement of PIML-AAF.

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**Primus Investment
Management Limited –
Strategic Multi Asset Fund**

**Special Purpose Financial Statements
For the period ended May 07, 2018**

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS

Opinion

We have audited the financial statements of Primus Investment Management Limited Strategic Multi Asset Fund (the Fund), which comprise the statement of assets and liabilities as at May 7, 2018, and the related income statement, the statement of comprehensive income, statement of movement in unit holders fund and cash flow statement for the period from July 1, 2017 to May 7, 2018, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements for the period from July 1, 2017 to May 7, 2018 are prepared, in all material respects, in accordance with the financial reporting framework disclosed in note 2.1 (special purpose framework) of the financial statements.

Basis for Opinion

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

Emphasis of Matter – Basis of Accounting

We draw attention to Note 2.1 to the financial statements, which describes the basis of accounting. The financial statements are prepared to for the purpose of calculating the net assets value per unit of the Fund and determination of swap ratio of the Fund as at May 7, 2018 to be submitted to the Securities and Exchange Commission of Pakistan (SECP) as required in paragraph (c) (xiii) of letter dated April 25, 2018 issued by SECP in respect of merger of the Fund with and into PIML Asset Allocation Fund (PIML AAF). As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Going Concern – Merger of the Fund into PIML Asset Allocation Fund (PIML AAF)

We draw attention to note 1 to the financial statements, which indicates that consequent to merger the whole of undertaking Fund which includes all assets, rights, liabilities, bank balances, obligations, mandates, undertaking, securities, contracts, documents, records etc. shall stand transferred to and be vested in PIML AAF from May 8, 2018. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Going Concern section above, we have determined the matters described below to be key audit matters to be communicated in our report.

S. No.	Key audit matter	How the matter was addressed in our audit
1	<p>Valuation and existence of investment</p> <p>As disclosed in note 6 to the financial statements, investments held at fair value through profit or loss represented Rs. 71.8 million as at May 7, 2018.</p> <p>The total investment amount is the significant account balance on the statement of assets and liabilities. The Fund invests principally in listed equity securities and there is a risk that appropriate quoted prices may not be used to determine fair value.</p> <p>Further, in respect of existence of investments, there is a risk that the Fund may have included investments in its financial statements which were not held by the Fund.</p> <p>The movement in investments of the Fund is disclosed in note 6 to the financial statements.</p>	<p>Valuation and existence were assessed by:</p> <ul style="list-style-type: none"> evaluating the design and implementation of key controls around investments; independently testing 100% of the valuations directly with the prices quoted on Pakistan Stock Exchange (PSX); performing purchases and sales testing on a sample of trades made during the period; and independently matching the securities held by the Fund as per internal records with the securities appearing in the Central Deposit Company (CDC) account and investigated any reconciling items.

Other Matter

The Management Company has prepared a separate set of financial statements for the year ended June 30, 2017 for the Fund in accordance with approved accounting standards as applicable in Pakistan on which we issued a separate auditor's report to the unit holders of the Fund dated September 29, 2017.

Information Other than the Financial Statements and Auditor's Report

In connection with our audit of the financial statements of the Fund, we have been informed by the Management Company that there is no other information that is to be attached by them along with the financial statements and our auditor's report thereon.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management Company is responsible for the preparation of the financial statements in accordance with the financial reporting framework disclosed in note 2.1 of the financial statements and for such internal control as Management Company determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud

or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in accordance with special purpose framework.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern. Also refer to emphasis of matter paragraph on Going Concern above and note 1 to the financial statements.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in accordance with special purpose framework.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

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


Chartered Accountants

Engagement Partner
Naresh Kumar

Date: June 07, 2018
Place: Karachi

PRIMUS INVESTMENT MANAGEMENT LIMITED - STRATEGIC MULTI ASSET FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT MAY 07, 2018

