



AL Habib Asset Management Limited

Annual Report 2024



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Vision

We at AL Habib Asset Management Limited make it possible for everyone to invest in Mutual Funds by providing innovative products.

Mission

We aim to excel in Fund Management business by:

Understanding the customer needs through close interaction.

Focusing on offering our investors the best possible returns on a diverse range of products.

Attaining sustained growth in an ethical manner.

Providing a conducive working environment that stimulates talent.

DIRECTORS' REPORT

The Board of Directors of AL Habib Asset Management Limited is pleased to present the annual audited financial statements of the Funds under its management for the year ended June 30, 2024.

During the year ended June 30, 2024, Pakistan's economy showed signs of recovery despite global uncertainties. Pakistan's GDP grew by 2.4% year on year driven primarily by strong performance in the agricultural sector and a gradual improvement in industrial output. Current account deficit narrowed significantly during the fiscal year to \$0.68 billion as compared to \$3.27 billion during the same period last year, better administration led to higher remittances which led to greater stability in PKR/USD exchange rate.

Headline inflation declined significantly to 12.6% at the end of June 30, 2024 from the high of 29.4% in June 30, 2023. Reflecting this positive trend, which is expected to continue, SBP in its latest Monetary Policy Committee meeting decided to decrease the policy rate by 150 bps taking it to 20.5% from the ever high of 22%. The market is expecting further decline in the policy rate during the fiscal year. Meanwhile, KSE 100 index reached new heights, making Pakistan the best performing market in the region.

AL Habib Cash Fund (AHCF) generated net annualized return of 22.16% for the year ended June 30, 2024. The Fund's gross income was Rs. 7,086.47 million, which mainly comprises income of Rs.5,890.54 million from government securities, Rs. 1,112.39 million from bank deposits, and Rs. 83.54 million from term deposit receipts. During the year, the Fund has distributed cumulative interim dividends of Rs. 19.99 per unit. VIS has maintained the Fund's stability rating of AA+(f) on November 15, 2023.

AL Habib Money Market Fund (AHMMF) generated net annualized return of 22.14% for the year ended June 30, 2024. The Fund's gross income was Rs. 3,515.69 million, which mainly comprises income of Rs. 2,858.58 million from government securities, Rs. 626.20 million from bank deposits, and Rs. 30.91 million from term deposit receipts. During the year, the Fund has distributed cumulative interim dividends of Rs. 20.04 per unit. VIS has maintained stability rating of AA+(f) to the Fund on November 15, 2023.

AL Habib Islamic Cash Fund (AHICF) generated net annualized return of 21.34% for the year ended June 30, 2024. The Fund's gross income was Rs. 4,670.11 million, which mainly comprises income of Rs. 1,954.03 million from government securities, Rs. 2,262.57 million from bank deposits, and Rs. 453.51 million from term deposit receipts and. During the year, the Fund has distributed cumulative interim dividends of Rs. 19.52 per unit. PACRA has maintained stability rating of AA+(f) to the Fund on September 01, 2023.

AL Habib Income Fund (AHIF) generated net annualized return of 22.71% for the year ended June 30, 2024. The Fund's gross income was Rs. 1,096.06 million, which mainly comprises income of Rs. 992.28 million from investment in government securities, TFCs and Sukuks, Rs. 97.06 million from bank deposits and Rs. 6.72 million from term deposit receipts. During the year, the Fund has distributed cumulative interim dividends of Rs. 21.31 per unit. PACRA has maintained the Fund's stability rating of AA(f) on September 01, 2023.

AL Habib Government Securities Fund (AHGSF) launched on July 13, 2023, generated net annualized return of 22.82% for the period ended June 30, 2024. The Fund's gross income was Rs. 2,642.19 million, which mainly comprises income of Rs. 2,514.03 million from investment in government securities, Rs. 123.04 million from bank deposits, and Rs. 5.12 million from term deposit receipts. During the year, the Fund has distributed cumulative interim dividends of Rs. 19.77 per unit.

AL Habib Fixed Return Fund (AHFRF) Plan 7, Plan 8, Plan 9, Plan 10, Plan 11 and Plan 13 were launched whereas, Plan 3, Plan 4, Plan 5, and Plan 7 were matured during the year. The Fund's gross income was Rs. 949.39 million, which mainly comprises income of Rs. 925.92 million from investment in government securities, and Rs. 23.47 million from bank deposits. During the year, the Fund has distributed cumulative interim dividends of Rs. 95.36 per unit.

AL Habib Islamic Income Fund (AHIF) generated net annualized return of 21.78% for the year ended June 30, 2024. The Fund's gross income was Rs. 1,167.65 million, which mainly comprises income of Rs. 838.82 million from investment in Sukuks, Rs. 318.90 million from bank deposits, and Rs. 9.93 million from term deposit receipts. During the year, the Fund has distributed cumulative interim dividends of Rs. 20.54 per unit. PACRA has maintained stability rating of AA(f) of the Fund on September 01, 2023.

AL Habib Islamic Savings Fund (AHISAVF) generated net annualized return of 21.96% for the year ended June 30, 2024. The Fund's gross income was Rs. 2,439.84 million, which mainly comprises income of Rs. 1,797.77 million from investment in Sukuks, Rs. 638.54 million from bank deposits, and Rs. 3.53 million from term deposit receipts. During the year, the Fund has distributed cumulative interim dividends of Rs. 20.12 per unit. PACRA has maintained stability rating of AA(f) to the Fund on September 01, 2023.

AL Habib Islamic Munafa Fund (AHIMF) Plan 3 and Plan 4 were launched, whereas, Plan 2 was matured during the year. The Fund's gross income was Rs. 490.78 million which comprises of income of Rs. 478.49 million from investment in Sukuks, and Rs. 12.29 million from bank deposits. During the year, the Fund has distributed cumulative interim dividends of Rs. 6.53 per unit.

AL Habib Asset Allocation Fund (AHAAF) generated net return of 75.64% for the year ended June 30, 2024. The Fund's gross income was Rs. 74.56 million, which mainly comprises income of Rs. 4.55 million from bank deposits, Rs. 10.37 million from dividends, Rs. 0.13 million from investment in government securities, and capital gains (realized and unrealized) of Rs. 59.51 million on investments. During the year, the Fund has distributed cumulative interim dividends of Rs. 68.51 per unit.

AL Habib Stock Fund (AHSF) generated net return of 102.57% for the year ended June 30, 2024. The Fund's gross income was Rs. 236.69 million, which mainly comprises income of Rs. 32.53 million from dividends, Rs. 9.51 million from bank deposits, and capital gains (realized and unrealized) of Rs. 194.65 million on equity investments. During the year, the Fund has distributed cumulative interim dividends of Rs. 55.33 per unit.

AL Habib Islamic Stock Fund (AHISF) generated net return of 98.34% for the year ended June 30, 2024. The Fund's gross income was Rs. 375.28 million, which mainly comprises income of Rs. 42.60 million from dividends, income of Rs. 5.40 million from bank deposits, and capital gains (realized and unrealized) of Rs. 327.28 million on equity investments. During the year, the Fund has distributed cumulative interim dividends of Rs. 47.57 per unit.

AL Habib Pension Fund (AHPF) generated net annualized returns of 22.77% and 23.19% for Money Market and Debt Sub Fund respectively and Equity Sub Funds generated absolute return of 110.41% for the year ended June 30, 2024. The Money Market and Debt Sub Funds' gross income amounted to Rs. 34.49 million and Rs. 22.12 million, respectively, which comprise income from bank deposits and government securities. The Equity Sub Fund's gross income was Rs. 43.43 million, which mainly comprises income of Rs. 5.86 million from dividends, income of Rs. 0.62 million from bank deposits, and capital gains (realized and unrealized) of Rs. 36.95 million on equity investments.

AL Habib Islamic Pension Fund (AHIPF) generated net annualized returns of 22.06% and 23.46% for Money Market and Debt Sub Fund respectively and Equity Sub Funds generated absolute return of 104.57% for the year ended June 30, 2024. The Money Market and Debt Sub Funds' gross income amounted to Rs. 23.01 million and Rs. 20.60 million, respectively, which comprise income from bank deposits, debt instruments, and government securities. The Equity Sub Fund's gross income was Rs. 44.54 million, which mainly comprises income of Rs. 4.49 million from dividends, income of Rs. 0.64 million from bank deposits, and capital gains (realized and unrealized) of Rs. 39.41 million on equity investments.

AL Habib GoKP Pension Fund (AHGoKPPF) launched on January 04, 2024, generated net annualized return of 21.47% for Money Market Sub Fund for the year ended June 30, 2024. The Money Market Sub Fund gross income amounted to Rs. 3.32 million, which comprise income from bank deposits and government securities.

AL Habib Islamic GoKP Pension Fund (AHIGoKPPF) launched on January 04, 2024, generated net annualized return of 21.17% for Money Market Sub Fund for the year ended June 30, 2024. The Money Market Sub Fund gross income amounted to Rs. 3.28 million, which comprise income from bank deposits and government securities.

We wish to thank our unit holders for their continued trust and support, Securities & Exchange Commission of Pakistan for their guidance, and Central Depository Company of Pakistan Limited for their cooperation. We also thank all our team members for their sincerity, dedication and hard work.

KASHIF RAFI

Chief Executive

ABBAS D. HABIB

Chairman

Dated: August 01, 2024

AL HABIB CASH FUND
Annual Report
For the year ended June 30, 2024

FUND'S INFORMATION

Management Company

AL Habib Asset Management Limited

Board of Directors of the Management Company

Mr. Abbas D. Habib	Chairman
Mr. Mansoor Ali	Director
Mr. Imran Azim	Director
Ms. Zarine Aziz	Director
Mr. Saeed Allawala	Director
Mr. Kashif Rafi	Chief Executive Officer

Chief Financial Officer

Mr. Abbas Qurban

Company Secretary & Chief Operating Officer

Mr. Zahid Hussain Vasnani

Audit Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali	Member
Mr. Imran Azim	Member

Human Resource Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali	Member
Ms. Zarine Aziz	Member
Mr. Kashif Rafi	Member

Auditors

BDO Ebrahim & Co.
Lakson Square Building No. 1, 9th Floor,
Block C Sarwar Shaheed Rd, Civil Lines,
Karachi, Karachi City, Sindh 74200

Legal Advisor

Mohsin Tayebaly & Co.
Barristers & Advocates,
2nd Floor, DIME Centre, BC-4,
Block 9, Kehkashan, Clifton, Karachi.

Trustee

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block 'B', S.M.C.H.S.,
Main Shakra-e-Faisal, Karachi.

Rating

AA+ (f) Fund Stability Rating by VIS
AM2++ Management Company Quality
Rating Assigned by PACRA.

Bankers to the Fund

Bank AL Habib Limited
Bank Alfalah Limited
Allied Bank Limited
Habib Bank Limited

Registered Office: 3rd Floor, Mackinnon's Building, I.I. Chundrigar Road, Karachi.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S. Main Shakra-e-Faisal
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcPakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

AL HABIB CASH FUND

Report of the Trustee pursuant to Regulation 41(h) and Clause 8 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 AL Habib Cash Fund (the Fund) are of the opinion that AL Habib Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2024 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) 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.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 27, 2024





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INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF AL HABIB CASH FUND

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Al Habib Cash Fund ("the Fund"), which comprise the statement of assets and liabilities as at June 30, 2024, and the income statement, statement of comprehensive income, statement of cash flows and statement of movement in unit holders' fund for the year ended June 30, 2024, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at June 30, 2024, and its financial performance and its cash flows for the year June 30, 2024 in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for opinion

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

Key Audit Matters

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

Following are the Key audit matters:

S.NO	Key audit matter(s)	How the matter was addressed in our audit
1.	Existence and valuation of investments As disclosed in note 6 to the accompanying financial statements of the Fund for the year June 30, 2024, the Fund has investments classified as "Fair value through profit or loss" amounting to Rs. 35,688 million representing 86% of the net assets value of the Fund.	Our audit procedures included the following: We evaluated the design and implementation of key controls of investment and tested controls over acquisition, disposals and year end valuation of investments portfolio.



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S.NO	Key audit matter(s)	How the matter was addressed in our audit
	As these investments represent a significant element of the statement of assets and liabilities, a discrepancy in the valuation or existence of investments could cause the NAV to be materially misstated which would also impact the Fund's reported performance as the valuation of investments is the main driver of movements in the performance of the Fund. In view of the significance of these investments in relation to the total assets and the NAV of the Fund, we have considered the existence and valuation of such investments as a key audit matter.	- We performed substantive audit procedures on year-end balance of investment portfolio including review of custodian's statement, and related reconciliations and re-performance of debt instruments valuations on the basis of prices the Mutual Fund Association of Pakistan (MUFAP) as at June 30, 2024 and matching the valuation of investment with that appearing in the financial statements. - We assessed the Fund's compliance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) in relation to the concentration of investments and exposure limits prescribed in such Regulations and reviewed the adequacy of disclosures as may be applicable in situations of non-compliance.

Information other than the financial statements and auditor's report thereon

The Management Company is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management Company and its Board of Directors

The Management Company ("Al Habib Asset Management Limited") of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and accounting and reporting 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.

BDO Ebrahim & Co. Chartered Accountants Page - 2

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

The Management Company is responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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



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We also provide the Board of Directors of the Management Company 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 the Board of Directors of the Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current year 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.

Report on other legal and regulatory requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in accordance with the relevant provisions of the Trust Deed, NBFC Rules and NBFC Regulations.

The engagement partner on the audit resulting in this independent auditor's report is Tariq Feroz Khan.

KARACHI

DATED: August 30, 2024

UDIN: AR202410166ptaLsZQTC

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2024

		June 30, 2024	June 30, 2023
	Note	----- (Rupees in '000) -----	
ASSETS			
Bank Balance	5	5,439,633	644,059
Investments	6	35,688,702	24,248,296
Profit receivable	7	377,141	103,891
Receivable against Issuanc of Units	8	218,315	-
Advance tax, deposits and other receivable		1,362	1,239
TOTAL ASSETS		41,725,153	24,997,485
LIABILITIES			
Payable to AL Habib Asset Management Limited - Management company	9	89,299	28,404
Provision for Federal Excise Duty on remuneration of the Management Company	10	13,417	13,417
Payable to Central Depository Company of Pakistan Limited - Trustee	11	2,061	1,276
Payable to Securities and Exchange Commission of Pakistan	12	2,511	5,020
Payable against redemption/Purchase of units		7,104	4
Accrued expenses and other liabilities	13	99,308	79,725
TOTAL LIABILITIES		213,700	127,846
NET ASSETS		41,511,453	24,869,639
UNIT HOLDERS' FUND (AS PER THE STATEMENT ATTACHED)			
		41,511,453	24,869,639
Contingencies and commitments	14		
(Number of units)			
Number of units in issue (face value of units is Rs. 100 each)		407,829,055	245,571,980
(Rupees)			
Net assets value per unit		101.79	101.27

The annexed notes 1 to 26 form an integral part of these financial statements.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2024

		June 30, 2024	June 30, 2023
	Note	----- (Rupees in '000) -----	
Income			
Loss on sale of investments - net		(34,560)	(55,702)
Income from government securities		6,076,872	3,485,191
Mark-up on bank deposits		1,112,391	797,831
Profit on term deposit receipts		83,536	83,477
		7,238,239	4,310,797
Unrealised appreciation / (diminution) on re-measurement of investments classified at 'fair value through profit or loss' - net		(151,770)	(38,240)
Total income		7,086,469	4,272,557
Expenses			
Remuneration of AL Habib Asset Management Limited - Management Company	9.1	392,973	195,691
Sindh Sales tax on Management Company's remuneration	9.2	51,090	25,440
Expenses allocated by the Management company		25,607	40,943
Remuneration of Central Depository Company of Pakistan Limited - Trustee	11	18,033	13,805
Sindh Sales tax on Trustee's remuneration	11.2	2,344	1,794
Annual fee to Securities and Exchange Commission of Pakistan	12	24,615	5,020
Brokerage expense		2,268	1,830
Settlement and bank charges		49	24
Annual listing fee		25	25
Auditors' remuneration		642	626
Mutual Fund rating fee		284	280
Printing and other expenses		42	67
		517,972	285,545
Net income for the year before taxation		6,568,497	3,987,012
Taxation	15	-	-
Net income for the year after taxation		6,568,497	3,987,012
Allocation of net income for the year after taxation			
Net income for the year		6,568,497	3,987,012
Income already paid on units redeemed		(3,663,931)	(2,242,679)
		2,904,566	1,744,333
Accounting income available for distribution:			
Relating to capital loss		-	-
Excluding capital gains		2,904,566	1,744,333
		2,904,566	1,744,333

The annexed notes 1 to 26 form an integral part of these financial statements.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

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

	June 30, 2024	June 30, 2023
Note	----- (Rupees in '000) -----	
Net income for the year after taxation	6,568,497	3,987,012
Other comprehensive income	-	-
Total comprehensive income for the year	<u>6,568,497</u>	<u>3,987,012</u>

The annexed notes 1 to 26 form an integral part of these financial statements.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	June 30, 2024			June 30, 2023		
	Capital Value	Undistributed income	Net Asset	Capital Value	Undistributed income	Net Asset
	(Rupees in '000)					
Net assets at beginning of the year	24,664,878	204,762	24,869,640	22,790,356	121,217	22,911,573
Issuance of 2,427,415,286 units (June 30, 2023: 2,424,051,896 units)						
including additional units 8,493,372 units issued at nil value						
- Capital value	251,900,546	-	251,900,546	244,707,321	-	244,707,321
- Element of income	3,996,688	-	3,996,688	2,834,865	-	2,834,865
Amount received on issuance of units	255,897,234	-	255,897,234	247,542,186	-	247,542,186
Redemption of 2,325,158,210 units (June 30, 2023: 2,405,429,048 units)						
- Capital value	(235,468,772)	-	(235,468,772)	(242,828,062)	-	(242,828,062)
- Element of income	(275,494)	(3,663,931)	(3,939,425)	(377,602)	(2,242,679)	(2,620,281)
Amount paid on redemption of units	(235,744,266)	(3,663,931)	(239,408,197)	(243,205,664)	(2,242,679)	(245,448,343)
Total comprehensive income for the year	-	6,568,497	6,568,497	-	3,987,012	3,987,012
Interim distribution for the year ended June 30 2024 :						
Rs. 14.63 per units (2023: Rs. 15.88 per unit declared)	(3,742,879)	(2,672,842)	(6,415,721)	(2,462,000)	(1,660,789)	(4,122,789)
Net income for the year less distribution	(3,742,879)	3,895,655	152,776	(2,462,000)	2,326,223	(135,777)
Net assets at end of the year	41,074,967	436,485	41,511,453	24,664,878	204,762	24,869,639
Undistributed income brought forward						
- Realized income		243,001			121,217	
- Unrealized income		(38,240)			-	
		204,761			121,217	
Accounting income available for distribution						
- Relating to capital loss		-			-	
- Excluding capital gains		2,904,566			1,744,333	
		2,904,566			1,744,333	
Interim distribution for the year ended June 30 2024 :						
Rs. 14.63 per units (2023: Rs. 10.20 per unit declared)		(2,672,842)			(1,660,789)	
Undistributed income carried forward		436,485			204,761	
Undistributed income carried forward comprises of:						
- Realized income		436,485			243,001	
- Unrealized loss		-			(38,240)	
		436,485			204,761	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the year		101.27			100.95	
Net assets value per unit at end of the year		101.79			101.27	

The annexed notes 1 to 26 form an integral part of these financial statements.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2024

	June 30, 2024	June 30, 2023
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year before taxation	6,568,497	3,987,012
Adjustments		
Net unrealized loss on remeasurement of investments	151,770	38,240
Net cash generated from operations before working capital changes	6,720,267	4,025,252
Working capital changes		
(Increase) / decrease in assets		
Investments	(11,592,176)	(22,771,538)
Profit receivable	(273,250)	130,990
Receivable against Issuance of Units	(218,315)	-
Advance tax, deposits and other receivables	(123)	129
	(12,083,864)	(22,580,419)
(Decrease) / increase in liabilities		
Payable to AL Habib Asset Management Limited - Management Company	60,895	16,463
Payable to Central Depository Company of Pakistan Limited - Trustee	785	201
Payable to Securities and Exchange Commission of Pakistan	(2,509)	942
Payable against Purchase of units	7,100	(1,457)
Accrued expenses and other liabilities	19,583	29,946
	85,854	46,095
Net cash used in operating activities	(5,277,743)	(18,509,072)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of units	255,897,234	247,542,186
Payments on redemption of units	(239,408,197)	(245,448,343)
Dividend paid during the period	(6,415,721)	(4,122,789)
Net cash generated / (used in) from financing activities	10,073,316	(2,028,946)
Net increase / (decrease) in cash and cash equivalents	4,795,573	(20,538,018)
Cash and cash equivalents at beginning of the year	644,059	21,182,077
Cash and cash equivalents at end of the year	5,439,633	644,059

The annexed notes 1 to 26 form an integral part of these financial statements.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** AL Habib Cash Fund (the "Fund") was established under a Trust Deed executed between AL Habib Asset Management Limited (Formerly: Habib Asset Management Limited) as the (Management Company) and Central Depository Company of Pakistan Limited (CDC) as (the Trustee). The Trust Deed was executed on July 14, 2010 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on July 13, 2010 under Rule 67 of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).
- 1.2** The Management Company of the Fund has been licensed to undertake Asset Management Services as Non Banking Finance Company under the NBFC Rules by the SECP. The registered office of the management company is situated at 3rd Floor MacKinnon's Building, I.I Chundrigar Road Karachi, Pakistan.
- 1.3** The Fund is an open-end mutual fund categorized as 'Money Market Scheme' and is listed on the Pakistan Stock Exchange Limited (PSX). Units are offered for public subscription on a continuous basis. Units are transferable and can be redeemed by surrendering them to the Fund at the option of the unit holder. Title to the assets of the Fund are held in the name of CDC as the Trustee of the Fund.
- 1.4** The Fund, in line with its investment objective, invests primarily in Treasury bills, Government Securities and cash and near cash instruments.
- 1.5** JCR-VIS has assigned fund stability ranking of AA+(f) to the Fund as at 11 of November 2023.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with the part VIIIA of the repealed companies ordinance 1984; and
- The Non-Banking Financial Companies Rules 2003 (the NBFC rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the 'NBFC Regulations') and requirements of the Trust Deed.

Where the provisions of and directives issued under the Companies Act, 2017, the NBFC Rules, the NBFC Regulations, part VIIIA of repealed companies ordinance 1984 and the requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of 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 financial statements have been prepared under the historical cost convention, except investments that are stated at fair values.

2.3 Functional and presentation currency

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

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

2.4.1 Classification and measurement of financial assets and financial liabilities

For details please refer notes 4.2.2 and 6 to these financial statements.

2.4.2 Impairment of financial assets

For details please refer notes 4.2.4 to these financial statements.

3 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

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

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

	"Effective date (annual periods beginning on or after)"
Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 Making Materiality Judgements- Disclosure of Accounting Policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	January 01, 2023

The Company adopted the narrow-scope amendments to the International Accounting Standard (IAS) 1, Presentation of Financial Statements which have been effective for annual reporting periods beginning on or after 1 January 2023. Although the amendments did not result in any changes to accounting policy themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting the Company to provide useful entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and updates to the information disclosed in Note 4 Material accounting policies (2023: Significant accounting policies) in certain instances in line with the amendments and concluded that all its accounting policies are material for disclosure.

3.2 New accounting standards, amendments and 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, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	"Effective date (annual periods beginning on or after)"
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
IFRS 17 Insurance Contracts	January 01, 2026
IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)	
IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP	
IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP	
IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2026.	

4 MATERIAL ACCOUNTING POLICY INFORMATION

The principal accounting policies applied in the preparation of these financial statements are set out below.

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.

4.2 Financial Instruments

4.2.1 Financial Assets

Financial assets are classified in appropriate category at amortized cost, fair value through comprehensive income and fair value through profit and loss. The Management determines the classification of financial assets in appropriate category based on fund's business model, managing the financial assets and the contractual terms of cashflows.

4.2.2 Initial recognition and measurement

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

4.2.3 Classification**Debt Instruments**

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

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

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

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

A debt instrument held for trading purposes or which does not meet the SPPI criterion is classified as measured at FVTPL.

4.2.4 Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial assets:

Debt investments at amortized cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest / markup income and impairment are recognized in income statement.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in income statement. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to income statement.

Debt investments at FVTPL

These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method and impairment are recognized in income statement.

4.2.5 Impairment of financial assets

IFRS 9 requires an expected credit loss model which requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

However, SECP through its SCD/AMCW/RS/MUFAP/2017-148 dated 21 November 2017 have deferred the applicability of above impairment requirements in relation to debt securities for mutual funds and accordingly, basis defined in Circular No. 33 of 2012 dated, 24 October 2012 have been followed.

4.2.6 Regular way contracts

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

4.2.7 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.

4.2.8 Offsetting of financial instruments

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

4.2.9 Financial liabilities

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

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

4.3 Unit holders' Fund

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

4.4 Issuance and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the application received during business hours on that day. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load and provision of any duties and charges if applicable. The sales load is payable to the Management Company as processing fee.