	Note	May 07, 2018	June 30, 2017
----- (Rupees in '000) -----			
Assets			
Bank balances	5	76,338	68,544
Investments	6	71,820	122,138
Deposits and other receivables	7	3,024	11,559
Preliminary and floatation costs	8	-	622
Total assets		151,182	202,863
Liabilities			
Payable to AWT Investments Limited - Management Company	9	2,083	2,482
Payable to Central Depository Company of Pakistan Limited - Trustee	10	80	75
Payable to the Securities and Exchange Commission of Pakistan	11	111	283
Accrued expenses and other liabilities	12	1,485	2,742
Total liabilities		3,759	5,582
Net assets		147,423	197,281
Unit holders' fund as per attached statement		147,423	197,281
Contingencies and commitments	14		
----- Number of units -----			
Number of units in issue		1,358,716	1,652,401
Net asset value per unit		108.50	119.39

The annexed notes from 1 to 15 form an integral part of these financial statements.


Chief Financial Officer

For AWT Investments Limited
(Management Company)

Chief Executive Officer


Director

PRIMUS INVESTMENT MANAGEMENT LIMITED - STRATEGIC MULTI ASSET FUND
 INCOME STATEMENT
 FOR THE PERIOD FROM JULY 01, 2017 TO MAY 07, 2018

	May 07, 2018	
	----(Rupees in '000)----	Note
Income		
Return / mark-up on;		
- bank balances	3,047	
- sukuk	74	
Dividend income	3,002	
Net loss on sale of investments	(12,385)	
Net unrealised loss on investments classified 'at fair value through profit or loss' - held-for-trading	(6,110)	
Total loss	(12,372)	
Expenses		
Remuneration of AWT Investments Limited - Management Company	2,607	9.1
Sindh Sales Tax on remuneration of the Management Company	339	9.2
Remuneration of Central Depository Company of Pakistan Limited - Trustee	587	
Sindh Sales Tax on remuneration of the Trustee	77	10.2
Annual fee to the Securities and Exchange Commission of Pakistan	111	
Amortisation of preliminary and floatation costs	619	
Annual listing fee	28	
Auditors' remuneration	65	
Printing and related costs	17	
Brokerage and settlement charges	615	
Total operating expense	5,065	
Net loss from operating activities	(17,437)	
Net loss for the period before taxation	(17,437)	
Taxation	-	
Net loss for the year after taxation	(17,437)	
Allocation of net loss for the period		
Net loss for the period after taxation	(17,437)	
Income already paid on units redeemed	-	
	(17,437)	
Accounting income available for distribution		
- Relating to capital gains	-	
- Excluding capital gains	-	

The annexed notes from 1 to 15 form an integral part of these financial statements. 2/17


 Chief Financial Officer

For AWT Investments Limited
 (Management Company)

 Chief Executive Officer


 Director

PRIMUS INVESTMENT MANAGEMENT LIMITED - STRATEGIC MULTI ASSET FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD FROM JULY 01, 2017 TO MAY 07, 2018

May 07,
2018
(Rupees in '000)

Net loss for the year after taxation	(17,437)
Other comprehensive income for the period:	
Items that may be reclassified subsequently to income statement:	
Net unrealised gain on investments classified as 'available-for-sale'	
Reclassification to income statement relating to gain realised on maturity / disposal of investment classified as 'available-for-sale'	
Total comprehensive income for the period	(17,437)

The annexed notes from 1 to 15 form an integral part of these financial statements.

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For AWT Investments Limited
(Management Company)


Chief Financial Officer


Chief Executive Officer


Director

PRIMUS INVESTMENT MANAGEMENT LIMITED - STRATEGIC MULTI ASSET FUND
 CASH FLOW STATEMENT
 FOR THE PERIOD FROM JULY 01, 2017 TO MAY 07, 2018

	Note	May 07, 2018 --(Rupees in '000)--
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the year before taxation		(17,437)
Adjustments for non-cash charges and other items		
Return / mark-up on:		
- bank balances		(3,047)
- sukuk		(74)
Dividend income		(3,002)
Net loss on sale of marketable securities		12,385
Net unrealised loss on investments classified 'at fair value through profit or loss' - held-for-trading		6,110
Amortisation of preliminary and floatation costs		619
		12,991
		(4,446)
(Increase) / decrease in assets		
Investments - net		31,823
Prepayments, deposits and other receivables		3,052
		39,875
Increase / (decrease) in liabilities		
Payable to Primus Investment Management Limited - Management Company		(399)
Payable to Central Depository Company of Pakistan Limited - Trustee		5
Payable to the Securities and Exchange Commission of Pakistan		(172)
Accrued expenses and other liabilities		(1,254)
		(1,820)
Dividend received		3,445
Return on government securities received		9
Return on bank balances received		2,973
Return on sukuk received		179
Net cash generated from operating activities		40,215
CASH FLOWS FROM FINANCING ACTIVITIES		
Amounts received from issuance of units		2,426
Amounts paid on redemption of units		(34,847)
Net cash used in financing activities		(32,421)
Net increase in cash and cash equivalents during the period		7,794
Cash and cash equivalents at the beginning of the period		68,544
Cash and cash equivalents at the end of the period	5	76,338

The annexed notes from 1 to 15 form an integral part of these financial statements.


 Chief Financial Officer

For AWT Investments Limited
 (Management Company)

 Chief Executive Officer


 Director

PRIMUS INVESTMENT MANAGEMENT LIMITED - STRATEGIC MULTI ASSET FUND
 STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
 FOR THE PERIOD FROM JULY 01, 2017 TO MAY 07, 2018

	07 May, 2018 (Rupees in '000)		
	Capital Value	Undistributed Income	Total
Net assets at beginning of the period	165,321	31,960	197,281
Issue of 23,121 units (2017: 5,117,708 units)			
- Capital value	2,758	-	2,758
- Element of loss	(332)	-	(332)
Total proceeds on issuance of units	2,426	-	2,426
Redemption of 316,805 units (2017: 6,477,196 units)			
- Capital value	(37,823)	-	(37,823)
- Element of income	2,976	-	2,976
Total payments on redemption of units	(34,847)	-	(34,847)
Total comprehensive loss for the period	-	(17,437)	(17,437)
Net assets as at end of the period	132,900	14,523	147,423
Undistributed income brought forward:			
- Realized income at beginning of the period		28,935	
- Unrealized income at beginning of the period		3,025	
		31,960	
Accounting income available for distribution:			
Relating to capital gains		-	
Excluding capital gains		-	
		-	
Net loss for the period after taxation		(17,437)	
Distribution during the period		-	
Undistributed income at end of the period		14,523	
Represented by:			
- Realized income at end of the period		20,633	
- Unrealized income at end of the period		(6,110)	
Undistributed income at end of the period		14,523	
Net assets value per unit at beginning of the period			119.39
Net assets value per unit at end of the period			108.50

The annexed notes from 1 to 15 form an integral part of these financial statements.


 Chief Financial Officer

For AWT Investments Limited
 (Management Company)


 Chief Executive Officer


 Director

PRIMUS INVESTMENT MANAGEMENT LIMITED - STRATEGIC MULTI ASSET FUND
NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 01 JULY 2017 TO 07 MAY 2018

1 LEGAL STATUS AND NATURE OF BUSINESS

PIML - Strategic Multi Asset Fund (the Fund) has been established under a Trust Deed, dated April 11, 2013, between AWT Investments Limited (formerly Primus Investment Management Limited) as the Management Company, a company incorporated under the Companies Ordinance, 1984, and the Central Depository Company of Pakistan Limited (CDC) as the Trustee, also incorporated under the Companies Ordinance, 1984.

The Management Company of the Fund has been licensed by the Securities and Exchange Commission of Pakistan (SECP) to undertake asset management and investment advisory services as a Non-Banking Finance Company. The registered office of Primus Investment Management Limited is situated at 4th Floor, Horizon Vista, Commercial 10, Block 4, Scheme 5, Clifton, Karachi.

The Fund is an open-ended balanced scheme and is listed on Pakistan Stock Exchange Limited. Units are offered for public subscription on continuous basis and can be redeemed by surrendering them to the Fund at the option of the unit holder. The Fund is categorised as a "Balanced Scheme" as per the Circular No. 7 of 2009 issued by SECP.