Units redeemed are recorded at the redemption price applicable to units for which the Management Company receives redemption application during business hours of that day. The redemption price shall be equal to NAV as of the close of the business day, less an amount as the Management Company may consider to be an appropriate provision of duties and charges as processing fee.

4.5 Element of income

Element of Income represents the difference between net assets value on the issuance or redemption date, as the case may be, of units and the Net asset Value (NAV) at the beginning of the relevant accounting period.

Element of Income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund; however, to maintain same ex-dividend net asset value of all units outstanding on accounting date, net element of income contributed on issue of units lying in Unit holders' Fund is refunded on units (refund of capital) in the same proportion as dividend bears to accounting income available for distribution. As per guideline provided by MUFAP (MUFAP Guidelines consented upon by SECP), the refund of capital is made in the form of additional units at zero price.

4.6 Net asset value - per unit

The net asset value per unit disclosed in the Statement of Assets and Liabilities is calculated by dividing the net assets of the Fund by the number of units in issue at the year end.

4.7 Taxation

The Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than ninety percent of its accounting income for the year as reduced by capital gains, whether realized or unrealized, is distributed in the form of cash among the unit holders. Provided that, for the purpose of determining distribution of at least ninety percent of its accounting income for the year, the income distributed through bonus units' shall not be taken into account.

The Fund intends to continue availing the tax exemption in future years by distributing at least ninety percent of its accounting income for the year as reduced by capital gains, whether realized or unrealized, to its unit holders every year. Accordingly, no tax liability has been recognized in these financial statements.

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.

4.8 Revenue recognition

- Mark-up on deposits with banks and mark-up / return on investments in debt securities are recognized using effective yield method.
- Realized capital gains / (loss) arising on sale of investments are recognized when the risk and rewards are transferred.
- Unrealized Gains / Loss recognized on mark to market investments classified as ' financial assets at fair value through profit or loss'

4.9 Expenses

All expenses including Management's fee, Trustee's fee and annual fee of SECP are recognized in the Income Statement on an accrual basis.

4.10 Provisions

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

4.11 Distribution

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognized in the financial statements of the period in which such distributions are declared. Based on MUFAP's guidelines (duly consented upon by SECP), distributions for the year is deemed to comprise of the portion of amount of income already paid on units redeemed and the amount of cash distribution for the year.

The distribution per unit is announced based on units that were held for the entire period. The rate of distribution is adjusted with effect of refund of capital, if any, based on the period of investment made during the year. Resultantly, the rate of distribution per unit may vary depending on the period of investment.

4.12 Earnings per unit (EPU)

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

		June 30, 2024 (Un-Audited)	June 30, 2023 (Audited)
5. BANK BALANCES	Note	(Rupees in '000)	
Saving accounts	5.1	<u>5,439,633</u>	<u>644,059</u>
		<u>5,439,633</u>	<u>644,059</u>

5.1 This represents saving accounts held with various commercial banks carrying profit rates ranging from 19.25% to 21.50% (June 30, 2023: 18.00% to 20.50%) per annum.

5.2 This includes a balance of Rs. 5,414.29 million (June 30, 2023: Rs. 521.73 million) with Bank AL Habib Limited, (Parent Company of Fund's Management Company) carrying profit at the rate of 21% (June 30, 2023: 20.50%) per annum.

6. INVESTMENTS

At fair value through profit or loss - held for trading:

Government securities	<u>35,688,702</u>	<u>24,248,296</u>
	<u>35,688,702</u>	<u>24,248,296</u>

AL HABIB CASH FUND

6.1 Government securities - Market Treasury Bills

Description	As at July 01, 2023	Purchased during the year	Sold / matured during the year	As at June 30, 2024	Carrying value	Market value	Unrealised appreciation / (diminution)	Market value as a percentage of net assets	Market value as a percentage of total investments
Treasury Bills	----- (Number of Units) -----			----- (Rupees in '000) -----			----- % -----		
3 Months									
T- BILL 03 MONTHS (02-11-2023)	-	25,000,000	25,000,000	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (05-10-2023)	-	16,000,000	16,000,000	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (07-09-2023)	-	286,710,000	286,710,000	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (10-08-2023)	-	188,750,000	188,750,000	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (11-01-2024)	-	17,515,650	17,515,650	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (13-07-2023)	-	14,290,000	14,290,000	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (15-06-2023)	179,020,000	61,655,000	240,675,000	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (16-11-2023)	-	63,760,000	63,760,000	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (19-10-2023)	-	12,040,000	12,040,000	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (21-03-2024)	-	20,500,000	20,500,000	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (21-09-2023)	-	563,660,000	563,660,000	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (22-06-2023)	-	124,630,000	124,630,000	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (24-08-2023)	-	291,300,000	291,300,000	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (25-03-2023)	-	12,330,000	12,330,000	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (30-11-2023)	-	80,440,000	80,440,000	-	-	-	-	0.00%	0.00%
T-BILL 03 MONTHS (13-06-2024)	-	5,000,000	-	5,000,000	482,725	482,393	(332)	1.16%	1.35%
T-BILL 03 MONTHS (16-05-2024)	-	5,000,000	-	5,000,000	489,302	489,601	299	1.18%	1.37%
T-BILLS 03 MONTHS (18-04-2024)	-	5,000,000	2,500,000	2,500,000	248,588	248,598	10	0.60%	0.70%
T-BILLS 03 MONTHS (30-05-2024)	-	5,000,000	-	5,000,000	485,771	485,947	176	1.17%	1.36%
	179,020,000	1,798,580,650	1,960,100,650	17,500,000	1,706,386	1,706,539	153		
6 Months									
T- BILL 06 MONTHS (02-11-2023)	-	10,000,000	10,000,000	-	-	-	-	0.00%	0.00%
T- BILL 06 MONTHS (05-10-2023)	-	93,650	93,650	-	-	-	-	0.00%	0.00%
T- BILL 06 MONTHS (15-06-2023)	25,000,000	6,785,000	31,785,000	-	-	-	-	0.00%	0.00%
T- BILL 06 MONTHS (13-06-2024)	-	5,000,000	5,000,000	-	-	-	-	0.00%	0.00%
T- BILL 06 MONTHS (16-11-2023)	-	17,000,000	17,000,000	-	-	-	-	0.00%	0.00%
T- BILL 06 MONTHS (30-11-2023)	-	13,230,000	13,230,000	-	-	-	-	0.00%	0.00%
T-BILL 06 MONTHS (30-05-2024)	-	16,000,000	-	16,000,000	1,476,500	1,478,061	1,561	3.56%	3.53%
	25,000,000	68,108,650	77,108,650	16,000,000	1,476,500	1,478,061	1,561		
12 Months									
T- BILL 12 MONTHS (06-10-2022)	-	7,000,000	7,000,000	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (13-07-2023)	-	164,550,000	141,000,000	23,550,000	2,342,085	2,341,796	(289)	5.64%	6.56%
T- BILL 12 MONTHS (15-12-2022)	-	160,000	160,000	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (15-06-2023)	-	41,500,000	41,500,000	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (16-11-2023)	-	8,500,000	-	8,500,000	790,190	790,633	443	1.90%	2.22%
T- BILL 12 MONTHS (17-11-2022)	-	5,035,000	5,035,000	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (19-10-2023)	-	46,610,000	-	46,610,000	4,392,186	4,398,959	6,773	10.60%	12.33%
T- BILL 12 MONTHS (27-03-2023)	-	291,939,600	291,939,600	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (28-12-2023)	-	33,000,000	-	33,000,000	3,007,817	3,007,795	(22)	7.25%	8.43%
T- BILL 12 MONTHS (30-11-2023)	-	10,000,000	-	10,000,000	922,841	923,788	947	2.23%	2.59%
T- BILL 12 MONTHS (07-03-2024)	-	80,100,000	80,100,000	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (09-10-2023)	-	20,780,600	20,780,600	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (28-12-2023)	-	10,345,000	10,345,000	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (04-04-2024)	-	60,750,000	60,750,000	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (21-01-2024)	-	18,305,000	18,305,000	-	-	-	-	0.00%	0.00%
	-	87,500,000	10,000,000	77,500,000	7,253,201	7,259,169	5,968	17.49%	17.35%
	-	886,075,200	686,915,200	199,160,000	18,708,320	18,722,140	13,820		
Total Treasury Bills as at June 30, 2024				232,660,000	21,891,206	21,906,740	15,534		
Pakistan Investment Bond									
2 Years									
PIB 2 Years (26-08-2021)	48,150	-	48,150	-	-	-	-	0.00%	0.00%
PIB 2 Years (30-12-2021)	-	196,631	196,631	-	-	-	-	0.00%	0.00%
PIB 2 YEAR (08-09-2022)	-	86,370	800	85,570	8,540,843	8,525,339	(15,504)	20.54%	20.37%
	48,150	283,001	245,581	85,570	8,540,843	8,525,339	(15,504)		
3 Years									
PIB 3 Years (18-07-2013)	690,000	-	690,000	-	-	-	-	0.00%	0.00%
PIB 3 Years (22-10-2020)	-	80,000	80,000	-	-	-	-	0.00%	0.00%
PIB 3 YEARS (05-08-2021)	-	1,535	-	1,535	204,626	151,307	(53,319)	0.36%	0.36%
PIB 3 YEARS (07-10-2021)	-	42,220	-	42,220	4,213,988	4,210,601	(3,387)	10.14%	10.06%
	786,300	689,757	1,261,162	232,874,895	4,418,614	4,361,908	(56,706)		
5Years									
PIB 5 YEARS (19-09-2019)	-	9,166	-	9,166	989,809	894,715	(95,094)	2.16%	2.14%
	-	9,166	-	9,166	989,809	894,715	(95,094)		
Total Pakistan Investment Bond as at June 30, 2024				232,969,631	13,949,266	13,781,962	(167,304)		
Total Investment as at June 30, 2024					35,840,472	35,688,702	(151,770)		
Total Investment as at June 30, 2023					24,286,536	24,248,296	(38,240)		

		June 30, 2024	June 30, 2023
	Note	---- (Rupees in '000) ----	
7. PROFIT RECEIVABLE			
Profit receivable on saving accounts		20,903	333
Profit receivable on debt securities		356,238	103,558
		<u>377,141</u>	<u>103,891</u>
8. ADVANCE TAX, DEPOSITS AND OTHER RECEIVABLES			
Advance tax	8.1	1,262	1,139
Security deposit		100	100
		<u>1,362</u>	<u>1,239</u>
8.1 The income of the Fund is exempt from tax under clause 99 of Part I of the Second Schedule of the Income Tax Ordinance 2001 (ITO 2001).Further, the Fund is exempt under clause 47(B) of Part IV of Second Schedule of ITO 2001 from withholding of tax under section 150, 150A, 151 and 233 of ITO 2001.The Federal Board of Revenue through a circular “C.No.1 (43) DG (WHT)/2008-Vol.II- 66417-R” dated 12 May 2015, made it mandatory to obtain exemption certificates under section 159 (1) of the ITO 2001 from Commissioner Inland Revenue (CIR). Prior to receiving tax exemption certificate(s) from CIR, various withholding agents have deducted advance tax under section 151 of ITO 2001 in previous years and current period regarding which the management is confident that the same will be refunded in due course.			
For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On 28 January 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Fund together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit received on bank deposits by the Fund has been shown as advance tax as at 31 December 2022 as, in the opinion of the management, the amount of tax deducted at source will be refunded.			
9. PAYABLE TO ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY			
Remuneration payable to Management company		76,390	18,255
Sales Tax Payable		9,933	2,372
Reimbursment To CIS Max Upto		2,976	7,777
		<u>89,299</u>	<u>28,404</u>
9.1 As per the amendments made in the NBFC Regulations, 2008 vide SRO 639 (1) / 2019 dated 20 June 2019, the Management Company shall set and disclose in the offering document the maximum rate of fee chargeable to Collective Investment Scheme within allowed expense ratio, the Management Company of the Fund is entitled to an accrued remuneration equal to an amount not exceeding 10% of gross earnings of the Fund.			
The Management has charged its remuneration at rate ranging from 0% to 10% of the gross earnings of the Fund, which is within the allowed expense ratio limit. The remuneration is paid to the Management Company on monthly basis in arrears.			
9.2 Sindh Sales Tax has been charged at 13% on the Management Company's remuneration during the year (June 30, 2023: 13%).			
10. PROVISION FOR FEDERAL EXCISE DUTY ON REMUNERATION OF THE MANAGEMENT COMPANY			
Provision for Federal Excise Duty on remuneration of the Management Company		13,417	13,417
		<u>13,417</u>	<u>13,417</u>

AL HABIB CASH FUND

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 been 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 Fund Association of Pakistan with the Honorable 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 1 July 2016. However, the tax authorities subsequently filed appeal against the decision of the SHC in the Supreme Court of Pakistan (SCP), which is pending for 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 provincial sales tax. Therefore, in the current year, provision for FED has not been recorded.

However, since the appeal is pending in the Supreme Court of Pakistan, 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. 13.42 million. Had the provision on FED not been made, net assets value per unit of the Fund as at June 30, 2024 would have been higher by Rs. 0.032 (June 30, 2023: Rs. 0.055) per unit.

	June 30 2024	June 30 2023
	---- (Rupees in '000) ----	
11. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE		
Payable to Central Depository Company of Pakistan Limited - Trustee	1,824	1,129
Sales Tax Payable	237	147
	<u>2,061</u>	<u>1,276</u>

11.1 The Trustee is entitled to a remuneration for services rendered to the Fund under the provisions of the Trust Deed and Offering Document based on the daily Net Asset Value of the Fund. The remuneration is paid to the Trustee on monthly basis in arrears. The tariff structure applicable to the Fund in respect of the trustee fee has been revised effective from July 01, 2019, whereby the revised tariff is 0.055% per annum of daily net assets of the Fund.

11.2 Sindh Sales Tax has been charged at 13% on the trustee's remuneration charged during the period (June 2023: 13%)

12. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Payable to Securities and Exchange Commission of Pakistan (SECP)	2,511	5,020
	<u>2,511</u>	<u>5,020</u>

This represents annual fee payable to SECP at 0.075% of net assets in accordance with regulation 62 of the NBFC Regulations and pursuant to S.R.O 685(I) 2019, dated 28 June 2019.

13. ACCRUED EXPENSES AND OTHER LIABILITIES

Auditor's remuneration	797	601
Printing charges	22	142
Capital gain and withholding tax	96,432	74,637
Settlement charges	7	7
Brokerage	1,546	1,777
Other payable	504	2,561
	<u>99,308</u>	<u>79,725</u>

14. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2024. (June 30, 2023: Nil).

15. TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders, provided that for the purpose of determining distribution of not less than 90% of its accounting income for the year, the income distributed through bonus units shall not be taken into account. Furthermore, as per regulation 63 of the NBFC Regulations 2008, the Fund is required to distribute 90% of the net accounting income other than capital gains to the unit holders.

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 tax liability in respect of income relating to the current period as the Management Company intends to distribute in cash at least 90 percent of the Fund's accounting income for the year ended June 30, 2024 as reduced by capital gains (whether realised or unrealised) to its unit holders in the form of cash. In addition to that, the Super tax enacted by finance act 2022 is not applicable to funds u/s 4(c) of the Income Tax Ordinance 2001.

16. EARNINGS PER UNIT

Earnings per unit has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating earnings per unit is not practicable.

17. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

Related parties/ Connected persons include Al Habib Fund Managers Limited being the Management Company, Bank Al Habib 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, as disclosed in the offering document of the fund.

Connected persons / related parties include:

S.No	Company Name	Relationship
1	AL Habib Asset Management Limited	Management Company
2	Bank Al Habib Limited	Parent Company of AL Habib Asset Management Limited
3	Al Habib Capital Market (Private) Limited	Subsidiary of Bank Al Habib Limited
4	AL Habib Income Fund	Managed by AL Habib Asset Management Limited
5	AL Habib Islamic Income Fund	Managed by AL Habib Asset Management Limited
6	AL Habib Stock Fund	Managed by AL Habib Asset Management Limited
7	AL Habib Islamic Stock Fund	Managed by AL Habib Asset Management Limited
8	AL Habib Pension Fund	Managed by AL Habib Asset Management Limited
9	AL Habib Islamic Pension Fund	Managed by AL Habib Asset Management Limited
10	AL Habib Islamic Cash Fund	Managed by AL Habib Asset Management Limited
11	AL Habib GOKP Pension Fund	Managed by AL Habib Asset Management Limited
12	AL Habib Islamic GOKP Pension Fund	Managed by AL Habib Asset Management Limited
13	AL Habib Asset Allocation Fund	Managed by AL Habib Asset Management Limited
14	AL Habib Money Market Fund	Managed by AL Habib Asset Management Limited
15	AL Habib Islamic Saving Fund	Managed by AL Habib Asset Management Limited
16	AL Habib Fixed Return Fund	Managed by AL Habib Asset Management Limited
17	AL Habib Islamic Munafa Fund	Managed by AL Habib Asset Management Limited
18	AL Habib Government Securities Fund	Managed by AL Habib Asset Management Limited
19	Central depository Company of Pakistan	Trustee

	June 30 2024	June 30 2023
17.1 Details of transactions with connected persons / related parties are as follows:	----- (Rupees in '000) -----	
17.1.1 Bank AL Habib Limited - Parent of AL Habib Asset Management Limited		
Profit on bank deposits	708,929	466,417
17.1.2 AL Habib Asset Management Limited - Management Company		
Remuneration	392,973	195,691
Sindh Sales Tax	51,090	25,440
Expenses allocated by management company	25,607	40,943
17.1.3 Central Depository Company of Pakistan Limited - Trustee		
Remuneration	18,033	13,805
Sindh Sales Tax	2,344	1,794
CDC charges	2,061	1,276
17.2 Details of the balances with connected persons / related parties at the period end are as follows:		
17.2.1 Bank AL Habib Limited - Parent of AL Habib Asset Management Limited		
Bank balance	15,085	533,020
17.2.2 AL Habib Asset Management Limited - Management Company		
Remuneration payable (inclusive of Sindh Sales Tax)	89,299	28,404
17.2.3 Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable (inclusive of Sindh Sales tax)	2,061	1,276
17.3 Sale / Redemption of units		
	June 30, 2024	June 30, 2023
Units sold to:	(Units) (Rupees in '000)	(Units) (Rupees in '000)
Management Company		
AL HABIB ASSET MANAGEMENT LTD	9,799,707	6,890,955
Habib Asset Management Limited Employees Provident Fund	-	128,260
Parent of AL Habib Asset Management Limited		
Bank AL Habib Limited	-	-
Other related party		
- Directors & their relatives of the management company	417,581,186	19,868,827
- Habib Sugar Mills Limited	25,834,968	28,067,330
- Atco Pharma International Private Limited	1,158	-
- Hussaini haematology and oncology trust	274	20,742
- Habib insurance company limited	-	205,544
- Key Management Executives	15,627	101,599
- Yell Design	3	-

<u>Units redeemed by:</u>	June 30, 2024		June 30, 2023	
	(Units)	(Rupees in '000)	(Units)	(Rupees in '000)
Management Company				
AL Habib Asset Management Limited	9,775,030	995,000	6,891,106	698,705
Habib Asset Management Limited Employees Provident Fund	-	-	161,183	16,500
Parent of AL Habib Asset Management Limited				
Bank AL Habib Limited	-	-	19,884,965	2,101,998
Other Related Parties				
- Directors & Their Relatives of the Management Company	430,279,557	43,798,156	21,850,162	2,222,085
- Key Management Executives	14,696	1,496	7425	754
- Habib insurance company limited Emp	140,000	14,251	-	-
- Habib Sugar Mills Limited	24,217,227	2,465,072	35,404,216	3,587,243
- Hussaini haematology and oncology trust	-	-	786,804	79,451
Units held by:				
	June 30, 2024	June 30, 2023		
	(Units)	(Rupees in '000)	(Units)	(Rupees in '000)
Management Company				
- AL-Habib Asset Management Company	24,677	2,511,872		
Parent of AL Habib Asset Management Limited				
- Bank AL Habib Limited	33,307,275	3,390,347,522	33,307,275	3,373,104
Othert related parties				
- Directors & their relatives of the management company	15,295,256	1,556,904,108	27,993,627	2,834,979
- Key Management	105,127	10,700,877	104,196	10,552
- Atco Pharma International Private Limited	6,756	687,693	5,598	565
- Atco Laboratories Limited	997	101,485	997	101
- Habib Sugar Mills Limited	1,626,674	165,579,146	8,933	905
- Hussaini haematology and oncology trust	1,785	181,695	1,511	153
- Habib Asset Management Limited Employees Provident Fund	131,525	13,387,930	-	-
- Habib Insurance Company Limited	65,544	6,671,724	205,544	20,816
- Yell Design	3	305	-	-
Connected Parties holding 10% or more of the units in issue:	-	-	55,635,807	5,563,581

18. 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 in the principal or, in its absence, the most advantageous market to which the Fund has access at that date. The fair value of a liability reflects its non-performance risk.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial Assets which are tradable in an open market are carried at the price prevailing at the reporting date. The estimated fair value of all other assets and liabilities considered not to be significantly different from respective base values.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- 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, 2024			
	Fair value			
	Level 1	Level 2	Level 3	Total
	-----	(Rupees in '000)	-----	-----
Investments at fair value through profit or loss				
Investment				
Market Treasury Bills		21,906,740	-	21,906,740
Investment				
Pakistan Investment Bond	-	13,781,962	-	13,781,962
	-	35,688,702	-	35,688,702

	June 30, 2023			
	Fair value			
	Level 1	Level 2	Level 3	Total
	-----	(Rupees in '000)	-----	-----
Investments at fair value through profit or loss				
Investment				
Market Treasury Bills		19,444,852	-	19,444,852
Investment				
Pakistan Investment Bond	-	4,803,444	-	4,803,444
	-	24,248,296	-	24,248,296

19. TOTAL EXPENSE RATIO (TER)

SECP vide its directive no. SCD/PRDD/Direction/18/2016 dated July 20, 2016 requires that 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 year ended June 30, 2024 is 1.29% which includes 0.201% representing Government levy and SECP fee. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as money market scheme.

20. FINANCIAL RISK MANAGEMENT

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

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

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

20.1 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.

Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

20.2 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 is not exposed to currency risk.

20.3 Interest rate risk

Interest rate 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 interest rates.

a) Sensitivity analysis for variable rate instruments

Presently the fund holds KIBOR based units which are expose the fund cashflow interest rate risk. In case of 100 basis points increase / decrease in interest rates at year end with all other variables held constant, the net income for the year and the net assets of the Al-Habib Cashfund would have been higher / lower by Rs 127.79 million, Rs. 127.79 million and Rs. 388.733 million respectively.

b) Sensitivity analysis for fixed rate instruments

The fund does not hold any fixed profit based investment exposing the fund to cash flow interest rate risk.

c) Fair value interest rate risk

Yield / Interest rate sensitivity position for financial instrument is as follows:

Particulars	Effective yield / interest rate	June 30, 2024				
		Al-Habib Cashfund				
		Exposed to yield / interest rate risk			Not exposed to yield / Interest rate risk	Total
		Upto three months	More than three months and upto one year	More than one year		
		%	Rupees in '000			

On-balance sheet financial instruments**Financial assets**

Bank balances	19.25%-21.5%	5,439,633	-	-	-	5,439,633
Investments - net	7.00%-23.00%	13,619,696	22,069,006	-	-	35,688,702
Profit receivables		356,238	-	-	20,903	377,141
		19,415,567	22,069,006	-	20,903	41,505,476

Financial liabilities

Payable to AL Habib Asset Management Limited - Management Company		-	-	-	89,299	89,299
Provision for Federal Excise Duty on remuneration of the Management Company					13,417	13,417
Payable against redemption/Purchase of units					7,104	7,104
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	2,061	2,061
Payable to Securities and Exchange Commission of Pakistan		-	-	-	2,511	2,511
Accrued expenses and other liabilities		-	-	-	99,308	99,308
		-	-	-	213,700	213,700
		19,415,567	22,069,006	-	(192,797)	41,291,776

On-balance sheet gap

Particulars	Effective yield / interest rate	June 30, 2023				
		Al-Habib Cash fund				
		Exposed to yield / interest rate risk			Not exposed to yield / Interest rate risk	Total
		Upto three months	More than three months and up to one year	More than one year		
		%	Rupees in '000			

On-balance sheet financial instruments**Financial assets**

Bank balances	18.00%-20.5%	644,059	-	-	-	644,059
Investments	20.25%-20.50%	24,245,296				24,245,296
Other Receivables					2	2
		644,059	24,245,296	-	-	24,889,357

Financial liabilities

Payable to AL Habib Asset Management Limited - Management Company		-	-	-	28,404	28,404
Provision for Federal Excise Duty on remuneration of the Management Company					13417	
Payable against redemption/Purchase of units					1276	
Payable to Central Depository Company of Pakistan Limited - Trustee					5020	
Payable to Securities and Exchange Commission of Pakistan		-	-	-	4	4
Accrued expenses and other liabilities		-	-	-	79,725	79,725
		-	-	-	127,846	108,133
		644,059	24,245,296	-	(127,846)	24,781,224

On-balance sheet gap

d) Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations arising from its financial liabilities that are settled by delivering cash or another financial asset, or that such obligations will have to be settled in a manner disadvantageous to the Fund.