The Fund aims to offer retail and institutional clients a product that aims to maximize return and minimize risk. For this purpose, a balanced portfolio is created that has an optimal mix of equity, debt securities and commodity.

The JCR VIS Credit Rating Company Limited (JCR VIS) has assigned as asset manager rating of AM3+ to the Management Company while the Fund is currently not rated.

Title to the assets of the Fund are held in the name of CDC as a trustee of the Fund.

During the period, the SECP vide its letter number SCD/AMCW/AWTIL/351/2018 dated 25 April 2018 has granted its approval under regulation 58(1)(m) of the Non Banking Finance Companies and Notified Entities Regulations, 2008 read with Circular No. 20 of 23 June 2009 for the merger of PIML Asset Allocation Fund (PIML AAF) and Primus Investment Management Limited Strategic Multi Asset Fund (PIML SMAF) into PIML- AAF ("the Surviving Scheme") in terms of the Scheme of Merger as approved by the Board of Directors of AWT Investments Limited, and the unit holders of the respective schemes in their general meetings held on 27 October 2017 and 16 March 2018 respectively. The whole of undertaking PIML SMAF which includes all assets, rights, liabilities, bank balances, obligations, mandates, undertaking, securities, contracts' documents, records etc. shall stand transferred to and vested in PIML AAF from 08 May 2018 ("effective date of merger").

The Merging Schemes shall stand merged with and into the Surviving Scheme on the basis of the swap ratio of 1.1450 i.e. 1.145 units of PIML AAF for each unit of PIML SMAF, calculated on the basis of net assets values (NAVs) of the Merging and the Surviving Schemes at the close of the business day on 07 May 2018 (the day immediately preceding the effective date of merger).

In accordance with the directions of the SECP, the fresh issuance of units (other than bonus units in the form of dividend) of PIML AAF and PIML SMAF shall remain and has been suspended from 13 March 2018 till the effective date of merger (both days inclusive).

As a result of the merger, an appropriate number of units of PIML AAF (based on the swap ratio) shall be issued to those eligible persons whose names appear in the Register of Unitholders of PIML SMAF as at the close of business on 07 May 2018 (the day immediately preceding the effective date of merger) without charge of any load by the Management Company. Upon allotment of units of PIML AAF to the eligible persons, all units representing their holding in PIML SMAF shall stand cancelled.

2 BASIS OF PREPARATION

These special purpose financial statements have been prepared for the purpose of calculating the net assets value per unit of the Fund and determination of Swap ratio of the Fund as at 07 May 2018 to be submitted to the SECP as required in paragraph (c) (xiii) of letter dated 25 April 2018 issued by SECP to the Chief Executive Officer of AWT Investments Limited in respect of the merger of PIML SMAF with and into PIML AAF. As a result, these special purpose financial statements are not suitable for another purpose and should be read in conjunction with the financial statements for the year ended 30 June 2017.

2.1 Statement of compliance

These special purpose financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan except for certain disclosures and comparatives which have not been included. The accounting and reporting standards applicable in Pakistan comprise of

- International Financial reporting standards (IFRS Standards) issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIII A of the repealed Companies Ordinance, 1984; and
- 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 requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS standards, the provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

2.2 Basis of measurement

These special purpose 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 special purpose financial statements are presented in Pakistan Rupees, which is the Fund's functional and presentation currency. All financial information presented in Pakistan Rupees has been rounded off to the nearest thousand rupees, except otherwise stated.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these special purpose financial statements are the same as those applied in preparing the financial statements as at and for the year ended 30 June 2017 except as explained in note 2.

The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated 03 August 2017 has made certain amendments in the NBFC Regulations. The notification includes a definition and explanation relating to "element of income" and excludes the element of income from the expression "accounting income" as described in Regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. Furthermore, the revised regulations also require certain additional disclosures with respect to 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', whereas disclosure with respect to 'Distribution Statement' has been deleted in the revised regulations.