The Fund is exposed to non-payment of redemptions request on a regular basis. Units are redeemable at the holder's option based on the Fund's net asset value per unit at the time of redemption calculated in accordance with the Fund's constitutive document and guidelines laid down by the SECP.

Management of liquidity risk

The Fund's policy is to manage this risk by investing majority of its assets in investments that are traded in an active market and can be readily disposed off.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is, therefore, to invest the majority of its assets either in short term instruments or in investments that are traded in an active market and can be readily disposed and are considered readily realisable in order to maintain liquidity.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

The table below summarizes the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

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

Particulars	Effective yield / interest rate	June 30, 2024				
		Al-Habib Cashfund				
		Exposed to yield / interest rate risk			Not exposed to yield / Interest rate risk	Total
		Upto three months	More than three months and upto one year	More than one year		
% -----		Rupees in '000 -----				
On-balance sheet financial instruments						
Financial assets						
Bank balances	19.25%-21.5%	5,439,633	-	-	-	5,439,633
Investments - net	7.00%-23.00%	13,619,696	22,069,006	-	-	35,688,702
Profit receivables		356,238	-	-	20,903	377,141
		19,415,567	22,069,006	-	20,903	41,505,476
Financial liabilities						
Payable to AL Habib Asset Management Limited - Management Company		-	-	-	89,299	89,299
Provision for Federal Excise Duty on remuneration of the Management Company					13,417	13,417
Payable against redemption/Purchase of units					7,104	7,104
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	2,061	2,061
Payable to Securities and Exchange Commission of Pakistan		-	-	-	2,511	2,511
Accrued expenses and other liabilities		-	-	-	99,308	99,308
		-	-	-	213,700	213,700
On-balance sheet gap		19,415,567	22,069,006	-	(192,797)	41,291,776

e) Credit risk

Credit risk represents the risk of a loss if the counter parties fail to perform as contracted. The Fund's credit risk is primarily attributable to bank balances (financial institutions) and profit receivables from banks.

Management of credit risk

The Fund keeps deposits with reputed financial institutions. The analysis below summarises the credit quality of the Fund's financial assets as at June 30, 2024.

Bank	Al-Habib Cashfund	Rating	Rating agency
----- Rupees in '000 -----			
BAHL MAIN BR FHCF (1001-0081-	5,414,291	AAA	VIS
HBL DEHLI MERCENTILE BR FHCF	15,085	AAA	PACRA
BANK ALFALAH MAIN BRANCH 0005-	589	AAA	PACRA
ALLIED BANK LIMITED STOCK EXH	202	AAA	PACRA
MCB EFFICIENT PAYMENT	3,257	A+	PACRA
HBL-ADAMJEE NAGAR BRANCH	119,844	AAA	VIS
UBL BANK LIMITED-FHCF	13	AAA	VIS
DIB BANK LIMITED	9	AA	VIS
HABIB METROPOLITAN BANK	5,330	AA+	PACRA
ALLIED BANK LIMITED - CURRENT	9	AAA	PACRA
	<u>5,558,629</u>		

The analysis below summarises the credit quality of the Fund's financial assets as at June 30, 2024.

Bank	Al-Habib Cashfund	Rating	Rating agency
----- Rupees in '000 -----			
BAHL MAIN BR FHCF (1001-0081-	533,080	AAA	VIS
HBL DEHLI MERCENTILE BR FHCF	8	AAA	PACRA
BANK ALFALAH MAIN BRANCH 0005-	92	AA+	PACRA
ALLIED BANK LIMITED STOCK EXH	139	AAA	PACRA
MCB EFFICIENT PAYMENT	410	A	PACRA
HBL-ADAMJEE NAGAR BRANCH	81	AAA	VIS
UBL BANK LIMITED-FHCF	8	AAA	VIS
DIB BANK LIMITED	8	AA	VIS
HABIB METROPOLITAN BANK	110,224	AA+	PACRA
ALLIED BANK LIMITED - CURRENT	9	AAA	PACRA
	<u>644,059</u>		

The analysis below summarizes the credit quality of the Fund's credit exposure:

Ratings	2024	2023
	----- (Percentage) -----	
AAA	70.00%	60%
AA+	10.00%	20.00%
AA	10.00%	10.00%
A+	10.00%	
A	0.00%	10.00%
	<u>100.00%</u>	<u>100.00%</u>

As of the previous report date, the sovereign entity had never defaults on any of its securities. Therefore, the fund has determined that it is not exposed to credit risk.

f) 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 major asset balances are held with multiple bank. The management believes that these banks are reputed institutions.

AL HABIB CASH FUND

21. UNITHOLDERS' FUND RISK MANAGEMENT

The unitholders' fund is represented by the net assets attributable to unitholders / redeemable units. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily issuance and redemptions at the discretion of unit holders. These unitholders of the Fund are entitled to distributions and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the statement of movement in unitholders' fund. Unitholders fund risk management is carried out by the Management Company through following steps:

- Monitors the level of daily issuance and redemptions relative to the liquid assets and adjusts the amount of distributions the Fund pays to the unitholders;
- Redeems and issues units in accordance with the constitutive documents of the Fund. This includes the Fund's ability to restrict redemptions; and
- The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management Company critically track the movement of 'Assets under Management'. The Board of Directors is updated regarding key performance indicators, e.g. yield and movement of NAV and total Fund size at the end of each quarter.

The Fund has maintained and complied with the requirements of minimum fund size during the current period.

June 30, 2024			
Particulars	At fair value through profit or loss	Amortised cost	Total
----- Rupees in '000 -----			
Financial assets			
Bank balances	-	5,439,633	5,439,633
Investments	35,688,702	-	35,688,702
Profit receivable	-	377,141	377,141
Advance tax, deposits, and other receivable	-	1,362	1,362
	35,688,702	5,818,136	41,506,838
Financial liabilities			
Payable to AL Habib Asset Management Limited - Management company	-	89,299	89,299
Payable to Central Depository Company of Pakistan Limited - Trustee	-	2,061	2,061
Payable to Securities and Exchange Commission of Pakistan	-	2,511	2,511
Payable against redemption/Purchase of units	-	7,104	7,104
Accrued expenses and other liabilities	-	99,308	99,308
	-	200,283	200,283
----- Rupees in '000 -----			
June 30, 2023			
Particulars	At fair value through profit or loss	Amortised cost	Total
----- Rupees in '000 -----			
Financial assets			
Bank balances	-	644,059	644,059
Investments	24,248,296	-	24,248,296
Profit receivable	-	103,891	103,891
Advance tax, deposits and other receivable	-	1,239	1,239
	24,248,296	105,130	24,353,426
Financial liabilities			
Payable to AL Habib Asset Management Limited - Management company	-	28,404	28,404
Payable to Central Depository Company of Pakistan Limited - Trustee	-	1,276	1,276
Payable to Securities and Exchange Commission of Pakistan	-	5,020	5,020
Payable against redemption of units	-	4	4
Accrued expenses and other liabilities	-	79,725	79,725
	-	114,429	114,429

23. PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER

Details of members of the Investment Committee of the Fund as on June 30, 2024 are as follows:

S. no.	Name	Designation	Qualification	Experience in years
1	Mr. Kashif Rafi	Chief Executive Officer	MBA - IBA	23
2	Mr. Zahid Hussain Vaswani	Chief Operating Officer & Company Secretary	CA- Affiliate	24
3	Mr. Abdul Rehman	CIO	MBA & CFA	13
4	Mr. Ahmed Abbas	Fund Manager	MBA	16
5	Mr. Talha A.Siddiqui	Fund Manager	MA in Economics	11
6	Mr. Umar Bin Hassan	Manager Risk & Research	MS - IBA	6

24. ATTENDANCE AT MEETINGS OF THE BOARD OF DIRECTORS

Four meetings of the Board of Directors were held on August 17, 2023 and October 19, 2023, January 25, 2024, April 18, 2024 respectively. Information in respect of the attendance by the Directors in the meetings is given below:

S.No.	Particular	Number of meetings			Meeting not attended
		Held	Attended	Leave granted	
Name of Director					
1	Mr. Abbas D.Habib	4	3	1	99th Meeting
2	Mr. Mansoor Ali Khan	4	4	-	-
3	Mr. Saeed Allawala	4	4	-	-
4	Mr. Mansoor Ali Khan	4	1	3	99th, 100th and 101st Meeting
5	Mr. Imran Azim	4	3	1	100th Meeting
6	Mr. Kashif Rafi	4	4	0	-

25. CORRESPONDING FIGURES

Corresponding figures have been arranged and reclassified, wherever necessary for the purpose of comparison and for better presentation.

26. GENERAL

26.1 Figures have been rounded off to the nearest thousand rupees, unless otherwise stated.

27. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on August 01, 2024 by the Board of Directors of the Management Company.

**For AL Habib Asset Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

ANNUAL FUND MANAGER REPORT FINANCIAL YEAR 2024

Fund Objective

The investment objective of AHCF is to provide its unit holders optimum returns from a portfolio of low risk and short duration assets while maintaining high liquidity.

Fund Objective Achieved:

The Fund has achieved its stated objective.

Strategies and Policies Employed during the period under review:

The AHCF maintained the strategy to maintain exposure in high stability and low volatility avenues as mentioned in the objectives of the Fund, wherein major portion of investment was held with "AAA" rated Banks and short tenor T-bills.

Performance of the fund with benchmark

The Fund outperformed it's benchmark by 126 bps as it posted YTD return of 22.16% as against the benchmark of 20.90%.

Fund Description

Fund Type & Category	Open End - Money Market Scheme	External Auditors	BDO Ebrahim & Co. Chartered Accountants
Launch Date	March 10, 2011	Management Fee	Up to 10% of the gross earnings of the Scheme
Benchmark	70% three (3) months PKRV rates + 30% three (3) months average deposit rate of three (3) AA rated Scheduled banks as selected by MUFAP.	Sales Load	3% (Management has the discretion to reduce or waive load on any transaction)
Annual Return	22.16%	Minimum Investment	Initial investment of Rs. 5,000 Subsequently Rs. 1,000 per transaction
Benchmark	20.90%	Dealing Days/Timings	Monday to Thursday 4:00 pm Friday 9:30 am to 4:30 pm
Net Assets	Rs. 41.511 billion (June 30, 2024)	Fund Stability Rating	AA+(f) by VIS
NAV per unit	Rs. 101.7864 per unit (June 30, 2024)	AMC Rating	"AM2+" by PACRA
Pricing Mechanism	Backward Pricing	Trustee	Central Depository Company of Pakistan Limited.
Risk Profile	Very Low (Principal at very low risk)		

Market Review:

During FY24, Pakistan's money market witnessed significant improvements, driven by enhanced macroeconomic conditions. The most notable development was the substantial drop in headline inflation, which decreased from a peak of 29.4% in June 2023 to 12.6% by June 2024. This sharp decline in inflation created room for the State Bank of Pakistan (SBP) to adopt a more accommodative monetary policy stance. In response, the SBP reduced the policy rate by 150 basis points, bringing it down to 20.5% from the previous high of 22%. This was a strategic move, reflecting stabilizing macroeconomic indicators and an improved inflation outlook.

Key among these indicators was the narrowing of Pakistan's current account deficit, which fell dramatically from PKR 3.27 trillion in FY23 to PKR 0.68 trillion in FY24. This development, coupled with better fiscal management, played a crucial role in stabilizing the exchange rate. The Pakistani rupee (PKR) traded within a narrow range of 274.5 to 281 PKR per USD during the year. Another notable factor is, while the SBP helped manage currency depreciation risks, it did not aim to keep the exchange rate fixed at any

pre-determined level. Moreover, Pakistan recorded a Current Account deficit of 62 USD Million in the second quarter of 2024. Current Account in Pakistan averaged at -799.26 USD Million from 1976 until 2024.

The SBP's interventions in the money market included substantial injections of liquidity through Open Market Operations (OMO), the SBP injected a total of PKR 11.9 trillion in June 2024 as compared to 7.99 trillion in same period last year.

Overall, FY24 marked a year of positive shifts for Pakistan's money market, characterized by lower inflation, stable interest rates, and improved external balances. These developments indicate a favourable outlook for FY25, with expectations of continued monetary easing and enhanced market stability.

PKRV Rates			
Tenor	As at June 30, 2024	As at June 30, 2023	Change (Bps)
3 Months	19.97	22.65	-268
6 Months	19.91	22.87	-296
12 Months	18.62	22.93	-431
3 Years	16.65	19.47	-282
5 Years	15.37	16.08	-71

PKRV Rates		
Date	Policy Rate	Change (Bps)
11-Jun-24	20.5	150
27-Jun-23	22	-

Asset Allocation of Fund (as a % of total assets)

Particulars	30-Jun-24	30-Jun-23
Cash	13.28%	2.53%
T-Bills	52.35%	77.82%
PIBs	32.94%	19.22%
Others	1.43%	0.43%

Unit Holding Pattern

Size of Unit Holding (Units)	# of Unit Holders
1-1000	574
1001-5000	118
5001-10000	63
10001-50000	179
50001-100000	68
100001-500000	150
500001-1000000	41
1000001-5000000	55
5000001-10000000	7
10000001-100000000	7
Grand Total	1262

AL HABIB CASH FUND

Income Distribution

AHCF made a total distribution of Rs. 19.9895 per unit during FY24 in the form of dividend, the detail of which is given below:

Payout Date	Cum NAV Rs.	Ex-NAV Rs.	Distribution Rs.
Aug 07, 2023	103.2641	101.2723	1.9918
Sep 11, 2023	103.2466	101.2723	1.9743
Oct 09, 2023	102.9531	101.2723	1.6808
Nov 06, 2023	102.8763	101.2723	1.604
Dec 11, 2023	103.2178	101.2723	1.9455
Jan 08, 2024	102.8769	101.2723	1.6046
Feb 05, 2024	102.8276	101.2723	1.5553
Mar 18, 2024	103.5459	101.2723	2.2736
Apr 22, 2024	103.1369	101.2723	1.8646
May 12, 2024	102.4178	101.2723	1.1455
Jun 23, 2024	103.6218	101.2723	2.3495

During the period under question:

There has been no significant change in the state of affairs of the Fund. Al Habib Cash Fund does not have any soft commission arrangement with any broker in the industry.

Sales and Redemptions of Units

During the year, 2,497,551,635 units valued Rs. 256.159 billion were sold, while 2,335,325,552 units valued Rs. 239.921 billion were redeemed, resulting in to a net sale of 162,226,082 units valued Rs. 16.237 billion.

Unit Holders Pattern

For the breakdown of unit holding by size as on June 30, 2024.

AHCF Performance at a Glance

2024	
Net Assets as at June 30 (Rs. in billion)	41.511
NAV per unit as at June 30 (Rs.)	101.7864
Distribution during the year ended June 30 (Rs.)	19.9895
Annual Return	22.16%

AL HABIB MONEY MARKET FUND
Annual Report
For the year ended June 30, 2024

FUND'S INFORMATION

Management Company

AL Habib Asset Management Limited

Board of Directors of the Management Company

Mr. Abbas D. Habib	Chairman
Mr. Mansoor Ali	Director
Mr. Imran Azim	Director
Ms. Zarine Aziz	Director
Mr. Saeed Allawala	Director
Mr. Kashif Rafi	Chief Executive Officer

Chief Financial Officer

Mr. Abbas Qurban

Company Secretary & Chief Operating Officer

Mr. Zahid Hussain Vasnani

Audit Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali	Member
Mr. Imran Azim	Member

Human Resource Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali	Member
Ms. Zarine Aziz	Member
Mr. Kashif Rafi	Member

Auditors

BDO Ebrahim & Co.
Lakson Square Building No. 1, 9th Floor,
Block C Sarwar Shaheed Rd, Civil Lines,
Karachi, Karachi City, Sindh 74200

Legal Advisor

Mohsin Tayebaly & Co.
Barristers & Advocates,
2nd Floor, DIME Centre, BC-4,
Block 9, Kehkashan, Clifton, Karachi.

Trustee

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block 'B', S.M.C.H.S.,
Main Shahra-e-Faisal, Karachi.

Rating

AA+ (f) Fund Stability Rating by VIS
AM2++ Management Company Quality
Rating Assigned by PACRA.

Bankers to the Fund

Bank AL Habib Limited
Allied Bank Limited
Habib Bank Limited

Registered Office: 3rd Floor, Mackinnon's Building, I.I. Chundrigar Road, Karachi.

CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S. Main Shakra-e-Faisal
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



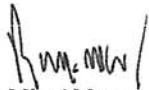
TRUSTEE REPORT TO THE UNIT HOLDERS

AL HABIB MONEY MARKET FUND

Report of the Trustee pursuant to Regulation 41(h) and Clause 8 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 AL Habib Money Market Fund (the Fund) are of the opinion that AL Habib Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2024 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) 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.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 27, 2024





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Pakistan

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF AL HABIB MONEY MARKET FUND

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Al Habib Money Market ("the Fund"), which comprise the statement of assets and liabilities as at June 30, 2024, and the income statement, statement of comprehensive income, statement of cash flows and statement of movement in unit holders' fund for the year ended June 30, 2024, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at June 30, 2024, and its financial performance and its cash flows for the year June 30, 2024 in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for opinion

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

Key Audit Matters

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

Following are the Key audit matters:

S.NO	Key audit matter(s)	How the matter was addressed in our audit
1.	Existence and valuation of investments As disclosed in note 6 to the financial statements of the Fund for the year June 30, 2024, the Fund has investments classified as "Fair value through profit or loss" amounting to Rs.21,818.942. million representing 89.47% of the net assets value of the Fund.	Our audit procedures included the following: • We evaluated the design and implementation of key controls of investment and tested controls over acquisition, disposals and year end valuation of investments portfolio.



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S.NO	Key audit matter(s)	How the matter was addressed in our audit
	As these investments represent a significant element of the statement of assets and liabilities, a discrepancy in the valuation or existence of investments could cause the NAV to be materially misstated which would also impact the Fund's reported performance as the valuation of investments is the main driver of movements in the performance of the Fund. In view of the significance of these investments in relation to the total assets and the NAV of the Fund, we have considered the existence and valuation of such investments as a key audit matter.	- We performed substantive audit procedures on year-end balance of investment portfolio including review of custodian's statement, and related reconciliations and re-performance of debt instruments valuations on the basis of prices the Mutual Fund Association of Pakistan (MUFAP) as at June 30, 2024 and matching the valuation of investment with that appearing in the financial statements. - We assessed the Fund's compliance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) in relation to the concentration of investments and exposure limits prescribed in such Regulations and reviewed the adequacy of disclosures as may be applicable in situations of non-compliance.

Information other than the financial statements and auditor's report thereon

The Management Company is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management Company and its Board of Directors

The Management Company ("Al Habib Asset Management Limited") of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and accounting and reporting 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.



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

The Management Company is responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

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



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

We also provide the Board of Directors of the Management Company 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 the Board of Directors of the Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current year 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.

Report on other legal and regulatory requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in accordance with the relevant provisions of the Trust Deed, NBFC Rules and NBFC Regulations.

Other matter

The financial statements of the Fund for the year ended June 30, 2023 were audited by another firm of Chartered Accountants, who vide their report dated September 28, 2023 issued an unqualified opinion thereon.

The engagement partner on the audit resulting in this independent auditor's report is Tariq Feroz Khan.

KARACHI

DATED: August 30, 2024

UDIN: AR20241016620pVMFiAu

BDO EBRAHIM & CO.
bdo CHARTERED ACCOUNTANTS

STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2024

	Note	2024 ------(Rupees in '000)-----	2023
ASSETS			
Bank balances	5	2,737,424	34,601
Investments	6	21,818,942	8,219,654
Profit receivable		351,224	2,362
Preliminary expenses and floatation costs	7	523	593
Other receivable		46	6
Total assets		24,908,159	8,257,216
LIABILITIES			
Payable to AL Habib Asset Management Limited - Management Company	8	55,285	8,984
Payable to Central Depository Company of Pakistan Limited - Trustee	9	1,587	344
Payable to Securities and Exchange Commission of Pakistan	10	1,563	939
Payable against redemption of units		390,469	-
Accrued expenses and other liabilities	11	73,740	9,535
Total liabilities		522,644	19,802
NET ASSETS		24,385,515	8,237,414
UNIT HOLDERS' FUND (AS PER THE STATEMENT ATTACHED)		24,385,515	8,237,414
Contingencies and Commitments	12		
		(Number of Units)	
Number of units in issue	13	243,855,148	82,374,135
		(Rupees)	
Net asset value per unit		100.00	100.00

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

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2024

		2024	2023
	Note	----- (Rupees in '000) -----	
INCOME			
Profit on bank deposits	14	657,108	146,055
Income from government securities		2,878,588	719,033
Loss on sale of government securities		(21,064)	(9,676)
Unrealised appreciation/(diminution) on re-measurement of investments classified as financial assets at 'fair value through profit or loss		1,055	(12,861)
Total Income		3,515,687	842,551
EXPENSES			
Remuneration of AL Habib Asset Management Limited - Management Company		197,429	38,599
Sindh sales tax on Management Company's remuneration		25,666	5,018
Expenses allocated by the Management Company	15	9,668	7,090
Remuneration of Central Depository Company of Pakistan Limited - Trustee		8,991	2,557
Sindh sales tax on Trustee remuneration		1,169	332
Annual fee to Securities and Exchange Commission of Pakistan (SECP)		12,196	939
Auditors' remuneration	16	321	337
Brokerage expenses		1,123	297
Annual listing fee		25	26
Other expenses		246	187
Settlement and bank charges		7	12
Amortization of preliminary expenses and floatation costs	7	70	70
Total expenses		256,911	55,464
Net income for the year before taxation		3,258,776	787,087
Taxation	17	-	-
Net income for the year after taxation		3,258,776	787,087
Allocation of net income for the year after taxation:			
Net income for the year		3,258,776	787,087
Accounting income available for distribution:		3,258,776	787,087
Excluding capital gains		3,258,776	787,087
		3,258,776	787,087

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

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

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

	2024	2023
	---- (Rupees in '000) ----	
Net income for the year after taxation	3,258,776	787,087
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>3,258,776</u>	<u>787,087</u>

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

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024			2023		
		Capital Value	Undistributed income	Net Asset	Capital Value	Undistributed income	Net Asset
		----- (Rupees in '000) -----			----- (Rupees in '000) -----		
Net assets at the beginning of the year		8,237,414	-	8,237,414	3,075,903	-	3,075,903
Issuance of 602,675,998 Units 2023: (128,797,906 units) *							
- Capital value		60,267,600	-	60,267,600	21,951,743	-	21,951,743
Amount received on issuance of units		60,267,600	-	60,267,600	21,951,743	-	21,951,743
Redemption of 441,194,985 Units 2023: (27,459,054 units)							
- Capital value		(44,119,499)	-	(44,119,499)	(16,790,232)	-	(16,790,232)
Amount paid on redemption of units		(44,119,499)	-	(44,119,499)	(16,790,232)	-	(16,790,232)
Total comprehensive income for the year		-	3,258,776	3,258,776	-	787,087	787,087
Cash distribution for the year ended 30 June 2024:							
Rs. 20.0868 per unit *	1.7	-	(3,258,776)	(3,258,776)	-	(787,087)	(787,087)
		-	-	-	-	-	-
Net assets at the end of the year		24,385,515	-	24,385,515	8,237,414	-	8,237,414
Accounting income available for distribution							
- Relating to capital gains		-			-		
- Excluding capital gains		3,258,776			787,087		
		3,258,776			787,087		
Cash distribution for the year ended 30 June 2024:		(3,258,776)			(787,087)		
Undistributed income carried forward		-			-		
		(Rupees)			(Rupees)		
Net assets value per unit at end of the year		100.00			100.00		

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

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2024

		2024	2023
		----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES	Note		
Net income for the year before taxation		3,258,776	787,087
Adjustments for non cash and other items			
Amortization of preliminary expenses and floatation costs	7	70	70
Unrealised appreciation/(diminution) on government securities		(1,055)	12,861
		3,257,791	800,018
Decrease / (increase) in assets			
Investments	6	(13,598,233)	(8,232,515)
Profit receivable	14	(348,862)	40,482
Other receivable		(40)	(6)
		(13,947,135)	(8,192,039)
Increase / (decrease) in liabilities			
Payable to AL Habib Asset Management Limited - Management Company	8	46,301	5,984
Payable to Central Depository Company of Pakistan Limited - Trustee	9	1,243	177
Payable to Securities and Exchange Commission of Pakistan	10	624	668
Payable against redemption of units		390,469	-
Accrued expenses and other liabilities	11	64,205	6,292
		502,842	13,121
Net cash used in operating activities		(10,186,502)	(7,378,900)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of units		60,267,600	21,951,743
Payments against redemption of units		(44,119,499)	(16,790,232)
Dividend paid during the year		(3,258,776)	(787,087)
Net cash generated from financing activities		12,889,325	4,374,424
Net increase in cash and cash equivalents during the year		2,702,823	(3,004,476)
Cash and cash equivalents at beginning of the year		34,601	3,039,077
Cash and cash equivalents at the end of the year		2,737,424	34,601

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

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024****1 LEGAL STATUS AND NATURE OF BUSINESS**

1.1 AL Habib Money Market Fund ("the Fund") was established under a Trust Deed executed between AL Habib Asset Management Limited (AHAML) (the Management Company) and Central Depository Company of Pakistan Limited (CDC) (the Trustee). The Trust Deed was executed on 27 September 2021 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on 31 May 2021 under Regulation 44 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations).

1.2 The Management Company of the Fund has been licensed to undertake Asset Management Services as Non-Banking Finance Company under the NBFC Rules by SECP. The registered office of the management company is situated at 3rd floor, MacKinnon's Building, I.I. Chundrigar Road, Karachi, Pakistan.

The Fund is an open-end mutual fund and is listed on the Pakistan Stock Exchange. Units are offered for public subscription on a continuous basis. Units are transferable and can be redeemed by surrendering them to the Fund at the option of the unit holder.

1.3 The Investment objective of AL Habib Money Market Fund is to provide its unit-holders optimum return from a portfolio of low risk and short duration assets while being highly liquid.

1.4 The Fund has been categorized as an Open-End Money Market Scheme as per the criteria laid down by the Securities and Exchange Commission of Pakistan for categorisation of Collective Investment Schemes (CIS).

1.5 Title to the assets of the Fund is held in the name of Central Depository Company (CDC) of Pakistan Limited as a trustee of the Fund.

Pakistan Credit Rating Agency (PACRA) has assigned asset management rating of 'AM2++' to the Management Company on August 12, 2023.

1.6 As per the offering document of the Fund, an investor shall, at the time of opening an account, select the types of units in which the investor wishes to invest, i.e. Growth Unit. Furthermore, at the time of dividend distribution the unit holders receive additional units or cash dividend against Growth unit, respectively.

During the period all the units issued by the Fund are Growth units and dividend has been reinvested on daily basis.

1.7 As per the offering document of the Fund, the Management Company may decide to distribute all net profit (after deducting all expenses of the Fund) on a periodic basis (that is Daily, Weekly, Monthly, Quarterly and Yearly) as dividend. Furthermore, as per Regulation 63 of NBFC Regulations, the Fund is required to distribute not less than 90% of its net accounting income available for distribution for the year derived from sources other than capital gains, to the unitholders. During the year, the management has distributed all the net income earned by the Fund as Dividend to the unit holders which has been reinvested on daily basis.

2 BASIS OF PREPARATION**2.1 Statement of compliance**

2.1.1 These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), the NBFC Regulations and requirements of the Trust Deed.

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

2.2 Basis of measurement

These financial statements have been prepared under the historical cost basis, unless otherwise stated.

2.3 Functional and presentation currency

These financial statements are presented in Pakistani rupee ("Rupees" or "Rs."), which is the Fund's functional currency and presentation currency.

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Judgments made by management in the application of approved accounting standards, as applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material judgment in the next year are as follows:

Classification and measurement of financial assets and financial liabilities

For details please refer notes 4.2.2.1 and 6 to these financial statements.

Impairment of financial assets

For details please refer note 4.2.2.2 to these financial statements.

3 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS**3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2024**

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

	"Effective date (annual periods beginning on or after)"
Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 Making Materiality Judgements- Disclosure of Accounting Policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	January 01, 2023

The Company adopted the narrow-scope amendments to the International Accounting Standard (IAS) 1, Presentation of Financial Statements which have been effective for annual reporting periods beginning on or after 1 January 2023. Although the amendments did not result in any changes to accounting policy themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting the Company to provide useful entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and updates to the information disclosed in Note 4 Material accounting policies (2023: Significant accounting policies) in certain instances in line with the amendments and concluded that all its accounting policies are material for disclosure.

3.2 New accounting standards, amendments and 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, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	"Effective date (annual periods beginning on or after)"
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
IFRS 17 Insurance Contracts	January 01, 2026
IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).	
IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.	
IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.	
IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2026.	

4 SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

4.1 Cash and cash equivalents

Cash and cash equivalents comprise of balances with banks and short-term highly liquid investments with original maturities of three months or less.

4.2 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

4.2.1 Financial assets

Financial assets are classified in appropriate category at amortized cost, fair value through comprehensive income and fair value through profit and loss. The Management determines the classification of financial assets in appropriate category based on fund's business model, managing the financial assets and the contractual terms of cashflows.

4.2.2 Initial recognition and measurement

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

4.2.2.1 Classification

Debt Instruments

Amortized cost

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

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

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Fair value through profit or loss

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial assets:

Debt investments at amortized cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest / markup income and impairment are recognized in income statement.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in income statement. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to income statement.

Debt investments at FVTPL

These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method and impairment are recognized in income statement.

4.2.2.2 Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

The guiding principle of the expected credit loss (ECL) model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. The amount of ECLs recognised as a loss allowance or provision depends on the extent of credit deterioration since initial recognition. Under the general approach, there are two measurement bases:

- 12-month ECLs (Stage 1), which applies to all items (from initial recognition) as long as there is no significant deterioration in credit quality.
- Lifetime ECLs (Stages 2 and 3), which applies when a significant increase in credit risk has occurred on an individual or collective basis.

The Fund's financial assets include mainly investments, deposits, other receivables, profit/mark-up receivable and bank balances.

SECP through its SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 have deferred the applicability of above impairment requirements in relation to debt securities for mutual funds. Meanwhile, asset management companies shall continue to follow the requirements of Circular 33 of 2012 dated October 24, 2012 in relation to impairment of debt securities.

4.2.2.3 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.

4.2.2.4 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.

4.2.2.5 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.

4.2.3 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.

4.3 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.

4.4 Taxation

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 the form of cash among the unit holders. Provided that, for the purpose of determining distribution of at least ninety percent of its accounting income for the year, the income distributed through bonus units shall not be taken into account.

The Fund intends to continue availing the tax exemption in future years by distributing at least ninety percent of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders every year. Accordingly, no tax liability or deferred tax has been recognised in these financial statements.

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.

4.5 Proposed distributions

Distributions declared subsequent to the reporting date are considered as non-adjusting events and are not recognised before the reporting date.

4.6 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the application received during business hours on that day. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load and provision of any duties and charges if applicable. The sales load is payable to the Management Company / Distributors as processing fee.

Units redeemed are recorded at the redemption price applicable to units for which the Management Company receives redemption application during business hours of that day. The redemption price shall be equal to NAV as of the close of the business day, less an amount as the Management Company may consider to be an appropriate provision of duties and charges as processing fee.

4.7 Element of income

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 year. Element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

4.8 Net assets value - per unit

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

4.9 Revenue recognition

- Mark-up on deposits with banks and mark-up / return on investments in debt securities are recognized using effective yield method.

	Note	2024	2023
		----- Rupees in '000 -----	
5 BANK BALANCES			
Saving accounts		<u>2,737,424</u>	<u>34,601</u>

5.1 These carries markup ranging from 20.5% to 21.50% (30 June 2023: 18.00% to 20.50%) per annum.

5.2 It includes balance of Rs. 2,659.81 million (30 June 2023: Rs 31.31 million) with Bank AL Habib Limited (ultimate parent), a related party carrying profit rate effective at year end is 21.50% (30 June 2023: 20.50%) per annum.

6 INVESTMENTS**Financial assets at fair value through profit or loss**

Government securities			
Market Treasury Bills	6.1	12,149,632	8,219,654
Pakistan Investment Bonds	6.2	9,669,310	-
		<u>21,818,942</u>	<u>8,219,654</u>

6.1 Government securities - Market Treasury Bills

Description	As at June 30, 2024								
	As at July 1, 2023	Purchased during the year	Sold / matured during the year	As at June 30, 2024	Carrying value	Market value	Unrealised appreciation / (diminution) on investment	Market value as a percentage of net assets	Market value as a percentage of total investments
	----- (Number of Units) -----			----- (Rupees in '000) -----			----- % -----		
T- BILL 03 MONTHS (02-05-2024)	-	10,000,000	-	10,000,000	986,431	986,695	264	4.05%	4.05%
T- BILL 03 MONTHS (02-11-2023)	-	33,990,000	33,990,000	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (05-10-2023)	-	10,000,000	10,000,000	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (07-09-2023)	-	64,650,000	64,650,000	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (10-08-2023)	-	97,520,000	97,520,000	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (11-01-2024)	-	16,848,300	16,848,300	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (13-06-2024)	-	5,000,000	-	5,000,000	482,725	482,393	(332)	1.98%	2.21%
T- BILL 03 MONTHS (13-07-2023)	-	5,000,000	5,000,000	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (14-12-2023)	-	7,614,100	7,614,100	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (15-06-2023)	809,300	28,550,000	29,359,300	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (16-05-2024)	-	5,000,000	-	5,000,000	489,302	489,601	299	2.01%	2.01%
T- BILL 03 MONTHS (16-11-2023)	-	25,000,000	25,000,000	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (18-04-2024)	-	7,700,000	6,200,000	1,500,000	149,147	149,159	12	0.61%	0.68%
T- BILL 03 MONTHS (19-10-2023)	-	14,200,000	14,200,000	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (21-03-2024)	-	42,000,000	42,000,000	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (21-09-2023)	-	253,340,000	253,340,000	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (22-06-2023)	-	44,750,000	44,750,000	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (24-08-2023)	-	85,000,000	85,000,000	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (30-05-2024)	-	5,000,000	-	5,000,000	485,771	485,947	176	1.99%	2.23%
T- BILL 03 MONTHS (30-11-2023)	-	21,100,000	21,100,000	-	-	-	-	0.00%	0.00%
T-BILL 03 MONTHS (07-02-2024)	-	5,506,500	5,506,500	-	-	-	-	0.00%	0.00%
T-BILL 03 MONTHS (07-03-2024)	-	74,140,000	74,140,000	-	-	-	-	0.00%	0.00%
T-BILL 03 MONTHS (22-02-2024)	-	28,760,000	28,760,000	-	-	-	-	0.00%	0.00%
T-BILL 03 MONTHS (28-12-2023)	-	25,220,000	25,220,000	-	-	-	-	0.00%	0.00%
T-BILLS 03 MONTHS (04-04-2024)	-	45,520,000	45,520,000	-	-	-	-	0.00%	0.00%
T-BILLS 03 MONTHS (25-01-2024)	-	5,000,000	5,000,000	-	-	-	-	0.00%	0.00%
T- BILL 06 MONTHS (02-11-2023)	-	15,000,000	15,000,000	-	-	-	-	0.00%	0.00%
T- BILL 06 MONTHS (13-06-2024)	-	5,000,000	5,000,000	-	-	-	-	0.00%	0.00%
T- BILL 06 MONTHS (16-11-2023)	-	43,000,000	43,000,000	-	-	-	-	0.00%	0.00%
T- BILL 06 MONTHS (30-05-2024)	-	10,000,000	6,000,000	4,000,000	369,904	369,515	(389)	1.52%	1.69%
T- BILL 06 MONTHS (30-11-2023)	-	6,550,000	6,550,000	-	-	-	-	0.00%	0.00%
T-BILL 06 MONTHS (19-10-2023)	-	17,700,000	17,700,000	-	-	-	-	0.00%	0.00%
T- BILL 06 MONTHS (15-06-2023)	50,000	-	50,000	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (02-11-2023)	-	40,250,000	-	40,250,000	3,765,151	3,770,085	4,934	15.46%	17.28%
T- BILL 12 MONTHS (06-10-2022)	-	5,000,000	5,000,000	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (13-07-2023)	-	98,824,750	98,824,750	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (15-06-2023)	-	40,000,000	40,000,000	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (16-11-2023)	-	20,000,000	-	20,000,000	1,860,466	1,860,314	(152)	7.63%	8.53%
T- BILL 12 MONTHS (19-10-2023)	-	16,000,000	-	16,000,000	1,507,208	1,510,048	2,840	6.19%	6.92%
T- BILL 12 MONTHS (27-03-2023)	-	87,500,000	58,400,000	29,100,000	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (28-12-2023)	-	14,000,000	10,000,000	4,000,000	364,588	364,581	(7)	1.50%	1.67%
T- BILL 12 MONTHS (30-11-2023)	-	18,200,000	-	18,200,000	1,679,368	1,681,294	1,926	6.89%	7.71%
T-BILL 12 MONTHS (06-04-2023)	-	14,000,000	14,000,000	-	-	-	-	0.00%	0.00%
Total as at June 30, 2024					12,140,061	12,149,632	9,571		
Total as at June 30, 2023					8,232,515	8,219,654	(12,861)		

6.1.1 These carries markup ranging from 19.9% to 24.75% (June 30,2023: 13.98% to 21.99%) per annum.

AL HABIB MONEY MARKET FUND

6.2 Debt securities - Pakistan Investment Bonds

Description	As at June 30, 2024								
	As at July 1, 2023	Purchased during the year	Sold / matured during the year	As at June 30, 2024	Carrying value	Market value	Unrealised appreciation / (diminution) on investment	Market value as a percentage of net assets	Market value as a percentage of total investments
	----- (Number of Units) -----			----- (Rupees in '000) -----			----- % -----		
PIB 03 YEARS (22-10-2020) - FLOATER	-	20,000	20,000	-	-	-	-	0.00%	0.00%
PIB 2 YEAR (08-09-2022) - FORTNIGHTLY RESET	-	59,263	14,263	45,000	4,486,814	4,483,350	(3,464)	18.39%	20.55%
PIB 2 YEARS (30-12-2021) - FLOATER	-	90,850	90,850	-	-	-	-	0.00%	0.00%
PIB 3 YEARS (07-10-2021) - FLOATER	-	52,000	-	52,000	5,191,012	5,185,960	(5,052)	21.27%	23.77%
Total as at June 30, 2024	-	222,113	125,113	97,000	9,677,826	9,669,310	(8,516)		

6.2.1 These carries markup ranging from 21.26% to 23.39% (June 30,2023: Nil) per annum.

7 PRELIMINARY EXPENSES AND FLOATATION COSTS	Note	2024	2023
		----- (Rupees in '000) -----	----- (Rupees in '000) -----
Balance as at July, 01	7.1	593	663
Amortization for the period		(70)	(70)
Balance as at 30 June		<u>523</u>	<u>593</u>
8 PAYABLE TO AL HABIB ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY			
Management remuneration	8.1	45,651	4,805
Sindh sales tax	8.2	5,935	625
Formation cost		615	615
Allocation of expenses related to registrar services, accounting, operation and valuation services	8.3	<u>3,084</u>	<u>2,939</u>
		<u>55,285</u>	<u>8,984</u>

8.1 As per the amendments made in the NBFC Regulations, 2008 vide SRO 639 (1) / 2019 dated 20 June 2019, the Management Company shall set and disclose in the offering document the maximum rate of fee chargeable to Collective Investment Scheme within allowed expense ratio, The Management Company of the Fund is entitled to an accrued remuneration equal to an amount not exceeding 10% of gross earnings of the Fund. The Management has charged its remuneration at rate ranging from 0% to 10% of the gross earnings of the Fund, which is within the allowed expense ratio limit. The remuneration is paid to the Management Company on monthly basis in arrears.

8.2 Sindh Sales Tax at the rate of 13% (June 30, 2023: 13%) was charged on the management company's remuneration.

8.3 In accordance with Regulation 60(3)(s) of the NBFC Regulations. the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme.

9 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

Remuneration of the Trustee	9.1	1,404	304
Sales tax payable on trustee remuneration	9.2	<u>183</u>	<u>40</u>
		<u>1,587</u>	<u>344</u>

9.1 The Trustee is entitled to a remuneration for services rendered to the Fund under the provisions of the Trust Deed based on the daily Net Asset Value of the Fund. The remuneration of the Trustee is fixed at 0.055% (30 June 2023: 0.055%) per annum of net assets.

9.2 The Sindh Sales Tax at the rate of 13% (June 30, 2023: 13%) was charged on the Trustee's remuneration.

AL HABIB MONEY MARKET FUND

10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	2024 ----- (Rupees in '000) -----	2023
Payable to Securities and Exchange Commission of Pakistan	10.1	<u>1,563</u>	<u>939</u>

10.1 This represents annual fee payable to Securities and Exchange Commission of Pakistan (SECP) at 0.075% (30 June 2023 : 0.02%) of net assets in accordance with regulation 62 of the NBFC Regulations.

11 ACCURED EXPENSES AND OTHER LIABILITIES

Auditors' remuneration	339	324
Withholding tax	71,867	8,751
Brokerage	1,429	307
Listing fee	27	64
Rating fee	78	89
	<u>73,740</u>	<u>9,535</u>

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at 30 June 2024.

13 NUMBER OF UNITS IN ISSUE

Total units in issue at the beginning of the year	82,374,135	30,759,027
Add: Units issued during the year	602,675,998	219,517,429
Less: units redeemed during the year	<u>(441,194,985)</u>	<u>(167,902,321)</u>
Total units in issue at the end of the year	<u>243,855,148</u>	<u>82,374,135</u>

14 PROFIT ON BANK DEPOSITS

Saving accounts	14.1	<u>657,108</u>	<u>146,055</u>

14.1 This includes profit on bank deposits with Bank AL Habib Limited, a related party of Rs. 378.27 million (2023: Rs. 117 million).

15 EXPENSES ALLOCATED BY THE MANAGEMENT COMPANY

In accordance with the provisions of the NBFC Regulations amended vide S.R.O 1160(I) / 2015 dated 25 November 2015, the Management Company is entitled for reimbursement of fee and expenses in relation to registrar services, accounting, operation and valuation services related to Collective Investment Scheme (CIS).

During the year, Management Company has charged 9.668 (30 June 2023: 7.09 million) million to the Fund.

16 AUDITOR'S REMUNERATION

Audit fee	191	206
Out of pocket expenses	35	36
Half yearly review fee	95	95
	<u>321</u>	<u>337</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 amongst the unit holders, provided that for the purpose of determining distribution of not less than 90% of its accounting income for the year, the income distributed through bonus units shall not be taken into account. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than capital gains to the unit holders. 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. Since the management has distributed the income earned by the Fund during the year to the unit holders in the manner as explained above, accordingly, no provision for taxation has been made in these financial statements.

AL HABIB MONEY MARKET FUND

18 EARNINGS PER UNIT

Earnings per unit has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating earnings per unit is not practicable.

19 FINANCIAL INSTRUMENTS BY CATEGORY

Particulars	As at June 30, 2024		
	Fair value through profit or loss	Amortised cost	Total
(Rupees in '000)			
Financial Assets			
Bank balances	-	2,737,424	2,737,424
Investments			
Pakistan Investment Bonds	9,669,310	-	9,669,310
T-Bills	12,149,632	-	12,149,632
Profit receivable	-	351,224	351,224
Other receivable	-	46	46
	<u>21,818,942</u>	<u>3,089,217</u>	<u>24,908,159</u>
Financial liabilities			
Payable to AL Habib Asset Management Limited - Management Company	-	55,285	55,285
Payable to Central Depository Company of Pakistan Limited - Trustee	-	1,587	1,587
Payable to Securities and Exchange Commission of Pakistan	-	1,563	1,563
Payable against redemption of units	-	390,469	390,469
Accrued expenses and other liabilities	-	1,873	1,873
	<u>-</u>	<u>450,777</u>	<u>450,777</u>
(Rupees in '000)			
Particulars	As at June 30, 2023		
	Fair value through profit or loss	Amortised cost	Total
(Rupees in '000)			
Financial Assets			
Bank balances	-	34,601	34,601
Investments			
Pakistan Investment Bonds	-	-	-
T-Bills	8,219,654		8,219,654
Profit receivable		2,362	2,362
Other receivable		6	6
	<u>8,219,654</u>	<u>36,963</u>	<u>34,601</u>
Financial liabilities			
Payable to AL Habib Asset Management Limited - Management Company	-	8,369	8,369
Payable to Central Depository Company of Pakistan Limited - Trustee	-	344	344
Payable to Securities and Exchange Commission of Pakistan	-	939	939
Accrued expenses and other liabilities	-	1,399	1,399
	<u>-</u>	<u>11,051</u>	<u>11,051</u>

20 TRANSACTIONS AND BALANCES WITH RELATED/CONNECTED PERSONS

Related parties/ Connected persons include Al Habib Fund Managers Limited being the Management Company, Bank Al Habib 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, as disclosed in the offering document of the fund.

Connected persons / related parties include:

S.No	Company Name	Relationship
1	AL Habib Asset Management Limited	Management Company
2	Bank AL Habib Limited	Parent Company of AL Habib Asset Management Limited
3	AL Habib Capital Markets (Private) Ltd.	Subsidiary of Bank AL Habib Limited
4	AL Habib Asset Allocation Fund	Managed by AL Habib Asset Management Limited
5	AL Habib Islamic Income Fund	Managed by AL Habib Asset Management Limited
6	AL Habib Islamic Stock Fund	Managed by AL Habib Asset Management Limited
7	AL Habib Stock Fund	Managed by AL Habib Asset Management Limited
8	AL Habib Cash Fund	Managed by AL Habib Asset Management Limited
9	AL Habib Islamic Savings Fund	Managed by AL Habib Asset Management Limited
10	AL Habib Islamic Cash Fund	Managed by AL Habib Asset Management Limited
11	AL Habib Income Fund	Managed by AL Habib Asset Management Limited
12	AL Habib Pension Fund	Managed by AL Habib Asset Management Limited
13	AL Habib Islamic Pension Fund	Managed by AL Habib Asset Management Limited
14	AL Habib Fixed Return Fund	Managed by AL Habib Asset Management Limited
15	AL Habib Government securities Fund	Managed by AL Habib Asset Management Limited
16	AL Habib Islamic Munafa Fund	Managed by AL Habib Asset Management Limited
17	AL Habib GoKP Pension Fund	Managed by AL Habib Asset Management Limited AL Habib GoKP Pension Fund
18	AL Habib Islamic GoKP Pension Fund	Managed by AL Habib Asset Management Limited AL Habib Islamic GoKP Pension Fund
19	Central depository Company	Trustee

	2024	2023
	----- (Rupees in '000) -----	
20.1 Details of the transactions with connected persons / related parties are as follows:		
20.1.1 AL Habib Asset Management Limited - Management Company		
- Management company remuneration	197,429	38,599
- Sindh sales tax	25,666	5,018
- Expenses allocated by the Management Company	9,668	7,090
- Dividend paid	367	16,430
20.1.2 Central Depository Company of Pakistan Limited - Trustee		
- Remuneration to the Trustee	8,991	2,557
- Sindh sales tax	1,169	332
20.1.3 Bank AL Habib Limited		
- Profit on Bank deposit	378,267	117,168
- Dividend paid	121,894	96,465
20.2 Details of balances with connected persons / related parties at year end are as follows:		
20.2.3 AL Habib Asset Management Limited - Management Company		
- Management Company payable (Inclusive of Sindh sales tax)	51,586	8,369
- Formation cost payable	585	585
- Initial deposit payable	30	30
20.2.4 Central Depository Company of Pakistan Limited - Trustee		
- Remuneration payable (Inclusive of Sindh sales tax)	1,587	344
20.2.5 Bank AL Habib Limited		
- Bank Balance	2,659,813	42,611
- Bank Profit receivable	24,963	139

AL HABIB MONEY MARKET FUND

20.3 Sale / Redemption of units

Units sold to:	30 June 2024		30 June 2023	
	(Units)	(Rupees in '000)	(Units)	(Rupees in '000)
Management Company				
AL Habib Asset Management Limited	381,990	38,254	7,089,007	711,365
Parent of Al Habib Asset Management Limited				
- Bank Al Habib Limited	1,218,949	121,895	964,648	96,465
Other Related Party				
- Atco Pharma International Private Limited	694	82	472	47
- Habib Sugar Mills Limited	5,418,668	549,255	-	-
Units sold to Connected Party holding 10% or more of the units in issue:	-	-	-	-
Units redeemed by:				
Management Company				
AL Habib Asset Management Limited	99,927	9,993	10,845,048	1,084,505
Parent of Al Habib Asset Management Limited				
- Bank Al Habib Limited	1,216,209	121,621	952,729	95,273
- Habib Sugar Mills Limited	5,418,668	541,867	-	-
Other Related Party				
- Atco Pharma International Private Limited	-	-	-	-
Units redeemed to Connected Party holding 10% or more of the units in issue:	-	-	1,100,000	110,000

21 FINANCIAL RISK MANAGEMENT

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

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

The Fund primarily invests in a portfolio of investments such as Government securities, spread transactions and in other money market instruments. These activities expose the Fund to a variety of financial risks, such as market risk, credit risk and liquidity risk.

21.1 Market risk

Market risk is a 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 on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises of three types of risk; currency risk, interest rate risk and other price risk. The fund is exposed to interest rate risk only.

21.1.1 Interest rate risk

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

a) Sensitivity analysis for variable rate instruments

The Fund is exposed to cash flow interest rate risk for balances in certain savings accounts, the interest rates on which range between 20.5% to 21.50% per annum, and against investments in Pakistan Investment Bonds and T-Bills, the interest rate on which range between 21.26% to 23.39% and 19.9% to 24.75% respectively.

In case of 100 basis points increase / decrease in interest rates on June 30, 2024, with all other variables held constant, the net income for the year and the net assets would have been higher / lower by Rs. 245.564 million (2023: Rs. 82.543 million).

b) Sensitivity analysis for fixed rate instruments

The Fund's investment in Market Treasury Bills and Pakistan Investment Bonds exposes it to fair value interest rate risk.

In case of 100 basis points increase / decrease in interest rates on June 30, 2024, with all other variables held constant, the net income for the year and the net assets would have been higher / lower by Rs. 28.796 million.. (2023: 7.062 million).