Previously, an equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' was created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption. The net element of income / (loss) and capital gains / losses relating to units issued and redeemed during an accounting period was recognized in the Income Statement.

Had the element of income been recognized as per the previous accounting policy, the loss of the Fund would have been lower by Rs. 2,644 million. However, the change in accounting policy does not have any impact on the Cash flow statement', the 'net assets attributable to the Unit Holders' Fund'. The change has resulted in inclusion of certain additional disclosures / new presentation requirements in the 'Income statement' and statement of Movement in Unit Holders' Fund which have been incorporated in these statements.

4 ESTIMATES AND JUDGEMENTS

The preparation of special purpose financial statements requires management to make judgements, estimates and assumption that affect the application of accounting policies and reported amount of assets and liabilities, income and expenses. Actual result may differ from these estimates.

The significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended 30 June 2017.

	Note	May 07, 2018	June 30, 2017
		----- (Rupees in '000) -----	
5 BANK BALANCES			
Savings accounts	5.1	<u>76,338</u>	<u>68,544</u>

5.1 These accounts carry mark-up rates ranging from 4.00% to 6.40% per annum (2017: 4.00% to 7.00% per annum).

	Note	May 07, 2018	June 30, 2017
		----- (Rupees in '000) -----	
6 INVESTMENTS			
- At fair value through profit or loss - held-for-trading			
Listed equity securities	6.1	71,820	110,054
Corporate Sukuk - Listed	6.3	-	12,084

6.1 At fair value through profit or loss - held-for-trading - Listed equity securities

Shares of listed companies - fully paid ordinary shares with a face value of Rs. 10/- each unless stated otherwise

Name and sector of investee company	Number of Shares					Market value as at May 07, 2018	Market value as a percentage of net assets	Market value as a percentage of investments	Par value as a percentage of paid-up capital of investee company
	As at July 01, 2017	Purchases during the year	Bonus / Right issue during the year	Sales during the year	As at May 07, 2018				
Fertilizer									
Eagle Fertilizers Limited	30,000	1,500	-	7,500	24,000	7,482	3.55	0.16	1.14
	30,000	1,500	-	7,500	24,000	7,482	3.64	0.16	
Oil & Gas Exploration Companies									
Oil & Gas Development Company Limited	-	20,000	-	20,000	-	-	-	-	-
Pakistan Petroleum Limited	25	-	-	-	25	70	0.00	0.00	-
Marl Petroleum Company Limited (S. O.)	25	66,000	-	66,000	25	79	3.60	0.00	0.00
Oil & Gas Marketing Companies									
Pakistan State Oil Company Limited	15,500	16,000	5,400	4,500	32,400	10,091	3.87	0.15	0.15
Sul Northern Gas Pipeline Limited	50,000	30,000	-	10,000	-	-	-	-	-
	55,500	46,000	5,400	14,500	32,400	10,091	3.87	0.15	
Paper & Board									
Packages Limited	4,000	-	-	500	3,500	1,240	0.01	0.03	0.30
	4,000	-	-	500	3,500	1,240	0.01	0.03	
Cement									
Sheikh Cement Company Limited	42,000	-	-	42,000	-	-	-	-	-
O G Khan Cement Company Limited	30,000	10,000	-	15,000	20,000	2,320	3.00	0.04	0.06
Fauji Cement Company Limited	116,000	47,500	-	162,500	-	-	-	-	0.04
Lucky Cement Company Limited	7,500	14,000	-	4,000	17,500	11,062	0.68	0.15	0.04
	194,500	70,500	-	233,500	37,500	13,382	0.68	0.19	
Pharmaceuticals									
The Searle Company Limited (S. O.)	13,749	300	1,500	6,500	9,049	3,070	0.02	0.04	0.10
	13,749	300	1,500	6,500	9,049	3,070	0.02	0.04	
Textile Composite									
Nighat Mills Limited	10,000	50,000	-	5,000	50,000	9,477	3.09	0.10	0.04
Gul Ahmed Textile Mills Limited (S. O.)	113	105,000	-	-	105,000	4,926	7.63	1.07	1.04
	15,313	105,000	-	5,000	105,000	13,299	0.69	0.69	
Cable & Electrical Goods									
Pak Electron Limited	50,000	30,000	-	80,000	-	-	-	-	-
	50,000	30,000	-	80,000	-	-	-	-	-
Automobile Assembler									
Wheels Motors Company Limited	1,500	1,540	-	1,500	1,540	3,437	0.02	1.05	0.47
Fish Sagar Motor Company Limited	5,000	-	-	3,000	-	-	-	-	-
	6,500	1,540	-	4,500	1,540	3,437	0.02	1.05	
Power Generation & Distribution									
Hot Addu Power Company Limited	50,000	20,000	-	70,000	-	-	-	-	-
The Hub Power Company Limited	-	10,000	-	10,000	-	-	-	-	-
H. Shaker Limited (Rs. 1.5 each)	450,000	200,000	-	650,000	-	-	-	-	-
	450,000	230,000	-	650,000	-	-	-	-	-
Commercial Banks									
Faysal Bank Limited (S. O.)	3,412	-	511	23	3,946	-	0.00	0.00	-
Bank Azadon Limited	40,000	47,000	-	132,000	-	-	-	-	-
Meezan Bank of Pakistan	25,000	-	-	25,000	-	-	-	-	-
Habib Bank Limited	-	20,000	-	20,000	-	-	-	-	-
United Bank Limited	7,000	20,000	-	43,000	-	-	-	-	-
	100,412	107,000	511	220,923	3,946	77	0.00	0.00	
Engineering									
Rawalpindi Steel Industries Limited (S. O.)	25,265	5,000	-	-	26,265	1,027	0.01	0.00	0.00
International Industries Limited	10,000	1,000	-	-	15,200	4,100	0.03	0.06	0.04
Arco Steel Limited	107,000	30,000	-	10,000	228,000	8,104	0.03	0.06	1.00
	242,265	36,000	-	10,000	266,265	13,231	0.07	0.14	

Name and sector of investee company	Number of Shares					Market value as at May 07, 2018	Market value as a percentage of net assets	Market value as a percentage of investments	Par value as a percentage of paid-up capital of investee company
	At the beginning of the period	Purchases during the period	Bonus / right issue during the period	Sales during the period	As at May 07, 2018				
Food & Personal Care Products									
Maico Foods Limited	-	117,683	-	-	117,683	4,640	0.03	0.06	0.40
	-	117,683	-	-	117,683	4,640	0	0	
Insurance									
Admiral Insurance Company Limited *	125,000	-	-	125,000	-	-	-	-	
	125,000	-	-	125,000	-	-	-	-	
Chemical									
Engro Polymer & Chemicals	-	185,000	-	185,000	-	-	-	-	
	-	185,000	-	185,000	-	-	-	-	
General Industrials									
Synthetic Products Limited	70,000	-	-	5,000	65,000	3,357	0.02	0.05	0.39
	70,000	-	-	5,000	65,000	3,357	0.02	0.05	
Transport									
Pakistan Int Bulk Terminal Limited	-	165,000	-	165,000	-	-	-	-	
	-	165,000	-	165,000	-	-	-	-	
Market value as at May 07, 2018	1,378,262	1,225,423	7,420	1,895,523	725,582	71,820	0.49	1.00	
Cost as at May 07, 2018						77,941			

6.2 This includes gross bonus shares as per Fund's entitlement declared by the investee company. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in Honourable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 47B and 99 of Second schedule of the Income Tax Ordinance, 2001. The Honourable Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement and not yet deposited on CDC account of department of Income tax. Management is of the view that the decision will be in the favour and accordingly has recorded the bonus shares on gross basis. Through Finance Act, 2018, the tax on bonus shares is withdrawn.