The composition of the Fund's investment portfolio and rates announced by Financial Market Association of Pakistan is expected to change over time. Therefore, the sensitivity analysis prepared as of June 30, 2024 is not necessarily indicative of the effect on the Fund's net assets of future movements in interest rates.

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

Particulars	As at June 30, 2024					Total
	Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and upto one year	More than one year		
	%	Rupees in '000				
On-balance sheet financial instruments						
Financial assets						
Bank balances	20.5 - 21.50	2,737,424	-	-	-	2,737,424
Investments						
Pakistan Investment Bonds - Floating	21.26 - 23.39	-	-	9,669,310	-	9,669,310
T-Bills	19.9 - 24.75	2,593,795	9,555,837	12,149,632	-	24,299,264
Profit receivable		-	-	-	351,224	351,224
Other receivable		-	-	-	46	46
Sub total		5,331,219	9,555,837	21,818,942	351,793	37,057,791
Financial liabilities						
Payable to AL Habib Asset Management Limited - Management Company		-	-	-	55,285	55,285
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	1,587	1,587
Payable to Securities and Exchange Commission of Pakistan		-	-	-	1,563	1,563
Payable against redemption of units		-	-	-	390,469	390,469
Accrued expenses and other liabilities		-	-	-	1,873	1,873
Sub total		-	-	-	450,777	450,777
On-balance sheet gap (a)		5,331,219	9,555,837	21,818,942	(98,984)	36,607,014
Off-balance sheet financial instruments						
		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		5,331,219	9,555,837	21,818,942	(98,984)	36,607,014
Cumulative interest rate sensitivity gap		5,331,219	9,555,837	21,818,942		

AL HABIB MONEY MARKET FUND

Particulars	As at June 30, 2024					Total
	Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and upto one year	More than one year		
On-balance sheet financial instruments	%	Rupees in '000				
Financial assets						
Bank balances	18.0 - 20.50	34,601	-	-	-	34,601
Investments						
Pakistan Investment Bonds - Floating		-	-	-	-	-
T-Bills	13.98 - 21.99	7,766,747	452,907	-	-	8,219,654
Profit receivable		-	-	-	2,362	2,362
Preliminary expenses and floatation costs		-	-	-	593	593
Other receivable		-	-	-	6	6
Sub total		7,801,348	452,907	-	2,961	8,257,216
Financial liabilities						
Payable to AL Habib Asset Management Limited - Management Company		-	-	-	8,369	8,369
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	344	344
Payable to Securities and Exchange Commission of Pakistan		-	-	-	939	939
Payable against redemption of units		-	-	-	-	-
Accrued expenses and other liabilities		-	-	-	1,399	1,399
Sub total		-	-	-	11,051	11,051
On-balance sheet gap (a)		7,801,348	452,907	-	(8,090)	8,246,165
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		7,801,348	452,907	-	(8,090)	8,246,165

21.2 Credit risk

Credit risk represents the risk of a loss if the counter parties fail to perform as contracted. The Fund's credit risk is primarily attributable to investment in Bank balances. Bank balances are maintained with balance with a reasonably high credit rating. The risk of default is considered minimal due to inherent systematic measures taken therein.

21.2.1 The analysis below summarises the credit rating quality of the Fund's financial assets as at June 30, 2024 and June 30, 2023:

Name of Banks	Balances held as	Latest available	Rating agency
Rupees in '000			
Balances with banks by rating category			
Bank Al Habib Limited	2,659,813	AAA	PACRA
Allied Bank Limited	567	AAA	PACRA
Dubai Islamic Bank Limited	118	AA	VIS
Habib Bank Limited	18,328	AAA	VIS
Habib Metropolitan Bank Limited	53,612	AA+	PACRA
Bank Al Falah Limited	4,986	AAA	PACRA
	2,737,424		

Name of Banks	Balances held as	Latest available	Rating agency
Rupees in '000			
Balances with banks by rating category			
Bank Al Habib Limited	31,310	AAA	PACRA
Allied Bank Limited	21	AAA	PACRA
Dubai Islamic Bank Ltd	78	AA	VIS
Habib Bank Limited	658	AAA	VIS
Habib Metropolitan Bank Limited	9	AA+	PACRA
Bank Al Falah Limited	2,525	AAA	PACRA
	34,601		

21.2.2 The analysis below summarizes the credit quality of the Fund's credit exposure

	2024	2023
Rating by rating category	(Percentage)	(Percentage)
AA+ to AA	1.96%	7.55%
AAA	98.03%	92.45%
A-1+	0.01%	0.00%
	100.00%	100.00%

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is mainly concentrated in Government securities and bank balances, having satisfactory credit rating, therefore the fund is not exposed to any concentration of credit risk.

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations arising from its financial liabilities that are settled by delivering cash or another financial asset, or that such obligation will have to be settled in a manner disadvantageous to the Fund.

The Fund is exposed to cash redemptions of its units on a regular basis. Units are redeemable at the holder's option based on the Fund's net asset value per unit at the time of redemption calculated in accordance with the Fund's constitutive document and guidelines laid down by Securities and Exchange Commission of Pakistan (SECP).

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.

Particulars	As at June 30, 2024			
	Upto three months	More than three months and upto one	More than one year	Total
Financial liabilities	Rupees in '000			
Payable to AL Habib Asset Management Limited - Management Company	55,285	-	-	55,285
Payable to Central Depository Company of Pakistan Limited - Trustee	1,587	-	-	1,587
Payable to Securities and Exchange Commission of Pakistan	1,563	-	-	1,563
Payable against redemption of units	390,469	-	-	390,469
Accrued expenses and other liabilities	73,740	-	-	73,740
	522,644	-	-	522,644

Particulars	As at June 30, 2023			
	Upto three months	More than three months and upto one	More than one year	Total
Financial liabilities	Rupees in '000			
Payable to AL Habib Asset Management Limited - Management Company	8,369	-	-	8,369
Payable to Central Depository Company of Pakistan Limited - Trustee	344	-	-	344
Payable to Securities and Exchange Commission of Pakistan (SECP)	939	-	-	939
Payable against Redemption of Units	-	-	-	-
Accrued expenses and other liabilities	9,535	-	-	9,535
	19,187	-	-	19,187

22 UNITS HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by the net assets attributable to unit holders / redeemable units. The amount of net assets attributable to unit holders can change significantly on a daily basis as the Fund is subject to daily issuance and redemptions at the discretion of unit holders. These unit holders of the Fund are entitled to distributions and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the statement of movement in unit holders' fund. Unit holders fund risk management is carried out by the Management Company through following steps:

- Monitors the level of daily issuance and redemptions relative to the liquid assets and adjusts the amount of distributions the Fund pays to the unit holders;
- Redeems and issues units in accordance with the constitutive documents of the Fund. This includes the Fund's ability to restrict redemptions; and
- The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management Company critically track the movement of 'Assets under Management'. The Board of Directors is updated regarding key performance indicators, e.g. yield and movement of NAV and total Fund size at the end of each quarter.

The Fund has maintained and complied with the requirements of minimum fund size during the current year.

23 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

As per the requirements of IFRS 7 (Financial Instruments: Disclosures) and IFRS 13 (Fair Value Measurement), 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:

- Level 1 Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities ;
- Level 2 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
- Level 3 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.

Particulars	30-Jun-24						
	Carrying amount			Fair value			
	At fair value through profit or loss	Amortised	Total	Level 1	Level 2	Level 3	Total
Note (Rupees in '000)							
On-balance sheet financial instruments							
Financial assets - not measured at fair value	23.1						
Treasury Bills	12,149,632	-	12,149,632	-	12,149,632	-	-
Pakistan Investment Bonds	9,669,310	-	9,669,310	-	9,669,310	-	-
	<u>21,818,942</u>	<u>-</u>	<u>21,818,942</u>	<u>-</u>	<u>21,818,942</u>	<u>-</u>	<u>-</u>

AL HABIB MONEY MARKET FUND

Particulars	30-Jun-23						
	Carrying amount			Fair value			
	At fair value through profit or loss	Amortised	Total	Level 1	Level 2	Level 3	Total
Note	(Rupees in '000)						
On-balance sheet financial instruments							
Financial assets - not measured at fair value	23.1						
Treasury Bills	8,219,654	-	8,219,654	-	8,219,654	-	-
Pakistan Investment Bonds	-	-	-	-	-	-	-
	8,219,654	-	8,219,654	-	8,219,654	-	-

23.1 Valuation techniques

For level 2 investments at fair value through profit or loss - investment in respect of Treasury Bills, Pakistan Investment Bonds and GOP Ijarah Sukuks, Fund uses the rates which are derived from PKRV, PKFRV and PKISRV rates at reporting date per certificate multiplied by the number of certificates held as at year end.

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

23.3 Transfers during the year

No transfers were made between various levels of fair value hierarchy during the year.

25 PARTICULARS OF INVESTMENT COMMITTEE AND FUND MANAGER

Details of investment committee members of the Fund are as follows:

S. no.	Name	Designation	Qualification	Experience in years
1	Mr. Kashif Rafi	Chief Executive Officer	MBA - IBA	23
2	Mr. Zahid Hussain Vasnani	Chief Operating Officer & Company Secretary	CA- Affiliate	24
3	Mr. Abdul Rehman	Chief Investment Officer	MBA & CFA	13
4	Mr. Ahmed Abbas	Fund Manager	MBA	16
5	Mr. Talha A.Siddiqui	Fund Manager	MA in Economics	11
6	Mr. Umar Bin Hassan	Manager Risk & Research	MS - IBA	6

25.1 Mr. Ahmed Abbas is also Fund Manager of AL Habib Cash Fund, AL Islamic Cash Fund, AL Habib Income Fund, AL Habib Islamic Savings Funds, AL Habib Islamic Income Fund, AL Habib Fixed Return Fund & AL Habib Islamic Munafa Fund.

26 PATTERN OF UNITHOLDING

Unit holding pattern of the Fund as at 30 June 2024 is as follows:

Category	Number of unit holders	Number of units	Investment amount (Rupees in '000)	Percentage of total investment
Individuals	80	4,939,805	493,981	2.03%
Associated Companies and Directors	2	6,377,632	637,763	2.62%
Insurance Companies	1	51,800	5,180	0.02%
Retirement Funds	5	615,127	61,513	0.25%
Others	76	231,870,784	23,187,078	95.09%
	<u>164</u>	<u>243,855,148</u>	<u>24,385,515</u>	<u>100.00%</u>

AL HABIB MONEY MARKET FUND

Unit holding pattern of the Fund as at 30 June 2023 is as follows:

Category	Number of unit holders	Number of units	Investment amount (Rupees in '000)	Percentage of total investment
Individuals	41	1,345,882	134,588	1.63%
Associated Companies and Directors	2	6,096,552	609,655	7.40%
Retirement Funds	1	16,659,852	1,665,985	20.22%
Others	47	58,271,846	5,827,185	70.74%
	91	82,374,132	8,237,413	100.00%

27 ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

Four meetings of the Board of Directors were held on August 17, 2023 and October 19, 2023 , January 25, 2024, April 18, 2024 respectively. Information in respect of the attendance by the Directors in the meetings is given below:

S.No.	Particular	Number of meetings			Meetings not attended
		Held	Attended	Leave Granted	
	Name of Director				
1	Mr. Abbas D.Habib	4	1	1	99th Meeting
2	Mr. Mansoor Ali Khan	4	-	-	-
3	Mr. Saeed Allawala	4	-	-	-
4	Ms. Zarine Aziz	4	3	3	99th, 100th and 101st Meeting
5	Mr. Imran Azim	4	1	1	100th Meeting
6	Mr. Kashif Rafi	4	0	0	-

28 TOTAL EXPENSE RATIO

Total Expenses Ratio of the Fund is 1.59% as on June 30, 2024 (June 30, 2023: 1.16%) and this includes 0.24% (June 30, 2023: 0.13%) representing Government Levy and Securities Exchange Commission of Pakistan fee. This ratio is within the maximum limit of 2.0% prescribed under the NBFC Regulations 60(5) for a Collective Investment Scheme (CIS) categorised as a Money Market Scheme.

29 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and for better presentation.

30 GENERAL

30.1 Figures have been rounded off to the nearest thousand Rupees, unless otherwise stated.

31 DATE OF AUTHORIZATION FOR ISSUE

31.1 These financial statements were authorised for issue on **August 01, 2024** by the Board of Directors of the Management Company.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ANNUAL FUND MANAGER REPORT FINANCIAL YEAR 2024

Fund Objective

The investment objective of AHMMF is to provide its unit-holders optimum returns from a portfolio of low risk and short duration assets while being highly liquid.

Fund Objective Achieved:

The Fund has achieved its stated objective.

Strategies and Policies Employed during the period under review:

The AHMMF maintained the strategy to maintain exposure in high stability and low volatility avenues as mentioned in the objectives of the Fund, wherein major portion of investment was held with "AAA" rated Banks and short tenor T-bills.

Performance of the fund with benchmark

The Fund outperformed its benchmark by 124 bps as it posted YTD return of 22.14% as against the benchmark of 20.90%

Fund Description

Fund Type & Category	Open End - Money Market Scheme	External Auditors	BDO Ebrahim & Co. Chartered Accountants
Launch Date	December 20, 2021	Management Fee	10% of the annual gross earnings of the Scheme
Benchmark	70% three (3) months PKRV rates + 30% three (3) months average deposit rate of three (3) AA rated scheduled banks as selected by MUFAP.	Sales Load	3% (Management has the discretion to reduce or waive load on any transaction)
Annual Return	22.14%	Minimum Investment	Initial investment of Rs. 5,000 Subsequently Rs. 1,000 per transaction
Benchmark	20.90%	Dealing Days/Timings	Monday to Friday 9:00 am to 4:30 pm
Net Assets	Rs. 24.386 billion (June 30, 2024)	Fund Stability Rating	AA+(f) by VIS (November 15, 2023)
NAV per unit	Rs. 100.00 per unit (June 30, 2024)	AMC Rating	"AM2+" by PACRA
Pricing Mechanism	Backward Pricing	Trustee	Central Depository Company of Pakistan Limited.
Risk Profile	Very Low (Principal at very low risk)		

Market Review:

During FY24, Pakistan's money market witnessed significant improvements, driven by enhanced macroeconomic conditions. The most notable development was the substantial drop in headline inflation, which decreased from a peak of 29.4% in June 2023 to 12.6% by June 2024. This sharp decline in inflation created room for the State Bank of Pakistan (SBP) to adopt a more accommodative monetary policy stance. In response, the SBP reduced the policy rate by 150 basis points, bringing it down to 20.5% from the previous high of 22%. This was a strategic move, reflecting stabilizing macroeconomic indicators and an improved inflation outlook. Key among these indicators was the narrowing of Pakistan's current account deficit, which fell dramatically from PKR 3.27 trillion in FY23 to PKR 0.68 trillion in FY24. This development, coupled with better fiscal management, played a crucial role in stabilizing the exchange rate. The Pakistani rupee (PKR) traded within a narrow range of 274.5 to 281 PKR per USD during the year. Another notable factor is, while the SBP helped manage currency depreciation risks, it did not aim to keep the exchange rate fixed at any

AL HABIB MONEY MARKET FUND

pre-determined level. Moreover, Pakistan recorded a Current Account deficit of 62 USD Million in the second quarter of 2024. Current Account in Pakistan averaged at -799.26 USD Million from 1976 until 2024.

The SBP's interventions in the money market included substantial injections of liquidity through Open Market Operations (OMO), the SBP injected a total of PKR 11.9 trillion in June 2024 as compared to 7.99 trillion in same period last year.

Overall, FY24 marked a year of positive shifts for Pakistan's money market, characterized by lower inflation, stable interest rates, and improved external balances. These developments indicate a favourable outlook for FY25, with expectations of continued monetary easing and enhanced market stability.

PKRV Rates			
Tenor	As at June 30, 2024	As at June 30, 2023	Change (Bps)
3 Months	19.97	22.65	-268
6 Months	19.91	22.87	-296
12 Months	18.62	22.93	-431
3 Years	16.65	19.47	-282
5 Years	15.37	16.08	-71

PKRV Rates		
Date	Policy Rate	Change (Bps)
11-Jun-24	20.5	150
27-Jun-23	22	-

Asset Allocation of Fund (as a % of total assets)

Particulars	30-Jun-24	30-Jun-23
Cash	10.99%	0.42%
T-Bills	48.78%	99.55%
PIBs	38.82%	-
Others	1.41%	0.04%

Unit Holding Pattern

Size of Unit Holding (Units)	# of Unit Holders
1-1000	34
1001-5000	20
5001-10000	8
10001-50000	23
50001-100000	11
100001-500000	20
500001-1000000	9
1000001-5000000	20
5000001-10000000	8
10000001-100000000	8
Grand Total	161

Income Distribution

AHMMF made a total distribution of Rs.20.0868 during FY24 in the form of dividend, the details of which is as follows;

Payout Date	Cum NAV Rs.	Ex-NAV Rs.	Distribution Rs.
Jul 02, 2023	100.073	100	0.073
Jul 05, 2023	100.1728	100	0.1728
Jul 06, 2023	100.0545	100	0.0545
Jul 07, 2023	100.0564	100	0.0564
Jul 08, 2023	100.0667	100	0.0667
Jul 11, 2023	100.1729	100	0.1729
Jul 12, 2023	100.0562	100	0.0562
Jul 13, 2023	100.0466	100	0.0466
Jul 14, 2023	100.0576	100	0.0576
Jul 15, 2023	100.0987	100	0.0987
Jul 18, 2023	100.1726	100	0.1726
Jul 19, 2023	100.0467	100	0.0467
Jul 20, 2023	100.0504	100	0.0504
Jul 21, 2023	100.0281	100	0.0281
Jul 22, 2023	100.0522	100	0.0522
Jul 25, 2023	100.1722	100	0.1722
Jul 26, 2023	100.0523	100	0.0523
Jul 27, 2023	100.0686	100	0.0686
Jul 28, 2023	100.0576	100	0.0576
Aug 01, 2023	100.2311	100	0.2311
Aug 02, 2023	100.039	100	0.039
Aug 03, 2023	100.0933	100	0.0933
Aug 04, 2023	100.0581	100	0.0581
Aug 05, 2023	100.0575	100	0.0575
Aug 08, 2023	100.1643	100	0.1643
Aug 09, 2023	100.0553	100	0.0553
Aug 10, 2023	100.0603	100	0.0603
Aug 11, 2023	100.0466	100	0.0466
Aug 12, 2023	100.0576	100	0.0576
Aug 16, 2023	100.2331	100	0.2331
Aug 17, 2023	100.0556	100	0.0556
Aug 18, 2023	100.0494	100	0.0494
Aug 19, 2023	100.0467	100	0.0467
Aug 22, 2023	100.1599	100	0.1599
Aug 23, 2023	100.0548	100	0.0548
Aug 24, 2023	100.0631	100	0.0631
Aug 25, 2023	100.0685	100	0.0685
Aug 26, 2023	100.0658	100	0.0658
Aug 29, 2023	100.1658	100	0.1658

AL HABIB MONEY MARKET FUND

Payout Date	Cum NAV Rs.	Ex-NAV Rs.	Distribution Rs.
Aug 30, 2023	100.0522	100	0.0522
Aug 31, 2023	100.0475	100	0.0475
Sep 01, 2023	100.0494	100	0.0494
Sep 02, 2023	100.0412	100	0.0412
Sep 05, 2023	100.1706	100	0.1706
Sep 06, 2023	100.0563	100	0.0563
Sep 07, 2023	100.0603	100	0.0603
Sep 08, 2023	100.0593	100	0.0593
Sep 09, 2023	100.0522	100	0.0522
Sep 12, 2023	100.1655	100	0.1655
Sep 13, 2023	100.0617	100	0.0617
Sep 14, 2023	100.05	100	0.05
Sep 15, 2023	100.0549	100	0.0549
Sep 16, 2023	100.0549	100	0.0549
Sep 19, 2023	100.2023	100	0.2023
Sep 20, 2023	100.0576	100	0.0576
Sep 21, 2023	100.0549	100	0.0549
Sep 22, 2023	100.0576	100	0.0576
Sep 23, 2023	100.0877	100	0.0877
Sep 26, 2023	100.177	100	0.177
Sep 27, 2023	100.0631	100	0.0631
Sep 28, 2023	100.0603	100	0.0603
Sep 29, 2023	100.0521	100	0.0521
Oct 02, 2023	100.1324	100	0.1324
Oct 03, 2023	100.058	100	0.058
Oct 04, 2023	100.063	100	0.063
Oct 05, 2023	100.0576	100	0.0576
Oct 06, 2023	100.0584	100	0.0584
Oct 07, 2023	100.0788	100	0.0788
Oct 10, 2023	100.1609	100	0.1609
Oct 11, 2023	100.055	100	0.055
Oct 12, 2023	100.0559	100	0.0559
Oct 13, 2023	100.0581	100	0.0581
Oct 14, 2023	100.0599	100	0.0599
Oct 17, 2023	100.1822	100	0.1822
Oct 18, 2023	100.055	100	0.055
Oct 19, 2023	100.0411	100	0.0411
Oct 20, 2023	100.0521	100	0.0521
Oct 21, 2023	100.065	100	0.065
Oct 24, 2023	100.1689	100	0.1689
Oct 25, 2023	100.0577	100	0.0577
Oct 26, 2023	100.0577	100	0.0577

AL HABIB MONEY MARKET FUND

Payout Date	Cum NAV Rs.	Ex-NAV Rs.	Distribution Rs.
Oct 27, 2023	100.0549	100	0.0549
Oct 28, 2023	100.0576	100	0.0576
Oct 31, 2023	100.1648	100	0.1648
Nov 01, 2023	100.0549	100	0.0549
Nov 02, 2023	100.0467	100	0.0467
Nov 03, 2023	100.0576	100	0.0576
Nov 04, 2023	100.0823	100	0.0823
Nov 07, 2023	100.1756	100	0.1756
Nov 08, 2023	100.0549	100	0.0549
Nov 09, 2023	100.0514	100	0.0514
Nov 11, 2023	100.1032	100	0.1032
Nov 14, 2023	100.157	100	0.157
Nov 15, 2023	100.0448	100	0.0448
Nov 16, 2023	100.0549	100	0.0549
Nov 17, 2023	100.0558	100	0.0558
Nov 18, 2023	100.0988	100	0.0988
Nov 21, 2023	100.1428	100	0.1428
Nov 22, 2023	100.0518	100	0.0518
Nov 23, 2023	100.0549	100	0.0549
Nov 24, 2023	100.0539	100	0.0539
Nov 25, 2023	100.0549	100	0.0549
Nov 28, 2023	100.1496	100	0.1496
Nov 29, 2023	100.0497	100	0.0497
Nov 30, 2023	100.0552	100	0.0552
Dec 01, 2023	100.0549	100	0.0549
Dec 02, 2023	100.0473	100	0.0473
Dec 05, 2023	100.1648	100	0.1648
Dec 06, 2023	100.0549	100	0.0549
Dec 07, 2023	100.0494	100	0.0494
Dec 08, 2023	100.0494	100	0.0494
Dec 09, 2023	100.0494	100	0.0494
Dec 12, 2023	100.167	100	0.167
Dec 13, 2023	100.0576	100	0.0576
Dec 14, 2023	100.0576	100	0.0576
Dec 15, 2023	100.0625	100	0.0625
Dec 16, 2023	100.0714	100	0.0714
Dec 19, 2023	100.1701	100	0.1701
Dec 20, 2023	100.0604	100	0.0604
Dec 21, 2023	100.0576	100	0.0576
Dec 22, 2023	100.0576	100	0.0576
Dec 23, 2023	100.0549	100	0.0549
Dec 27, 2023	100.2063	100	0.2063

AL HABIB MONEY MARKET FUND

Payout Date	Cum NAV Rs.	Ex-NAV Rs.	Distribution Rs.
Dec 28, 2023	100.0608	100	0.0608
Dec 29, 2023	100.0572	100	0.0572
Dec 30, 2023	100.0587	100	0.0587
Jan 02, 2024	100.1554	100	0.1554
Jan 03, 2024	100.0551	100	0.0551
Jan 04, 2024	100.0549	100	0.0549
Jan 05, 2024	100.0576	100	0.0576
Jan 06, 2024	100.0576	100	0.0576
Jan 09, 2024	100.1692	100	0.1692
Jan 10, 2024	100.0577	100	0.0577
Jan 11, 2024	100.0555	100	0.0555
Jan 12, 2024	100.0552	100	0.0552
Jan 13, 2024	100.0599	100	0.0599
Jan 16, 2024	100.1719	100	0.1719
Jan 17, 2024	100.0548	100	0.0548
Jan 18, 2024	100.0576	100	0.0576
Jan 19, 2024	100.0549	100	0.0549
Jan 20, 2024	100.0546	100	0.0546
Jan 23, 2024	100.1493	100	0.1493
Jan 24, 2024	100.0508	100	0.0508
Jan 25, 2024	100.0549	100	0.0549
Jan 26, 2024	100.0549	100	0.0549
Jan 27, 2024	100.0549	100	0.0549
Jan 30, 2024	100.1505	100	0.1505
Jan 31, 2024	100.0526	100	0.0526
Feb 01, 2024	100.0549	100	0.0549
Feb 02, 2024	100.0489	100	0.0489
Feb 03, 2024	100.0549	100	0.0549
Feb 07, 2024	100.2128	100	0.2128
Feb 08, 2024	100.0551	100	0.0551
Feb 10, 2024	100.1253	100	0.1253
Feb 13, 2024	100.1553	100	0.1553
Feb 14, 2024	100.055	100	0.055
Feb 15, 2024	100.0526	100	0.0526
Feb 16, 2024	100.0541	100	0.0541
Feb 17, 2024	100.0521	100	0.0521
Feb 20, 2024	100.1483	100	0.1483
Feb 21, 2024	100.0521	100	0.0521
Feb 22, 2024	100.0522	100	0.0522
Feb 23, 2024	100.0552	100	0.0552
Feb 24, 2024	100.0752	100	0.0752
Feb 27, 2024	100.1413	100	0.1413