6.3 At fair value through profit or loss-held-for-trading - Corporate Sukuk - Listed

- Face value of Rs. 1,000,000 each unless otherwise stated

Company	Holding at the beginning of the year	Acquired during the period	Matured / disposed during the period	Holding at the end of the period	Market value / Carrying value of holdings	% of net assets	% of total investment
	Number of certificates				(Rupees in '000)		
- Fat Elektron Limited	12	-	12	-	-	0.00%	0.00%
	12	-	12	-	-	0.00%	0.00%
Cost as at May 07, 2018					12,000		

	Note	May 07, 2018	June 30, 2017
----- (Rupees in '000) -----			
7 DEPOSITS AND OTHER RECEIVABLES			
Margin deposit with Pakistan Mercantile Exchange Limited (PMEX) against future contracts		28	28
Security deposit with:			
National Clearing Company of Pakistan Limited (NCCPL)		2,500	2,500
Central Depository Company of Pakistan Limited (CDC)		100	100
Receivable against marketable securities		-	8,133
Profit receivable on:			
- bank deposits		81	7
- sukuk		-	105
- government securities		-	9
Dividend receivable		157	800
Other receivables		158	77
		3,024	11,559
		3,024	11,559

8 PRELIMINARY AND FLOATATION COSTS

Balance as at July 01,	8.1	622	1,164
Less: amortisation during the year		(622)	(542)
Balance at period end		-	622
		-	622

8.1 Preliminary and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are being amortised over a period of five years.

	Note	May 07, 2018	June 30, 2017
----- (Rupees in '000) -----			
9 PAYABLE TO PRIMUS INVESTMENT MANAGEMENT LIMITED - MANAGEMENT COMPANY			
Remuneration payable to Management Company	9.1	58	411
Sindh Sales Tax payable on remuneration of Management Company	9.2	223	269
Federal Excise Duty payable on remuneration of Management Company	9.3	1,799	1,799
Preliminary and floatation costs		3	3
		2,083	2,482
		2,083	2,482

9.1 Under the provisions of the Regulations, 2008, the Management Company of the Fund is entitled to a remuneration during first five years of the Fund, of an amount not exceeding 3 percent of the average annual net assets of the Fund and thereafter of an amount equal to 2 percent of such assets of the Fund. In the current year, the Management Company has charged remuneration at the rate of two percent of the average annual net assets of the Fund. The amount of remuneration is being paid monthly in arrears.

- 9.2 It represents Sindh Sales Tax at the rate of 13% (2017: 13%) on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011. It also includes excess sales tax charged on FED in prior years.
- 9.3 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 may result in double taxation, which does not appear to be the spirit of the law, hence, a petition was collectively filed by the Mutual Fund Association of Pakistan with the Sindh High Court (SHC) on September 04, 2013.

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

Further, the Finance Act 2016, also introduced an amendment to the Federal Excise Act, 2015 whereby FED was withdrawn on services of different industries including Non-Banking Financial Institutions, which are already subject to provisional sales tax.

However, since the appeal is pending in the Supreme Court of Pakistan, management as a matter of abundant caution, has made a provision on FED on remuneration of management company with effect from June 13, 2013 to June 30, 2016 amounting to Rs. 1.799 million.

Had the provision not been made, the Net Asset Value per unit as at May 07, 2018 would have been higher by Rs. 1.32.

	Note	May 07, 2018	June 30, 2017
(Rupees in '000)			
10	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE		
	Trustee fee	10.1	67
	Sindh Sales Tax on remuneration of Trustee	10.2	8
		80	75

- 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 remuneration is paid to the Trustee monthly in arrears.

The tariff structure applicable to the Fund for services of the Trustee as at May 07, 2018 is as follows:

Net Assets	Tariff per annum
Upto Rs. 1 billion	Rs. 0.7 million or 2 percent per annum of daily net asset value whichever is higher.
Rs. 1 billion to Rs. 5 billion	Rs. 2 million plus 0.1 percent per annum of daily net asset value exceeding Rs. 1 billion.
Over Rs. 5 billion	Rs. 5.1 million plus 0.070 percent per annum of net asset value exceeding Rs. 5 billion.

- 10.2 The Sindh Revenue Board through circular no. SRB-3-4/TP/01/2015/36554 dated June 13, 2015, amended definition of services of shares, securities and derivatives and included the custodianship services within purview of the Sindh Sales Tax. Accordingly Sindh Sales Tax of 13% is applicable on Trustee fee which is now covered under section 27(79A) of the Sindh Sales Tax on Services Act, 2011

	Note	May 07, 2018	June 30, 2017
(Rupees in '000)			
11	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)		
	Annual fee	11.1	283
11.1	Under the provisions of the Regulations, the Fund is required to pay as an annual fee to the SECP, an amount equal to 0.085% of the daily net assets of the Fund.		

		May 07, 2018	June 30, 2017
	Note	----- (Rupees in '000) -----	
12	ACCRUED EXPENSES AND OTHER LIABILITIES		
	Auditors' remuneration	-	209
	Provision for Sindh Workers' Welfare Fund	1,406	1,406
	Others	79	1,127
		<u>1,485</u>	<u>2,742</u>

13 PROVISION FOR WORKERS' WELFARE FUND (WWF) AND SINDH WORKERS' WELFARE FUND (SWWF)

The Finance Act, 2008 introduced amendments to the Workers' Welfare Fund Ordinance, 1971 whereby the definition of industrial establishment was extended. The amendments were challenged at various levels and conflicting judgments were rendered by the Lahore High Court, Sindh High Court and Peshawar High Court. The Honorable Supreme Court of Pakistan vide its judgment dated November 10, 2016, has upheld the view of Lahore High Court and decided that Workers' Welfare Fund (WWF) is not a tax and hence the amendments introduced through Finance Act, 2008 are ultra-vires to the Constitution. The Federal Board of Revenue has filed Civil Review Petitions in respect of above judgment with the prayer that the judgment dated November 10, 2016 passed in the Civil Appeal may kindly be reviewed in the interest of justice.

Furthermore, the Sindh Revenue Board (SRB) had written to few mutual funds in January 2016 to register and pay Sindh Workers Welfare Fund (SWWF) for the accounting year closing on or after December 31, 2013. MUFAP reviewed the issue and based on an opinion decided that SWWF is not applicable on mutual funds as they are not financial institutions as required by SWWF Act, 2014. MUFAP wrote to SRB that mutual funds are not establishments and are pass through vehicles hence, they do not have any worker and no SWWF is payable by them. SRB responded back that as mutual funds are included in definition of financial institutions in the Financial Institutions (Recovery of Finance) Ordinance, 2001, therefore SWWF is applicable on mutual funds. MUFAP has taken up this matter before the Sindh Finance Ministry to exclude mutual funds from SWWF.

In view of the above developments regarding the applicability of WWF and SWWF on mutual funds and considering the legal opinion obtained on these matters, MUFAP has recommended the following to all its members on January 12, 2017:

- Workers' Welfare Fund (WWF) recognized 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

The above decisions were communicated to the SECP and the Pakistan Stock Exchange Limited on January 12, 2017 and the SECP vide its letter dated February 1, 2017 has advised MUFAP that the adjustments relating to the above should be prospective and supported by adequate disclosures in the financial statements of the mutual funds.

As a result of the above recommendations of the MUFAP, the fund on January 12, 2017, recorded provision of SWWF from May 21, 2015. However, the Fund had reported loss for the year, therefore, no provision of SWWF has been recorded.

Had the provision not been made, the net asset value per unit as at May 07, 2018 would have been higher by Rs. 1,035.

14 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitment.

15 GENERAL


- 15.1 Comparatives and certain disclosures are not included as these are special purpose financial statements prepared for the purpose of calculating the net assets value per unit and Swap ratio of the Fund as of 07 May 2018. Detailed notes and disclosures have been disclosed in the financial statements for the year ended 30 June 2017. As a result, these special purpose financial statements are not suitable for another purpose and should be read in conjunction with the financial statements for the year ended 30 June 2017.

15.2 These special purpose financial statements were approved on _____ by the Board of Directors of the Management Company.

DYN

Chief Financial Officer

For AWT Investments Limited
(Management Company)


Chief Executive Officer


Director

Clause 15.2 of the auditors report of special purpose financial statements of PIML-SMAF.

_____ X _____