AL HABIB MONEY MARKET FUND

Payout Date	Cum NAV Rs.	Ex-NAV Rs.	Distribution Rs.
Feb 28, 2024	100.0522	100	0.0522
Feb 29, 2024	100.0522	100	0.0522
Mar 01, 2024	100.0522	100	0.0522
Mar 02, 2024	100.0496	100	0.0496
Mar 05, 2024	100.1594	100	0.1594
Mar 06, 2024	100.0576	100	0.0576
Mar 07, 2024	100.0548	100	0.0548
Mar 08, 2024	100.0549	100	0.0549
Mar 09, 2024	100.0686	100	0.0686
Mar 12, 2024	100.1556	100	0.1556
Mar 13, 2024	100.055	100	0.055
Mar 14, 2024	100.0547	100	0.0547
Mar 15, 2024	100.0523	100	0.0523
Mar 16, 2024	100.0577	100	0.0577
Mar 19, 2024	100.1635	100	0.1635
Mar 20, 2024	100.0521	100	0.0521
Mar 21, 2024	100.055	100	0.055
Mar 22, 2024	100.0431	100	0.0431
Mar 23, 2024	100.0311	100	0.0311
Mar 26, 2024	100.1284	100	0.1284
Mar 27, 2024	100.0384	100	0.0384
Mar 28, 2024	100.0494	100	0.0494
Mar 29, 2024	100.0521	100	0.0521
Mar 30, 2024	100.0494	100	0.0494
Apr 02, 2024	100.1482	100	0.1482
Apr 03, 2024	100.0686	100	0.0686
Apr 04, 2024	100.0605	100	0.0605
Apr 05, 2024	100.0579	100	0.0579
Apr 06, 2024	100.0522	100	0.0522
Apr 09, 2024	100.1588	100	0.1588
Apr 10, 2024	100.0511	100	0.0511
Apr 16, 2024	100.3167	100	0.3167
Apr 17, 2024	100.0604	100	0.0604
Apr 18, 2024	100.0549	100	0.0549
Apr 19, 2024	100.0537	100	0.0537
Apr 20, 2024	100.0623	100	0.0623
Apr 23, 2024	100.165	100	0.165
Apr 24, 2024	100.0499	100	0.0499
Apr 25, 2024	100.055	100	0.055
Apr 26, 2024	100.0604	100	0.0604
Apr 27, 2024	100.0522	100	0.0522
Apr 30, 2024	100.1566	100	0.1566

AL HABIB MONEY MARKET FUND

Payout Date	Cum NAV Rs.	Ex-NAV Rs.	Distribution Rs.
May 01, 2024	100.0549	100	0.0549
May 02, 2024	100.0394	100	0.0394
May 03, 2024	100.1069	100	0.1069
May 04, 2024	100.0521	100	0.0521
May 07, 2024	100.1594	100	0.1594
May 08, 2024	100.0631	100	0.0631
May 09, 2024	100.0494	100	0.0494
May 10, 2024	100.053	100	0.053
May 11, 2024	100.0525	100	0.0525
May 14, 2024	100.1563	100	0.1563
May 15, 2024	100.0494	100	0.0494
May 16, 2024	100.0632	100	0.0632
May 17, 2024	100.0522	100	0.0522
May 18, 2024	100.0988	100	0.0988
May 21, 2024	100.1545	100	0.1545
May 22, 2024	100.0586	100	0.0586
May 23, 2024	100.0555	100	0.0555
May 24, 2024	100.0549	100	0.0549
May 25, 2024	100.0511	100	0.0511
May 27, 2024	100.1567	100	0.1567
May 28, 2024	100.0521	100	0.0521
May 29, 2024	100.0521	100	0.0521
May 30, 2024	100.0591	100	0.0591
May 31, 2024	100.0659	100	0.0659
Jun 01, 2024	100.0545	100	0.0545
Jun 03, 2024	100.1069	100	0.1069
Jun 04, 2024	100.0713	100	0.0713
Jun 05, 2024	100.0604	100	0.0604
Jun 06, 2024	100.0598	100	0.0598
Jun 07, 2024	100.0494	100	0.0494
Jun 10, 2024	100.1482	100	0.1482
Jun 11, 2024	100.0549	100	0.0549
Jun 12, 2024	100.1152	100	0.1152
Jun 13, 2024	100.0468	100	0.0468
Jun 14, 2024	100.0469	100	0.0469
Jun 20, 2024	100.2622	100	0.2622
Jun 21, 2024	100.0248	100	0.0248
Jun 24, 2024	100.1457	100	0.1457
Jun 25, 2024	100.0446	100	0.0446
Jun 26, 2024	100.0645	100	0.0645
Jun 27, 2024	100.0631	100	0.0631
Jun 28, 2024	100.0617	100	0.0617

During the period under question:

There has been no significant change in the state of affairs of the Fund. Al Habib Money Market Fund does not have any soft commission arrangement with any broker in the industry.

Sales and Redemptions of Units

During the year 604,312,035 units valued of Rs. 60.732 billion were sold, while 442,831,022 units valued Rs. 44.119 billion were redeemed, resulting in to a net sale of 161,481,013 units valued Rs. 16.612 billion.

Unit Holders Pattern

For the breakdown of unit holding by size as on June 30, 2024, please refer to note 26 of the Annual Accounts 2024.

AHMMF Performance at a Glance

	2024
Net Assets as at June 30 (Rs. in billion)	24.386Bn
NAV per unit as at June 30 (Rs.)	100.00
Distribution during the year ended June 30 (Rs.)	20.0868
Annual Return	22.14%

AL HABIB INCOME FUND
Annual Report
For the year ended June 30, 2024

FUND'S INFORMATION

Management Company

AL Habib Asset Management Limited

Board of Directors of the Management Company

Mr. Abbas D. Habib	Chairman
Mr. Mansoor Ali	Director
Mr. Imran Azim	Director
Ms. Zarin Aziz	Director
Mr. Saeed Allawala	Director
Mr. Kashif Rafi	Chief Executive Officer

Chief Financial Officer

Mr. Abbas Qurban

Company Secretary & Chief Operating Officer

Mr. Zahid Hussain Vasnani

Audit Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali	Member
Mr. Imran Azim	Member

Human Resource Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali	Member
Ms. Zarin Aziz	Member
Mr. Kashif Rafi	Member

Auditors

BDO Ebrahim & Co.
Lakson Square Building No. 1, 9th Floor,
Block C Sarwar Shaheed Rd, Civil Lines,
Karachi, Karachi City, Sindh 74200

Legal Advisor

Mohsin Tayebaly & Co.
Barristers & Advocates,
2nd Floor, DIME Centre, BC-4,
Block 9, Kehkashan, Clifton, Karachi.

Trustee

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block 'B', S.M.C.H.S.,
Main Shahra-e-Faisal, Karachi.

Rating

AA (f) Fund Stability Rating Rating by PACRA
AM2++ Management Company Quality Rating
Assigned by PACRA.

Bankers to the Fund

Bank AL Habib Limited
Bank Alfalah Limited
Allied Bank Limited
JS bank Limited

Registered Office: 3rd Floor, Mackinnon's Building, I.I. Chundrigar Road, Karachi.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S. Main Shakra-e-Faisal
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



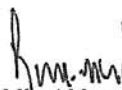
TRUSTEE REPORT TO THE UNIT HOLDERS

AL HABIB INCOME FUND

Report of the Trustee pursuant to Regulation 41(h) and Clause 8 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 AL Habib Income Fund (the Fund) are of the opinion that AL Habib Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2024 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) 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.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 27, 2024





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INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF AL HABIB INCOME FUND

Report on the audit of the financial statements

Opinion

We have audited the financial statements of AL Habib Income Fund ("the Fund"), which comprise the statement of assets and liabilities as at June 30, 2024, and the income statement, statement of comprehensive income, statement of cash flows and statement of movement in unit holders' fund for the year ended June 30, 2024, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at June 30, 2024, and its financial performance and its cash flows for the year June 30, 2024 in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for opinion

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

Key Audit Matters

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

Following are the Key audit matters:

S.NO	Key audit matter(s)	How the matter was addressed in our audit
1.	Existence and valuation of investments As disclosed in note 6 to the financial statements of the Fund for the year June 30, 2024, the Fund has investments classified as "Fair value through profit or loss" amounting to Rs. 6,574.907 million representing 96.12% of the net assets value of the Fund.	Our audit procedures included the following: • We evaluated the design and implementation of key controls of investment and tested controls over acquisition, disposals and year end valuation of investments portfolio.



S.NO	Key audit matter(s)	How the matter was addressed in our audit
	As these investments represent a significant element of the statement of assets and liabilities, a discrepancy in the valuation or existence of investments could cause the NAV to be materially misstated which would also impact the Fund's reported performance as the valuation of investments is the main driver of movements in the performance of the Fund. In view of the significance of these investments in relation to the total assets and the NAV of the Fund, we have considered the existence and valuation of such investments as a key audit matter.	- We performed substantive audit procedures on year-end balance of investment portfolio including review of custodian's statement, and related reconciliations and re-performance of debt instruments valuations on the basis of prices the Mutual Fund Association of Pakistan (MUFAP) as at June 30, 2024 and matching the valuation of investment with that appearing in the financial statements. - We assessed the Fund's compliance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) in relation to the concentration of investments and exposure limits prescribed in such Regulations and reviewed the adequacy of disclosures as may be applicable in situations of non-compliance.

Information other than the financial statements and auditor's report thereon

The Management Company is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management Company and its Board of Directors

The Management Company ("Al Habib Asset Management Limited") of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and accounting and reporting 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.



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

The Management Company is responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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



We also provide the Board of Directors of the Management Company 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 the Board of Directors of the Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current year 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.

Report on other legal and regulatory requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in accordance with the relevant provisions of the Trust Deed, NBFC Rules and NBFC Regulations.

Other matter

The financial statements of the Fund for the year ended June 30, 2023 were audited by another firm of Chartered Accountants, who vide their report dated September 28, 2023 issued an unqualified opinion thereon.

The engagement partner on the audit resulting in this independent auditor's report is Tariq Feroz Khan.

KARACHI

DATED: August 30, 2024

UDIN: AR202410166c8Svimz7N

BDO EBRAHIM & CO.
bdo CHARTERED ACCOUNTANTS

BDO Ebrahim & Co. Chartered Accountants

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STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2024

		2024	2023
	Note	----- (Rupees in '000) -----	
Assets			
Bank balances	5	373,946	8,739
Investments	6	6,574,907	2,865,683
Profit receivable	7	140,278	56,920
Advances, deposits and other receivables	8	3,445	3,316
Total assets		7,092,576	2,934,658
Liabilities			
Payable to AL Habib Asset Management Limited - Management Company	9	16,982	2,821
Provision for Federal Excise Duty on remuneration of the Management Company	10	8,746	8,746
Payable to Central Depository Company of Pakistan Limited - Trustee	11	449	203
Payable to Securities and Exchange Commission of Pakistan	12	397	519
Payable against redemption of units		161,642	-
Accrued expenses and other liabilities	13	64,180	17,837
Total liabilities		252,396	30,126
Net assets		6,840,180	2,904,532
Unit holders' Fund (as per statement attached)		6,840,180	2,904,532
Contingencies and commitments	14		
		(Number of Units)	
Number of units in issue	15	67,234,210	28,690,689
		(Rupees)	
Net asset value per unit		101.74	101.24

The annexed notes 1 to 32 form an integral part of these financial statements.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2024

Income	Note	2024 ----- (Rupees in '000) -----	2023
Profit on bank deposits	16	97,057	49,654
Profit on investments		1,017,501	375,472
Profit on term deposit receipt		6,721	3,062
Income from Margin Trading System		-	-
Realised (loss) / gain on sale of investments - net		(21,606)	23,152
Unrealised diminution on re-measurement of investments classified at 'fair value through profit or loss' - net		(3,611)	(7,835)
		(25,217)	15,317
Total income		1,096,062	443,505
Expenses			
Remuneration of AL Habib Asset Management Limited - Management Company		66,861	21,607
Sindh Sales Tax on Management Company's remuneration		8,692	2,809
Expense allocated by the Management Company		3,616	4,304
Remuneration of Central Depository Company of Pakistan Limited - Trustee		3,776	1,947
Sindh Sales tax on Trustee's remuneration		491	253
Annual fee to Securities and Exchange Commission of Pakistan		3,776	519
Brokerage expense		1,097	343
Settlement and bank charges		400	321
Annual listing fee		25	25
Auditor's remuneration	17	502	543
Mutual fund rating fee		558	557
Printing charges		65	65
Fees and subscription		141	126
Other expense		-	3
Total expenses		90,000	33,422
Net income for the period before taxation		1,006,062	410,083
Taxation	18	-	-
Net income for the year after taxation		1,006,062	410,083
Allocation of net income for the year after taxation			
Net income for the year after taxation		1,006,062	410,083
Income already paid on units redeemed		(578,130)	(151,877)
		427,932	258,206
Accounting Income available for distribution:			
- Relating to capital gains		-	23,152
- Excluding capital gains		427,932	235,054
		427,932	258,206

The annexed notes 1 to 32 form an integral part of these financial statements.

**For AL Habib Asset Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

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

	2024	2023
	----- (Rupees in '000) -----	
Net income for the year after taxation	1,006,062	410,083
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>1,006,062</u>	<u>410,083</u>

The annexed notes 1 to 32 form an integral part of these financial statements.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	2024			2023		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	----- (Rupees in '000) -----					
Net assets at beginning of the year	2,864,876	39,656	2,904,532	1,602,042	16,775	1,618,817
Issuance of 215,324,480 units (2023: 135,977,745)						
- Capital value	21,798,589	-	21,798,589	13,735,112	-	13,735,112
- Element of income	1,257,100	-	1,257,100	227,948	-	227,948
Amount received / receivable on issuance of units	23,055,689	-	23,055,689	13,963,060	-	13,963,060
Redemption of 176,780,959 units (2023: 123,313,034)						
- Capital value	(17,896,597)		(17,896,597)	(12,455,850)		(12,455,850)
- Element of loss	(510,130)	(578,130)	(1,088,260)	(44,482)	(151,877)	(196,359)
Amount paid / payable on redemption of units	(18,406,727)	(578,130)	(18,984,857)	(12,500,332)	(151,877)	(12,652,209)
Total comprehensive income for the year	-	1,006,062	1,006,062	-	410,083	410,083
interim distribution for the year ended June 30, 2024:	(744,076)	(397,170)	(1,141,246)	(199,894)	(235,325)	(435,219)
Net income for the year less distribution	(744,076)	608,892	(135,184)	(199,894)	174,758	(25,136)
Net assets at end of the year	6,769,762	70,418	6,840,180	2,864,876	39,656	2,904,532
Undistributed income brought forward						
- Realised gain		47,491			15,552	
- Unrealised loss		(7,835)			1,223	
		39,656			16,775	
Accounting income available for distribution						
- Relating to capital gains		-			23,152	
- Excluding capital gains		427,932			235,054	
		427,932			258,206	
interim distribution for the year ended June 30, 2024:						
Rs. 21.3177/- per units (2023: Rs. 16.0553/- per unit declared)		(397,170)			(235,325)	
Undistributed income carried forward		70,418			39,656	
Undistributed income carried forward comprises of						
- Realised gain		74,029			47,491	
- Unrealised gain / (loss)		(3,611)			(7,835)	
		70,418			39,656	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the year		101.24			101.01	
Net assets value per unit at end of the year		101.74			101.24	

The annexed notes 1 to 32 form an integral part of these financial statements.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year before taxation	1,006,062	410,083
Adjustments for:		
Unrealised diminution on re-measurement of investments classified at 'fair value through profit or loss' - net	3,611	7,835
	<u>1,009,673</u>	<u>417,918</u>
(Increase) / decrease in assets		
Investments - net	(3,712,835)	(2,629,934)
Profit receivable	(83,358)	(31,269)
Advances, deposits and other receivables	(129)	1,626
	<u>(3,796,322)</u>	<u>(2,659,577)</u>
Increase / (decrease) in liabilities		
Payable to AL Habib Asset Management Limited - Management Company	14,161	2,090
Payable to Central Depository Company of Pakistan Limited - Trustee	246	75
Payable to Securities and Exchange Commission of Pakistan	(122)	176
Payable against redemption of units	161,642	1
Accrued expenses and other liabilities	46,343	2,606
	<u>222,270</u>	<u>4,948</u>
Net cash used in operating activities	<u>(2,564,379)</u>	<u>(2,236,711)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	23,055,689	13,963,060
Payment on redemption of units	(18,984,857)	(12,652,209)
Dividend paid during the year	(1,141,246)	(435,219)
Net cash generated from financing activities	<u>2,929,586</u>	<u>875,632</u>
Net increase in cash and cash equivalents	<u>365,207</u>	<u>(1,361,079)</u>
Cash and cash equivalents at beginning of the year	8,739	1,369,818
Cash and cash equivalents at end of the year	<u>373,946</u>	<u>8,739</u>

The annexed notes 1 to 32 form an integral part of these financial statements.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** AL Habib Income Fund (the Fund) was established under a Trust Deed executed between AL Habib Asset Management Limited (AHAML) as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on 6 September 2006 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on 3 August 2006 under Regulation 67 of the Non- banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).
- 1.2** The Management Company of the Fund has been licensed to undertake Asset Management Services as Non Banking Finance Company under the NBFC Rules by the SECP. The registered office of the Management Company is situated at 3rd Floor, MacKinnon's Building, I.I. Chundrigar Road, Karachi, Pakistan.
- 1.3** The Fund is an open-end mutual fund and is listed on Pakistan Stock Exchange. Units are offered for public subscription on a continuous basis. Units are transferable and can be redeemed by surrendering them to the Fund at the option of the unit holder.
- 1.4** The Fund has been formed to provide reasonable rate of return consistent with reasonable concern for safety of principal amount to the unit holders, along with facility to join or leave the Fund at their convenience. The management team would seek to enhance returns through active portfolio management using efficiency tools.
- 1.5** Pakistan Credit Rating Agency (PACRA) has assigned asset management rating of 'AM2+' to the Management Company and the Fund respectively on August 12, 2023.
- 1.6** Title of the assets of the Fund is held in the name of Central Depository Company (CDC) as a trustee of the Fund.
- 1.7** The Fund is registered under the Sindh Trusts Act, 2020, after the promulgation of Provincial Trust Act.

2 BASIS OF PREPARATION

2.1 Statement of compliance

- 2.1.1** These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

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

2.2 Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is the functional and presentation currency.

2.3 Basis of measurement

These financial statements have been prepared under the historical cost convention except that investments are required to be stated at fair value.

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of approved accounting standards, as applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material judgment in the next year are as follows:

Classification and valuation of investment

For details please refer notes 4.2.2.1 and 6 to these financial statements.

Impairment of investment

For details please refer note 4.2.2.2 to these financial statements.

3 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

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

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

	"Effective date (annual periods beginning on or after)"
"Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 Making Materiality Judgements- Disclosure of Accounting Policies"	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	January 01, 2023

The Company adopted the narrow-scope amendments to the International Accounting Standard (IAS) 1, Presentation of Financial Statements which have been effective for annual reporting periods beginning on or after 1 January 2023. Although the amendments did not result in any changes to accounting policy themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting the Company to provide useful entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and updates to the information disclosed in Note 4 Material accounting policies (2023: Significant accounting policies) in certain instances in line with the amendments and concluded that all its accounting policies are material for disclosure.

3.2 New accounting standards, amendments and 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, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

The Company adopted the narrow-scope amendments to the International Accounting Standard (IAS) 1, Presentation of Financial Statements which have been effective for annual reporting periods beginning on or after 1 January 2023. Although the amendments did not result in any changes to accounting policy themselves, they impacted the accounting policy information disclosed in the financial statements.

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	"Effective date (annual periods beginning on or after)"
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
IFRS 17 Insurance Contracts	January 01, 2026
IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).	
IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.	
IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.	
IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2026.	

4 SUMMARY OF MATERIAL ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below.

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.

4.2 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

4.2.1 Financial Assets

Financial assets are classified in appropriate category at amortized cost, fair value through comprehensive income and fair value through profit and loss. The Management determines the classification of financial assets in appropriate category based on fund's business model, managing the financial assets and the contractual terms of cashflows.

4.2.2 Initial recognition and measurement

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

4.2.2.1 Classification**Debt Instruments****Amortized cost**

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

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

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Fair value through profit or loss

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial assets:

Debt investments at amortized cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest / markup income and impairment are recognized in income statement.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in income statement. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to income statement.

Debt investments at FVTPL

These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method and impairment are recognized in income statement.

4.2.2.2 Impairment of financial assets

IFRS 9 requires an expected credit loss model which requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

However, SECP through its SCD/AMCW/RS/MUFAP/2017-148 dated 21 November 2017 have deferred the applicability of above impairment requirements in relation to debt securities for mutual funds and accordingly, basis defined in Circular No. 33 of 2012 dated, 24 October 2012 have been followed.

4.2.2.3 Regular way contracts

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

4.2.2.4 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.

4.2.2.5 Offsetting of financial instruments

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

4.2.3 Financial liabilities

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

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

4.3 Provisions

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

4.4 Taxation

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 the form of cash among the unit holders. Provided that, for the purpose of determining distribution of at least ninety percent of its accounting income for the year, the income distributed through bonus units shall not be taken into account.

The Fund intends to continue availing the tax exemption in future years by distributing at least ninety percent of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders every year. Accordingly, no tax liability or deferred tax has been recognised in these financial statements.

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.

4.5 Proposed distributions

Distributions declared subsequent to the reporting date are considered as non-adjusting events and are not recognised before the reporting date.

4.6 Issuance and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the application received during business hours on that day. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load and provision of any duties and charges if applicable. The sales load is payable to the Management Company / Distributors as processing fee.

Units redeemed are recorded at the redemption price applicable to units for which the Management Company receives redemption application during business hours of that day. The redemption price shall be equal to NAV as of the close of the business day, less an amount as the Management Company may consider to be an appropriate provision of duties and charges as processing fee.

4.7 Element of income

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 year. Element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

4.8 Net asset value - per unit

The net asset value per unit disclosed in the Statement of Assets and Liabilities is calculated by dividing the net assets of the Fund by the number of units in issue at the year end.

4.9 Revenue recognition

- Mark-up on deposits with banks and mark-up / return on investments in debt securities are recognized using effective yield method.
- Dividend income is recognized when the right to receive dividend is established i.e. on the date of book closure of the investee company / institution declaring the dividend.
- Realized capital gains / (loss) arising on sale of investments are recognized when the risk and rewards are transferred.
- Unrealized Gains / Loss recognized on mark to market investments classified as ' financial assets at fair value through profit or loss'

	Note	2024 ----- (Rupees in '000) -----	2023
5 BANK BALANCES			
In current accounts	5.1 &	9,378	4,483
In savings accounts	5.2	364,568	4,256
		<u>373,946</u>	<u>8,739</u>

5.1 These carries profit ranging from 19.25% to 21.50% (30 June 2023: 18.00% to 20.50%) per annum.

5.2 It includes balance of Rs 338.28 million (June 30, 2023: Rs 6.26 Million) with Bank Al Habib Limited, a related party.

6 INVESTMENTS

At fair value through profit or loss

Government securities			
- Market Treasury Bills	6.1	2,640,361	1,342,920
- Pakistan Investment Bonds	6.2	3,794,558	1,259,695
- GOP Ijarah Sukuks	6.3	54,963	175,000
Sukuk Certificates	6.4	25,325	28,002
Term Finance Certificates	6.5	59,700	60,066
		<u>6,574,907</u>	<u>2,865,683</u>

AL HABIB INCOME FUND

6.1 Government securities - Market Treasury Bills

Description	As at July 01 2023	Purchased during the year	Sold during the year	As at June 30 2024	Carrying value	Market value	Unrealised appreciation / (diminution)	Market value as a percentage of net assets	Market value as a percentage of total investments
Treasury bills	(Number of units)				(Rupees in '000)		%		
T- BILL 03 MONTHS (20-04-2023)	1,410,000	-	1,410,000	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (02-05-2024)	-	5,000,000	5,000,000	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (02-11-2023)	-	5,000,000	5,000,000	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (05-10-2023)	-	2,500,000	2,500,000	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (07-09-2023)	-	17,501,500	17,501,500	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (10-08-2023)	-	3,500,000	3,500,000	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (11-01-2024)	-	6,250,000	6,250,000	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (13-06-2024)	-	5,000,000	-	5,000,000	482,724	482,392	(332)	7.05%	7.34%
T- BILL 03 MONTHS (13-07-2023)	-	5,000,000	5,000,000	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (14-12-2023)	-	5,000,000	5,000,000	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (15-06-2023)	10,850,000	21,530,000	32,380,000	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (16-05-2024)	-	5,000,000	5,000,000	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (16-11-2023)	-	5,000,000	5,000,000	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (18-04-2024)	-	5,000,000	2,700,000	2,300,000	228,701	228,710	9	3.34%	3.48%
T- BILL 03 MONTHS (19-10-2023)	-	2,500,000	2,500,000	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (21-03-2024)	-	8,650,000	8,650,000	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (21-09-2023)	-	38,650,000	38,650,000	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (22-06-2023)	-	7,600,000	7,600,000	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (25-07-2023)	-	11,350,000	11,350,000	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (30-05-2024)	-	5,000,000	5,000,000	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (30-11-2023)	-	6,505,000	6,505,000	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (07-03-2024)	-	8,750,000	8,750,000	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (22-02-2024)	-	3,047,150	3,047,150	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (04-04-2024)	-	39,790,000	39,790,000	-	-	-	-	0.00%	0.00%
T- BILL 06 MONTHS (02-11-2023)	-	5,000,000	5,000,000	-	-	-	-	0.00%	0.00%
T- BILL 06 MONTHS (13-06-2024)	-	5,000,000	5,000,000	-	-	-	-	0.00%	0.00%
T- BILL 06 MONTHS (15-06-2023)	1,785,000	5,000,000	6,785,000	-	-	-	-	0.00%	0.00%
T- BILL 06 MONTHS (16-11-2023)	-	8,320,000	8,320,000	-	-	-	-	0.00%	0.00%
T- BILL 06 MONTHS (28-12-2023)	-	11,000,000	11,000,000	-	-	-	-	0.00%	0.00%
T- BILL 06 MONTHS (30-05-2024)	-	5,000,000	5,000,000	-	-	-	-	0.00%	0.00%
T- BILL 06 MONTHS (30-11-2023)	-	6,250,000	6,250,000	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (02-05-2024)	-	15,000,000	10,000,000	5,000,000	430,281	430,525	244	6.29%	6.55%
T- BILL 12 MONTHS (02-11-2023)	-	9,750,000	9,750,000	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (09-02-2023)	-	1,150	1,150	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (11-01-2024)	-	21,500,000	18,500,000	3,000,000	271,471	271,598	127	3.97%	4.13%
T- BILL 12 MONTHS (13-06-2024)	-	5,000,000	5,000,000	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (13-07-2023)	-	36,500,000	31,500,000	5,000,000	424,797	424,098	(699)	6.20%	6.45%
T- BILL 12 MONTHS (16-05-2024)	-	15,000,000	10,000,000	5,000,000	428,057	428,431	374	6.26%	6.52%
T- BILL 12 MONTHS (16-11-2023)	-	8,500,000	8,500,000	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (19-10-2023)	-	29,590,000	29,590,000	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (22-06-2023)	-	28,000	28,000	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (27-03-2023)	-	5,000,000	5,000,000	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (28-12-2023)	-	8,110,000	4,000,000	4,110,000	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (30-05-2024)	-	5,000,000	5,000,000	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (30-11-2023)	-	15,305,000	15,305,000	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (14-12-2023)	-	2,000,000	2,000,000	-	374,444	374,607	163	5.48%	5.70%
Total as at June 30, 2024	14,045,000	444,977,800	429,612,800	29,410,000	2,640,475	2,640,361	(114)		
Total as at June 30, 2023					1,345,077	1,342,920	(2,157)		

6.1.1 These carries markup ranging from 18.85% - 22.89% (2023 14.75% - 21.73%)

6.2 Government securities - Pakistan Investment Bonds

Description	As at July 01 2023	Purchased during the year	Sold during the year	As at June 30 2024	Carrying value	Market value	Unrealised appreciation / (diminution)	Market value as a percentage of net assets	Market value as a percentage of total investments
	(Number of units)				(Rupees in '000)			%	
PIB 2 YEARS (30-12-2021) - FLOATER	-	4,850	4,850	-	-	-	-	0.00%	0.00%
PIB 5 YEARS (13-10-2022) - FIXED	-	-	-	-	-	-	-	0.00%	0.00%
PIB 3 YEARS (09-02-2023) - FLOATER	7,500	-	7,500	-	-	-	-	0.00%	0.00%
PIB 3 YEARS (08-09-2022) - FLOATER	-	20,000	10,000	10,000	987,463	987,700	237	14.44%	15.02%
PIB 3 YEARS (04-08-2022) - FIXED	3,400	-	3,400	-	-	-	-	0.00%	0.00%
PIB 2 YEARS (06-04-2023) - FLOATER	2,500	10,356	6,756	6,100	607,523	604,144	(3,379)	8.83%	9.19%
PIB 2 YEARS (26-08-2021) - FLOATER	-	-	-	-	-	-	-	0.00%	0.00%
PIB 5 YEARS (06-05-2021) - FLOATER	-	-	-	-	-	-	-	0.00%	0.00%
PIB 03 YEARS (04-07-2023) - FIXED	-	7,945	5,070	2,875	266,854	264,154	(2,700)	3.86%	4.02%
PIB 03 YEARS (19-10-2023) - FLOATER	-	12,000	12,000	-	-	-	-	0.00%	0.00%
PIB 03 YEARS (21-09-2023) - FLOATER	-	10,900	10,900	-	-	-	-	0.00%	0.00%
PIB 05 YEARS (06-04-2023) - FLOATER	-	4,000	4,000	-	-	-	-	0.00%	0.00%
PIB 05 YEARS (14-12-2023) - FLOATER	-	3,000	3,000	-	-	-	-	0.00%	0.00%
PIB 05 YEARS (17-11-2022)	-	24,000	12,000	12,000	1,165,698	1,165,920	222	17.05%	17.73%
PIB 05 YEARS (18-04-2024) - FLOATER	-	20,000	12,000	8,000	771,172	772,640	1,468	11.30%	11.75%
PIB 05 YEARS (19-10-2023) - FLOATER	-	3,000	3,000	-	-	-	-	0.00%	0.00%
PIB 10 YEARS (18-06-2020) FLOATER	-	14,180	14,180	-	-	-	-	0.00%	0.00%
PIB 2 YEAR (08-09-2022) - FORTNIGHTLY RESET	-	227,570	227,570	-	-	-	-	0.00%	0.00%
PIB 2 YEAR (21-09-2023) - FORTNIGHTLY RESET	-	8,000	8,000	-	-	-	-	0.00%	0.00%
PIB 3 YEARS (07-10-2021) - FLOATER	-	30,000	30,000	-	-	-	-	0.00%	0.00%
Total as at June 30, 2024					3,798,710	3,794,558	(4,152)		
Total as at June 30, 2023					1,264,129	1,259,695	(4,434)		

6.2.1 These carries markup ranging from 10.00% - 23.39% (2023 10.00% - 13.19%)

6.3 GOP Ijarah Sukkuks

Description	As at July 01 2023	Purchased during the year	Sold during the year	As at June 30 2024	Carrying value	Market value	Unrealised appreciation / (diminution)	Market value as a percentage of net assets	Market value as a percentage of total investments
	(Number of units)				(Rupees in '000)			%	
GOP IJARA SUKUK 1 YEAR FRR (26-06-2023)	500	-	500	-	-	-	-	0.00%	0.00%
GOP IJARA SUKUK 1 YEAR VRR (26-06-2023)	1,250	-	1,250	-	-	-	-	0.00%	0.00%
GOP IJARA SUKUK - 1 YEAR VRR (17-04-2023)	-	14,500	14,500	-	-	-	-	0.00%	0.00%
GOP IJARA SUKUK 1 YEAR FRR (07-08-2023)	-	750	750	-	-	-	-	0.00%	0.00%
GOP IJARA SUKUK 1 YEAR VRR (07-08-2023)	-	5,500	5,500	-	-	-	-	0.00%	0.00%
GOP IJARA SUKUK 1 YEAR VRR (20-09-2023)	-	1,250	1,250	-	-	-	-	0.00%	0.00%
GOP IJARA SUKUK 3 YEAR VRR (24-01-2024)	-	12,000	1,062	10,938	54,692	54,963	271	0.80%	0.84%
Total as at June 30, 2024					54,692	54,963	271		
Total as at June 30, 2023					175,000	175,000	-		

6.4 Sukuk Certificates

Description	As at July 01 2023	Purchased during the year	Sold during the year	As at June 30 2024	Carrying value	Market value	Unrealised appreciation / (diminution)	Market value as a percentage of net assets	Market value as a percentage of total investments
	(Number of units)				(Rupees in '000)			%	
Unquoted									
Ghani Gases Limited- Sukuk (2-2-2017) (certificates of Rs. 100,000 each)	250	-	250	-	-	-	-	0.00%	0.00%
Meezan Bank Ltd. - Sukuk (09-01-20)	25	-	-	25	24,823	25,325	502	0.37%	0.39%
Total as at June 30, 2024					24,823	25,325	502		
Total as at June 30, 2023					28,668	28,002	(666)		

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6.4.1 These carries markup ranging from 17.98% - 23.87% (2023 17.98% - 22.05%)

6.5 Term Finance Certificates

Description	As at July 01 2023	Purchased during the year	Sold during the year	As at June 30 2024	Carrying value	Market value	Unrealised appreciation / (diminution)	Market value as a percentage of net assets	Market value as a percentage of total investments
	(Number of units)				(Rupees in '000)			%	
Askari Bank Limited-TFC VII (17-03-2020) (certificates of Rs. 100,000 each)	60	-	-	60	59,818	59,700	(118)	0.87%	0.91%
Total as at June 30, 2024					59,818	59,700	(118)		
Total as at June 30, 2023					60,645	60,066	(579)		

6.5.1 These carries markup ranging from 18.18% - 22.52% (2023 17.98% - 22.05%)

	Note	2024 ---- (Rupees in '000) ----	2023
7 PROFIT RECEIVABLE			
Receivable on debt securities		133,752	53,658
Bank deposits	7.1	6,526	3,262
		<u>140,278</u>	<u>56,920</u>

7.1 This includes Rs. 6.23 million (2023 Rs. 0.6 million) receivable from Bank AL Habib Limited a related party.

8 ADVANCES, DEPOSITS AND OTHER RECEIVABLES

Advance tax	8.1	1,979	1,966
Deposits with:			
Central Depository Company of Pakistan Limited		100	100
NCCPL against Margin Trading System		250	250
National Clearing Company of Pakistan Limited		1,000	1,000
Other receivables		116	-
		<u>3,445</u>	<u>3,316</u>

8.1 The income of the Fund is exempt from tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 (ITO 2001). Further, the Fund is exempt under clause 47(B) of Part IV of Second Schedule to the ITO 2001 from withholding of tax under section 150, 150A, 151 and 233 of ITO 2001. The Federal Board of Revenue through a circular "C.No.1 (43) DG (WHT)/2008-Vol.II- 66417-R" dated 12 May 2015 made it mandatory to obtain exemption certificates under section 159 (1) of the ITO 2001 from Commissioner Inland Revenue (CIR). Prior to receiving tax exemption certificate(s) from CIR various withholding agents have deducted advance tax under section 150, 150A and 151 of ITO 2001.

9 PAYABLE TO AL HABIB ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY

Remuneration payable to the Management	9.1	12,886	1,909
Sindh Sales Tax on Management Company's	9.2	1,675	248
Re-imburement to CIS maximum upto 0.1%	9.3	2,421	664
		<u>16,982</u>	<u>2,821</u>

9.1 As per the amendments made in the NBFC Regulations, 2008 vide SRO 639 (1) I 2019 dated 20 June 2019, the Management Company has set and disclosed in the offering document the maximum rate of fee chargeable to Collective Investment Scheme within allowed expense ratio, the Management Company of the Fund is entitled to an accrued remuneration equal to an amount not exceeding 10% of gross earnings of the Fund. The Management has charged its remuneration at rate ranging from 0% to 10% of the gross earnings of the Fund, which is within the allowed expense ratio limit. The remuneration is paid to the Management Company on monthly basis in arrears.

- 9.2** Sindh Sales Tax has been charged at 13% (2023: 13%) on the management company's remuneration charged during the year.
- 9.3** As per Regulation 60(3)(s) of NBFC Regulations, fees and expenses related to registrar services, accounting, operation and valuation services related to Collective Investment Scheme (CIS) are chargeable to the CIS.

10 PROVISION FOR FEDERAL EXCISE DUTY ON REMUNERATION OF THE MANAGEMENT COMPANY

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 been 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 Fund 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, the tax authorities subsequently filed appeal against the decision of 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 provincial sales tax. Therefore, in the current year, provision for FED has not been recorded.

However, since the appeal is pending in the Supreme Court of Pakistan, 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. 8.746 million. Had the provision not been made, NAV per unit of the Fund as at 30 June 2024 would have been higher by Rs. 0.13 (2023: Rs. 0.30) per unit.

		2024	2023
	Note	---- (Rupees in '000) ----	
11 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE			
Trustee fee payable	11.1	397	180
Sindh Sales Tax on remuneration of the Trustee	11.2	52	23
		<u>449</u>	<u>203</u>

- 11.1** The Trustee is entitled to a remuneration for services rendered to the Fund under the provisions of the Trust Deed based on the daily Net Asset Value of the Fund. The remuneration of the Trustee during the year 0.075% (2023: 0.075%) of net assets per annum.

- 11.2** Sindh Sales Tax has been charged at 13% (2023: 13%) on the Trustee's remuneration charged during the year.

12 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN - (SECP)

Annual fee payable	12.1	<u>397</u>	<u>519</u>

- 12.1** This represents annual fee payable to Securities and Exchange Commission of Pakistan (SECP) in accordance with regulation 62 of the NBFC Regulations. The fee of the SECP Charged during the year at 0.075% (2023: 0.075%) of net assets.

13 ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors' remuneration		530	511
Others		63,650	17,326
		<u>64,180</u>	<u>17,837</u>

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14 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at June 30, 2024 (2023: Nil).

	Note	2024 ----- (Rupees in '000) -----	2023
15 NUMBER OF UNITS IN ISSUE			
Total units in issue at the beginning of the year		28,690,689	16,025,978
Add: Units issued during the year		215,324,480	135,977,745
Less: Units redeemed during the year		(176,780,959)	(123,313,034)
Total units in issue at the end of the year		<u>67,234,210</u>	<u>28,690,689</u>

16 PROFIT ON BANK DEPOSITS

Savings accounts	16.1	<u>97,057</u>	<u>49,654</u>

16.1 This includes profit on bank deposits with Bank AL Habib Limited, a related party of Rs.84.952 million (2023: Rs. 43.896 million).

17 AUDITOR'S REMUNERATION

Annual audit fee	299	314
Half yearly review fee	148	184
Out of pocket expenses	55	45
	<u>502</u>	<u>543</u>

18 TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute atleast 90 percent of the net accounting income other than capital gains to the unit holders. The Fund has not recorded any tax liability in respect of income relating to the current year as the management intends to distribute in cash atleast 90 percent of the Fund's accounting income for the year ending June 30, 2024 as reduced by capital gains (whether realised or unrealised) to its unit holders.

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.

19 Earnings per unit (EPU)

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

20 FINANCIAL INSTRUMENTS BY CATEGORY

Particulars	----- As at June 30, 2024 -----		
	Fair value through profit or loss	Amortised cost	Total
	----- Rupees in '000 -----		
Financial assets			
Bank balances	-	373,946	373,946
Investments			
Market Treasury Bills	2,640,361		2,640,361
Pakistan Investment Bonds	3,794,558		3,794,558
GOP Ijarah Sukuks	54,963		54,963
Sukuk Certificates	25,325		25,325
Term Finance Certificates	59,700		59,700
Profit receivable		140,278	140,278
Advance and deposits		3,445	3,445
	6,574,907	517,669	7,092,576

Particulars	----- As at June 30, 2024 -----		
	Fair value through profit or loss	Amortised cost	Total
	----- Rupees in '000 -----		
Financial Liabilities			
Payable to AL Habib Asset Management Limited - Management Company		16,982	16,982
Payable to Central Depository Company of Pakistan Limited - Trustee		449	449
Payable to Securities and Exchange Commission of Pakistan (SECP)		397	397
Payable against redemption of units		161,642	161,642
Accrued expenses and other liabilities		64,180	64,180
	-	243,650	243,650

Particulars	----- As at June 30, 2023 -----		
	Fair value through profit or loss	Amortised cost	Total
	----- Rupees in '000 -----		
Financial assets			
Bank balances	-	8,739	8,739
Investments			
Market Treasury Bills	1,342,920		1,342,920
Pakistan Investment Bonds	1,259,695		1,259,695
GOP Ijarah Sukkuks	175,000		175,000
Sukuk Certificates	28,002		28,002
Term Finance Certificates	60,066		60,066
Profit receivable		56,920	56,920
Advance, deposits and other receivable		3,316	3,316
	2,865,683	68,975	2,934,658

Particulars	----- As at June 30, 2023 -----		
	Fair value through profit or loss	Amortised cost	Total
	----- Rupees in '000 -----		
Financial Liabilities			
Payable to AL Habib Asset Management Limited - Management Company		2,821	2,821
Payable to Central Depository Company of Pakistan Limited - Trustee		203	203
Payable to Securities and Exchange Commission of Pakistan (SECP)		519	519
Payable against redemption of units		-	-
Accrued expenses and other liabilities		17,837	17,837
		21,380	21,380

AL HABIB INCOME FUND

21 TRANSACTIONS AND BALANCES WITH RELATED/ CONNECTED PERSONS

- 21.1** Related party/ Connected persons include AL Habib Asset Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, other Collective Investment Schemes managed by the Management Company, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of Fund and the directors and officers of the Management Company and the Trustee and unit holders holding Ten percent or more units of the Fund.
- 21.2** The transactions with connected persons are in the normal course of business, at contracted terms determined in accordance with the market rates.
- 21.3** Remuneration to the Management Company and the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.
- 21.4** The details of significant transactions carried out by the Fund with connected persons and balances with them at the end of reporting year are as follows:

S.No	Company Name	Relationship
1	AL Habib Asset Management Limited	Management Company
2	Bank AL Habib Limited	Parent company of Bank AL Habib Limited
3	AL Habib Capital Market (Private) Limited	Subsidiary company of Bank AL Habib Limited
4	AL Habib Stock Fund	Managed by AL Habib Asset Management Ltd
5	AL Habib Islamic Income Fund	Managed by AL Habib Asset Management Ltd
6	AL Habib Islamic Stock Fund	Managed by AL Habib Asset Management Ltd
7	AL Habib Asset Allocation Fund	Managed by AL Habib Asset Management Ltd
8	AL Habib Cash Fund	Managed by AL Habib Asset Management Ltd
9	AL Habib Money Market Fund	Managed by AL Habib Asset Management Ltd
10	AL Habib Islamic Cash Fund	Managed by AL Habib Asset Management Ltd
11	AL Habib Islamic Saving Fund	Managed by AL Habib Asset Management Ltd
12	AL Habib Government Securities Fund	Managed by AL Habib Asset Management Ltd
13	AL Habib Pension Fund	Managed by AL Habib Asset Management Ltd
14	AL Habib Islamic Pension Fund	Managed by AL Habib Asset Management Ltd
15	AL Habib Fixed Return Fund	Managed by AL Habib Asset Management Ltd
16	AL Habib Islamic Munafa Fund	Managed by AL Habib Asset Management Ltd
17	AL Habib GOKP Pension Fund	Managed by AL Habib Asset Management Ltd
18	AL Habib GOKP Islamic Pension Fund	Managed by AL Habib Asset Management Ltd
19	Central depository Company	Trustee

Connected persons include directors and officers of the above entities as at June 30,2024 and staff retirement benefit funds of the above companies.

Details of transactions with connected persons / related parties are as follows:

	2024	2023
	---- (Rupees in '000) ----	
AL Habib Asset Management Limited - Management Company		
- Management fee	66,861	21,607
- Sales tax	8,692	2,809
- Allocated Expenses	3,616	4,304
- Dividend paid	16,967	92,215
Bank AL Habib Limited		
- Profit on bank deposits	84,952	43,896
- Dividend paid	41,154	61,736
Central Depository Company of Pakistan Limited - Trustee		
- Remuneration to the Trustee	3,776	1,947
- Sales tax	491	253

	2024	2023
	---- (Rupees in '000) ----	
Details of the balances with connected persons as at year end are as follows:		
Bank AL Habib Limited		
- Bank balance	338,278	5,138
- Profit receivable	6,234	2
AL Habib Asset Management Limited - Management Company		
- Management Company fee payable	16,982	2,821
- Federal Excise duty payable	8,746	8,746
Central Depository Company of Pakistan Limited - Trustee		
- Remuneration payable	449	203
- Security deposit - Non interest bearing	100	100

22 FINANCIAL RISK MANAGEMENT

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

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

The Fund primarily invests in a portfolio of investments such as Government securities, spread transactions and in other money market instruments. These activities expose the Fund to a variety of financial risks, such as market risk, credit risk and liquidity risk.

22.1 Market risk

Market risk is a 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 on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises of three types of risk; currency risk, interest rate risk and other price risk, the fund is exposed to interest rate risk only.

22.1.1 Interest rate risk

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

a) Sensitivity analysis of variable rate

The Fund is exposed to cash flow interest rate risk for balances in certain savings accounts, the interest rates on which range between 19.25% to 21.50% per annum, and against investments in Pakistan Investment Bonds, Term Finance Certificates and Sukuks, the interest rate on which range between 18.85% to 22.88% respectively.

In case of 100 basis points increase / decrease in interest rates on June 30, 2024, with all other variables held constant, the net income for the year and the net assets would have been higher / lower by Rs. 66.85 million (2023: Rs. 25.89 million).

b) Sensitivity analysis of fixed rate

The Fund's investment in Pakistan Investment Bonds exposes it to fair value interest rate risk.

In case of 100 basis points increase / decrease in interest rates on June 30, 2024, with all other variables held constant, the net income for the year and the net assets would have been higher / lower by Rs. 2.64 million.. (2023: 2.85 million).

AL HABIB INCOME FUND

The composition of the Fund's investment portfolio and rates announced by Financial Market Association of Pakistan is expected to change over time. Therefore, the sensitivity analysis prepared as of June 30, 2024 is not necessarily indicative of the effect on the Fund's net assets of future movements in interest rates.

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

22.2 Credit risk

Credit risk represents the risk of a loss if the counter parties fail to perform as contracted. The Fund's credit risk is primarily attributable to investment in debt securities such as Term finance certificates, Sukuks and Bank balances. Bank balances are maintained with balance with a reasonably high credit rating. The risk of default is considered minimal due to inherent systematic measures taken therein.

22.2.1 The analysis below summarises the credit rating quality of the Fund's financial assets as at June 30, 2024 and June 30, 2023:

Name of Banks	Balances held as at June 30, 2024	Latest available published rating as at June 30, 2024	Rating agency

Rupees in '000

Balances with banks by rating category

Bank Al Falah Limited	5,622	AAA	PACRA
Bank Al Habib Limited	338,278	AAA	PACRA
Mcb Bank Limited	1,417	AAA	PACRA
United Bank Limited	8	AAA	VIS
Allied Bank Limited	138	AAA	PACRA
Habib Bank Limited	28,385	AAA	VIS
Habib Metropolitan Bank Limited	9	AA+	PACRA
JS Bank Limited	28	AA	PACRA
Dubai Islamic Bank Limited	19	AA	VIS
Bank Islami Pakistan Limited	3	AA-	PACRA
Summit Bank Limited	39	N/A	
	373,946		

Name of Banks	Balances held as at June 30, 2023	Latest available published rating as at June 30, 2023	Rating agency

Rupees in '000

Balances with banks by rating category

Bank AL Falah Limited	746	AAA	PACRA
Bank AL Habib Limited	6,622	AAA	PACRA
MCB Bank Limited	95	AAA	PACRA
United Bank Limited	8	AAA	VIS
Allied Bank Limited	1,104	AAA	PACRA
Habib Bank Limited	28	AAA	VIS
Habib Metropolitan Bank Limited	30	AA+	PACRA
JS Bank Limited	25	AA	PACRA
Dubai Islamic Bank Limited	17	AA	VIS
Bank Islami Pakistan Limited	2	AA-	PACRA
Summit Bank Limited	32	N/A	
NRSP Microfinance Bank Limited	13	A-	PACRA
Tameer Microfinance Bank Limited	15	N/A	
	8,737		

	2024	2023
	----- (Percentage) -----	
AAA	99.974%	98.47%
AA+	0.002%	0.34%
AA	0.013%	0.48%
AA-	0.001%	0.02%
A-	0.000%	0.15%
N/A	0.010%	0.54%
	100%	100%

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is mainly concentrated in market treasury bills, GOP ijarah sukkuks, pakistan investment bonds, sukkuk certificates, term finance certificates and bank balances, while the remaining transactions are entered into with diverse credit-worthy counterparties, thereby mitigating any significant concentration of credit risk to counterparties. At the reporting date the fund is not exposed to a concentration of credit risk.

22.3 Liquidity risk

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

In order to manage the Fund's overall liquidity, the Fund also has the ability to withhold daily redemption requests in excess of 10% of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below 10% of the units then in issue. However, no such instances were witnessed by the Fund during the current year (2023: 10%).

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

	2024			Total
	Upto three months	More than three months and upto one year	More than one year	
	----- (Rupees in '000) -----			
Financial liabilities				
Payable to AL Habib Asset Management Limited - Management Company	16,982	-	-	16,982
Provision for Federal Excise Duty on remuneration of the management company	8,746	-	-	8,746
Payable to Central Depository Company of Pakistan Limited - Trustee	449	-	-	449
Payable to Securities Exchange Commission of Pakistan	397	-	-	397
Payable against redemption of units	161,642	-	-	161,642
Accrued expenses and other liabilities	64,180	-	-	64,180
	<u>252,396</u>	<u>-</u>	<u>-</u>	<u>252,396</u>
	2023			
	Upto three months	More than three months and upto one year	More than one year	Total
	----- (Rupees in '000) -----			
Financial liabilities				
Payable to AL Habib Asset Management Limited - Management Company	2,821	-	-	2,821
Provision for Federal Excise Duty on remuneration of the management company	8,746	-	-	8,746
Payable to Central Depository Company of Pakistan Limited - Trustee	203	-	-	203
Payable to Securities Exchange Commission of Pakistan	519	-	-	519
Payable against redemption of units	-	-	-	-
Accrued expenses and other liabilities	17,837	-	-	17,837
	<u>30,126</u>	<u>-</u>	<u>-</u>	<u>30,126</u>

23 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by the net assets attributable to unit holders / redeemable units. The amount of net assets attributable to unit holders can change significantly on a daily basis as the Fund is subject to daily issuance and redemptions at the discretion of unit holders. These unit holders of the Fund are entitled to distributions and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the statement of movement in unit holders' fund. Unit holders fund risk management is carried out by the Management Company through following steps:

- Monitors the level of daily issuance and redemptions relative to the liquid assets and adjusts the amount of distributions the Fund pays to the unit holders;
- Redeems and issues units in accordance with the constitutive documents of the Fund. This includes the Fund's ability to restrict redemptions; and
- The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management Company critically track the movement of 'Assets under Management'. The Board of Directors is updated regarding key performance indicators, e.g. yield and movement of NAV and total Fund size at the end of each quarter.

24 FAIR VALUE OF FINANCIAL INSTRUMENTS

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 reporting 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.

As per the requirements of IFRS 7 (Financial Instruments: Disclosures) and IFRS 13 (Fair Value Measurement), 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:

- Level 1: Fair value measurements using quoted price (unadjusted) in an active market for identical assets or liabilities traded.
- Level 2: 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 3: Fair value measurement using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

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

		Carrying amount				Fair value			
		At fair value through profit and	Amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
June 30, 2024	Note	(Rupees in '000)							
Financial assets - measured at fair value									
Market Treasury Bills	6.1	2,640,361	-	-	2,640,361	-	2,640,361	-	2,640,361
Pakistan Investment Bonds	6.2	3,794,558			3,794,558		3,794,558		3,794,558
GOP Ijarah Sukuk	6.3	54,963			54,963		54,963		54,963
Sukuk Certificates	6.4	25,325	-	-	25,325	-	25,325	-	25,325
Term Finance Certificates	6.5	59,700			59,700		59,700		59,700
		6,574,907	-	-	6,574,907	-	6,574,907	-	6,574,907

		Carrying amount				Fair value			
		At fair value through profit and	Amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
June 30, 2023	Note	(Rupees in '000)							
Financial assets - measured at fair value									
Market Treasury Bills	6.1	1,342,920	-	-	1,342,920	-	1,342,920	-	1,342,920
Pakistan Investment Bonds	6.2	1,259,695			1,259,695		1,259,695		1,259,695
GOP Ijarah Sukuk	6.3	175,000			175,000		175,000		175,000
Sukuk Certificates	6.4	28,002			28,002		28,002		28,002
Term Finance Certificates	6.5	60,066	-	-	60,066	-	60,066	-	60,066
		2,865,683	-	-	2,865,683	-	2,865,683	-	2,865,683

24.1 Valuation techniques

For level 2 investments at fair value through profit or loss - investment in respect of GOP Ijarah Sukuks, Fund uses the rates which are derived from PKRV, PKFRV and PKISRV rates at reporting date per certificate multiplied by the number of certificates held as at year end.

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

24.3 Transfers during the year

No transfers were made between various levels of fair value hierarchy during the year.

25 PATTERN OF UNIT HOLDING

Unit holding pattern of the fund as at June 30, 2024 is as follows:

Category	Number of unit holders	Number of units	Investment amount	Percentage of total investment
(Rupees in '000)				
Individuals	1,524	23,674,221	2,408,615	35.21%
Associated companies and directors	4	3,878,484	394,597	5.77%
Insurance companies	8	5,923,614	602,668	8.81%
Banks and DFIs	5	35,657	3,628	0.05%
Retirement funds	37	1,398,437	142,277	2.08%
Others	89	32,323,797	3,288,623	48.08%
	<u>1,667</u>	<u>67,234,210</u>	<u>6,840,408</u>	<u>100.00%</u>

Unit holding pattern of the fund as at June 30, 2023 is as follows:

Category	Number of unit holders	Number of units	Investment amount	Percentage of total investment
(Rupees in '000)				
Individuals	366	18,551,706	1,878,099	64.66%
Associated companies and directors	4	6,599,272	668,087	23.00%
Insurance companies	1	43	4	0.00%
Banks and DFIs	1	29,187	2,955	0.10%
Retirement funds	11	1,108,684	112,239	3.87%
Others	22	2,401,797	243,148	8.37%
	<u>405</u>	<u>28,690,689</u>	<u>2,904,532</u>	<u>100.00%</u>

AL HABIB INCOME FUND

26 TOP TEN BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID

Broker name	2024	2023
	---- (Percentage) ----	----
Intermarket Securities Limited	44.07%	12.30%
Pearl Securities Limited	17.86%	17.10%
Vector Securities (Pvt) Limited	14.46%	3.20%
Topline Securities (Pvt) Limited	13.00%	0.00%
MRA Securities (Pvt) Limited	9.65%	0.00%
Abaali Securities Limited	0.96%	0.00%
Munir Khanani Securities Limited	0.00%	3.00%
Multiline Securities (Pvt) Limited	0.00%	5.50%
Reliance Securities (Pvt) Limited	0.00%	26.00%
Asda Securities (Pvt) Limited	0.00%	31.80%
BMA Capital Management Limited	0.00%	1.10%
	<u>100.00%</u>	<u>100.00%</u>

27 PARTICULAR OF INVESTMENT COMMITTEE & FUND MANAGER

Details of Investment Committee members of the Fund / Fund Manager are as follows:

S. no.	Name	Designation	Qualification	Experience in years
1	Mr. Kashif Rafi	Chief Executive Officer	MBA - IBA	23
		Chief Operating Officer		
2	Mr. Zahid Hussain Vasnani	& Company Secretary	CA- Affiliate	24
3	Mr. Abdul Rehman	Chief Investment Officer	MBA & CFA	13
4	Mr. Ahmed Abbas	Fund Manager	MBA	16
5	Mr. Umar Bin Hassan	Manager Risk & Research	MS - IBA	6

27.1 Mr. Ahmed Abbas is also Fund Manager of AL Habib Cash Fund, AL Islamic Cash Fund, AL Habib Income Fund, AL Habib Islamic Savings Funds, AL Habib Islamic Income Fund, AL Habib Fixed Return Fund & AL Habib Islamic Munafa Fund.

28 ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

Four meetings of the Board of Directors were held on August 17, 2023 and October 19, 2023 , January 25, 2024, April 18, 2024 respectively. Information in respect of the attendance by the Directors in the meetings is given below:

Information in respect of attendance by Directors in the meetings is given below:

Name of Director	Number of meetings			Meeting(s) not attended
	Held	Attended	Leave Granted	
1 Mr. Abbas D.Habib	4	3	1	99th Meeting
2 Mr. Mansoor Ali Khan	4	4	-	-
3 Mr. Saeed Allawala	4	4	-	-
4 Ms. Zarine Aziz	4	1	3	99th, 100th and 101st Meeting
5 Mr. Imran Azim	4	3	1	100th Meeting
6 Mr. Kashif Rafi	4	4	0	-

29 TOTAL EXPENSE RATIO

In accordance with SRO 1068 dated August 23, 2021 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio of the Fund for the year ended June 30, 2024 is 1.80% (2023: 1.29%) which includes 0.26% (2023: 0.14%) representing Government levy and SECP fee.

30 CORRESPONDING FIGURES

Corresponding figures have been re-classified and re-arranged in these financial statements, whenever necessary to facilitate comparison and to conform with changes in presentation in the current year. No Significant rearrangements or reclassifications have been made in these financial statements during the current year.

31 GENERAL

31.1 Figures have been rounded off to the nearest thousand Rupees, unless otherwise stated.

32 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on August 01, 2024 by the Board of Directors of the Management Company.

**For AL Habib Asset Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

ANNUAL FUND MANAGER REPORT FINANCIAL YEAR 2024

Fund Objective

The investment objective of the AHIF and Allocation Plan(s) is to provide competitive risk adjusted returns to its investors by investing in a diversified portfolio of long, medium- and short-term debt instruments while taking into account liquidity considerations.

Fund Objective Achieved:

The Fund has achieved its stated objective.

Strategies and Policies Employed during the period under review:

The AHIF maintained strategy to get exposure in broadly diversified portfolio of high quality fixed and floating rate instruments with focus to maintain high liquidity in the fund while taking minimum risk.

Performance of the fund with benchmark

The Fund out performed it's benchmark by 82 bps as it posted YTD return of 22.71% as against the benchmark of 21.89%.

Fund Description

Fund Type & Category	Open Ended - Income Scheme	External Auditors	BDO Ebrahim & Co. Chartered Accountants
Launch Date	June 2, 2007	Management Fee	Up to 10% of the gross earnings of the Scheme
Benchmark	Six (6) months KIBOR rates.	Sales Load	3.00% (Management has the discretion to reduce or waive load on any transaction)
Annual Return	22.71%	Minimum Investment	Initial investment of Rs. 5,000 Subsequently Rs. 1,000 per transaction
Benchmark	21.89%	Dealing Days/Timings	Monday to Friday 9:00 am to 4:30 pm
Net Assets	Rs. 6.840 billion (June 30, 2024)	Fund Stability Rating	AA(f) by PACRA
NAV per unit	Rs. 101.7366 (June 30, 2024)	AMC Rating	"AM2+" by PACRA
Pricing Mechanism	Forward Pricing	Trustee	Central Depository Company of Pakistan Limited.
Risk Profile	Medium (Principal at medium risk)		

Market Review:

During FY24, Pakistan's money market witnessed significant improvements, driven by enhanced macroeconomic conditions. The most notable development was the substantial drop in headline inflation, which decreased from a peak of 29.4% in June 2023 to 12.6% by June 2024. This sharp decline in inflation created room for the State Bank of Pakistan (SBP) to adopt a more accommodative monetary policy stance. In response, the SBP reduced the policy rate by 150 basis points, bringing it down to 20.5% from the previous high of 22%. This was a strategic move, reflecting stabilizing macroeconomic indicators and an improved inflation outlook.

Key among these indicators was the narrowing of Pakistan's current account deficit, which fell dramatically from PKR 3.27 trillion in FY23 to PKR 0.68 trillion in FY24. This development, coupled with better fiscal management, played a crucial role in stabilizing the exchange rate. The Pakistani rupee (PKR) traded within a narrow range of 274.5 to 281 PKR per USD during the year. Another notable factor is, while the SBP helped manage currency depreciation risks, it did not aim to keep the exchange rate fixed at any

pre-determined level. Moreover, Pakistan recorded a Current Account deficit of 62 USD Million in the second quarter of 2024. Current Account in Pakistan averaged at -799.26 USD Million from 1976 until 2024.

The SBP's interventions in the money market included substantial injections of liquidity through Open Market Operations (OMO), the SBP injected a total of PKR 11.9 trillion in June 2024 as compared to 7.99 trillion in same period last year.

Overall, FY24 marked a year of positive shifts for Pakistan's money market, characterized by lower inflation, stable interest rates, and improved external balances. These developments indicate a favourable outlook for FY25, with expectations of continued monetary easing and enhanced market stability.

PKRV Rates			
Tenor	As at June 30, 2024	As at June 30, 2023	Change (Bps)
3 Months	19.97	22.65	-268
6 Months	19.91	22.87	-296
12 Months	18.62	22.93	-431
3 Years	16.65	19.47	-282
5 Years	15.37	16.08	-71

PKRV Rates		
Date	Policy Rate	Change (Bps)
11-Jun-24	20.5	150
27-Jun-23	22	-

Asset Allocation of Fund (as a % of total assets)

Particulars	30-Jun-24	30-Jun-23
Cash	5.27%	0.29%
T-Bills	37.23%	45.76%
PIBs	53.30%	42.92%
Sukuk	0.36%	0.95%
TFC	0.84%	2.05%
GoP Ijarah Sukuk	0.77%	5.96%
Others	2.02%	2.06%

Unit Holding Pattern

Size of Unit Holding (Units)	# of Unit Holders
1-1000	271
1001-5000	39
5001-10000	20
10001-50000	57
50001-100000	14
100001-500000	54
500001-1000000	11
1000001-5000000	8
5000001-10000000	2
10000001-100000000	1
Grand Total	477

AL HABIB INCOME FUND

Income Distribution

AHIF made a total distribution of Rs.21.3177 per unit during FY24 in the form of dividend, the details of which is as follows;

Month	Cum NAV Rs.	Ex-NAV Rs.	Distribution Rs.
Dec-23	111.850	101.2360	10.6149
June-24	111.938	101.236	10.7028

During the period under question:

There has been no significant change in the state of affairs of the Fund. Al Habib Income Fund does not have any soft commission arrangement with any broker in the industry.

Sales and Redemptions of Units

During the year, 215,445,310 units valued Rs. 23.099 billion were sold, while 176,919,497 units valued Rs. 18.988 billion were redeemed resulting in to a net sale 38,525,813 units valued Rs. 4.110 billion during the year.

Unit Holder Pattern

For the breakdown of unit holding by size as on June 30, 2024, please refer to note 25 of the Annual Accounts 2024.

AHIF Performance at a Glance

	2024
Net Assets as at June 30 (Rs. in billion)	6.840
NAV per unit as at June 30 (Rs.)	101.7366
Distribution during the year ended June 30 (Rs.)	21.3177
Annual Return	22.71%

AL HABIB ASSET ALLOCATION FUND
Annual Report
For the year ended June 30, 2024

FUND'S INFORMATION**Management Company**

AL Habib Asset Management Limited

Board of Directors of the Management Company

Mr. Abbas D. Habib	Chairman
Mr. Mansoor Ali	Director
Mr. Imran Azim	Director
Ms. Zarine Aziz	Director
Mr. Saeed Allawala	Director
Mr. Kashif Rafi	Chief Executive Officer

Chief Financial Officer

Mr. Abbas Qurban

Company Secretary & Chief Operating Officer

Mr. Zahid Hussain Vasnani

Audit Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali	Member
Mr. Imran Azim	Member

Human Resource Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali	Member
Ms. Zarine Aziz	Member
Mr. Kashif Rafi	Member

Auditors

BDO Ebrahim & Co.
Lakson Square Building No. 1, 9th Floor,
Block C Sarwar Shaheed Rd, Civil Lines,
Karachi, Karachi City, Sindh 74200

Legal Advisor

Mohsin Tayebaly & Co.
Barristers & Advocates,
2nd Floor, DIME Centre, BC-4, Block 9,
Kehkashan, Clifton, Karachi.

Trustee

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block 'B', S.M.C.H.S.,
Main Shahra-e-Faisal, Karachi.

Rating

AM2++ Management Company Quality
Rating Assigned by PACRA.

Bankers to the Fund

JS Bank Limited
MCB Bank Limited
Bank Al Habib Limited
Dubai Islamic Bank Limited

Registered Office: 3rd Floor, Mackinnon's Building, I.I. Chundrigar Road, Karachi.

CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S. Main Shakra-e-Faisal
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



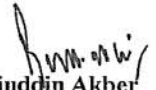
TRUSTEE REPORT TO THE UNIT HOLDERS

AL HABIB ASSET ALLOCATION FUND

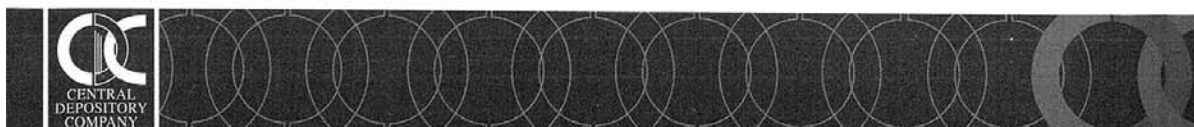
Report of the Trustee pursuant to Regulation 41(h) and Clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of AL Habib Asset Allocation Fund (the Fund) are of the opinion that AL Habib Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2024 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) 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.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 27, 2024





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INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF AL HABIB ASSET ALLOCATION FUND

Report on the audit of the financial statements

Opinion

We have audited the financial statements of AL Habib Asset Allocation Fund ("the Fund"), which comprise the statement of assets and liabilities as at June 30, 2024, and the income statement, statement of comprehensive income, statement of cash flows and statement of movement in unit holders' fund for the year ended June 30, 2024, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at June 30, 2024, and its financial performance and its cash flows for the year June 30, 2024 in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for opinion

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

Key Audit Matters

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

Following are the Key audit matters:

S.NO	Key audit matter(s)	How the matter was addressed in our audit
1.	Existence and valuation of investments As disclosed in note 6 to the financial statements of the Fund for the year June 30, 2024, the Fund has investments classified as "Fair value through profit or loss" amounting to Rs. 83.303 million representing 81.96% of the net assets value of the Fund.	Our audit procedures included the following: • We evaluated the design and implementation of key controls of investment and tested controls over acquisition, disposals and year end valuation of investments portfolio.



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S.NO	Key audit matter(s)	How the matter was addressed in our audit
	As these investments represent a significant element of the statement of assets and liabilities, a discrepancy in the valuation or existence of investments could cause the NAV to be materially misstated which would also impact the Fund's reported performance as the valuation of investments is the main driver of movements in the performance of the Fund. In view of the significance of these investments in relation to the total assets and the NAV of the Fund, we have considered the existence and valuation of such investments as a key audit matter.	- We performed substantive audit procedures on year-end balance of investment portfolio including review of custodian's statement, and related reconciliations and re-performance of debt instruments valuations on the basis of prices the Mutual Fund Association of Pakistan (MUFAP) as at June 30, 2024 and matching the valuation of investment with that appearing in the financial statements. - We assessed the Fund's compliance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) in relation to the concentration of investments and exposure limits prescribed in such Regulations and reviewed the adequacy of disclosures as may be applicable in situations of non-compliance.

Information other than the financial statements and auditor's report thereon

The Management Company is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management Company and its Board of Directors

The Management Company ("Al Habib Asset Management Limited") of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and accounting and reporting 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.



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

The Management Company is responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO Ebrahim & Co. (UK) Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.



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We also provide the Board of Directors of the Management Company 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 the Board of Directors of the Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current year 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.

Report on other legal and regulatory requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in accordance with the relevant provisions of the Trust Deed, NBFC Rules and NBFC Regulations.

Other matter

The financial statements of the Fund for the year ended June 30, 2023 were audited by another firm of Chartered Accountants, who vide their report dated September 28, 2023 issued an unqualified opinion thereon.

The engagement partner on the audit resulting in this independent auditor's report is Tariq Feroz Khan.

KARACHI

DATED: August 30, 2024

UDIN: AR202410166BKFbqfsVy

BDO EBRAHIM & CO.
 CHARTERED ACCOUNTANTS

STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2024

	Note	2024	2023
		-----Rupees in '000-----	
ASSETS			
Bank balances	5	23,088	18,312
Investments	6	83,303	89,028
Profit and dividend receivable	7	652	195
Advances and deposits	8	2,312	2,289
TOTAL ASSETS		109,355	109,824
LIABILITIES			
Payable to AL Habib Asset Management Limited - Management Company	9	712	222
Payable to Central Depository Company of Pakistan Limited- Trustee	10	42	21
Payable to Securities and Exchange Commission of Pakistan	11	18	20
Accrued expenses and other liabilities	12	6,942	3,523
TOTAL LIABILITIES		7,714	3,786
NET ASSETS		101,641	106,038
UNIT HOLDERS’ FUND (AS PER STATEMENT ATTACHED)		101,641	106,038
CONTINGENCIES AND COMMITMENTS	13	-	-
(Number of Units)			
Number of units in issue		1,022,979	1,112,380
(Rupees)			
Net asset value per unit		99.36	95.33

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

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
		----- (Rupees in '000) -----	
INCOME			
Profit on bank deposits	15	4,551	5,181
Profit on investments		128	6,250
Dividend income		10,370	3,505
Realised gain / (loss) on sale of investments - net		33,972	(1,629)
Unrealised appreciation / (dimunation) on re-measurement of investments classified as financial at 'fair value through profit or loss' - net		25,543	(1,335)
		74,564	11,972
EXPENSES			
Remuneration of AL Habib Asset Management Limited - Management Company		2,319	1,136
Sindh Sales Tax on management fee		301	148
Remuneration of Central Depository Company of Pakistan Limited - Trustee		225	203
Sindh Sales Tax on trustee remuneration		28	26
Annual fee to Securities and Exchange Commission of Pakistan		111	20
Expense Allocated		540	75
Brokerage expense		605	172
Settlement and bank charges		423	310
Annual listing fee		25	25
Auditors' remuneration	16	304	321
Amortization of formation cost		-	85
Fee and charges to National Clearing Company of Pakistan Limited		-	126
Printing charges		40	67
		4,921	2,714
Net income for the year before taxation		69,643	9,258
Taxation	17	-	-
Net income for the year after taxation		69,643	9,258
Allocation of net income for the year:			
Net income for the year		69,643	9,258
Income already paid on units redeemed		(27,676)	(576)
		41,967	8,682
Accounting income available for distribution:			
- Relating to capital gains		59,515	-
- Excluding capital (loss) / gain		(17,548)	8,682
		41,967	8,682

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

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

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

	2024	2023
	----- (Rupees in '000) -----	
Net income for the year after taxation	69,643	9,258
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>69,643</u>	<u>9,258</u>

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

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Capital Value	Undistributed income	Net Asset	Capital Value	Undistributed income	Net Asset
	----- (Rupees in '000) -----					
Net assets at the beginning of the year	115,800	(9,762)	106,038	112,842	(9,927)	102,915
Issuance of 563,496 units (2023: 522,246 units)*						
- Capital value	53,718	-	53,718	43,289	-	43,289
- Element of income	9,591	-	9,591	7,195	-	7,195
Amount received on issuance of units	63,309	-	63,309	50,484	-	50,484
Redemption of 652,897 Units (2023: 491,178 units)*						
- Capital value	(62,241)	-	(62,241)	(48,286)	-	(48,286)
- Element of loss / (income)	(8,031)	(27,676)	(35,707)	1,522	(576)	946
Amount paid on redemption of units	(70,272)	(27,676)	(97,948)	(46,764)	(576)	(47,340)
Total comprehensive income for the year	-	69,643	69,643	-	9,258	9,258
Interim cash distribution for the year ended June 30 2024	-	(39,401)	(39,401)	(762)	(8,517)	(9,279)
Net income for the year less distribution	-	30,242	30,242	(762)	741	(21)
Net assets at end of the year	108,837	(7,196)	101,641	115,800	(9,762)	106,038
Undistributed loss brought forward						
- Realised loss		(8,427)			(8,533)	
- Unrealised loss		(1,335)			(1,394)	
		<u>(9,762)</u>			<u>(9,927)</u>	
Accounting income available for distribution						
- Relating to capital gains		59,515			-	
- Excluding capital gains		(17,548)			8,682	
		<u>41,967</u>			<u>8,682</u>	
Interim cash distribution for the year ended June 30 2024		(39,401)			(8,517)	
Undistributed loss carried forward		<u>(7,196)</u>			<u>(9,762)</u>	
Undistributed loss carried forward comprises of:						
- Realised loss		(32,739)			(8,427)	
- Unrealised gain		25,543			(1,335)	
		<u>(7,196)</u>			<u>(9,762)</u>	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the year	<u>95.33</u>			<u>95.18</u>		
Net assets value per unit at end of the year	<u>99.36</u>			<u>95.33</u>		

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

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
Note	----- (Rupees in '000) -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the year before taxation	69,643	9,258
Adjustments		
Unrealised (appreciation) / diminution on revaluation of investments - net	(25,543)	1,335
	<u>44,100</u>	<u>10,593</u>
Decrease / (increase) in current assets		
Investments	31,268	(66,187)
Profit and dividend receivable	(457)	403
Advances and deposits	(23)	1,828
	<u>30,788</u>	<u>(63,956)</u>
Increase / (decrease) in current assets		
Payable to AL Habib Asset Management Limited - Management Company	490	100
Payable to Central Depository Company of Pakistan Limited - Trustee	21	9
Payable to Securities and Exchange Commission of Pakistan	(2)	-
Accrued expenses and other liabilities	3,419	2,838
	<u>3,928</u>	<u>2,947</u>
Net cash generated / (used in) operating activities	<u>78,816</u>	<u>(50,416)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(39,401)	(9,279)
Amount received on issuance of units	63,309	50,484
Amount paid on redemption of units	(97,948)	(47,340)
Net cash used in financing activities	<u>(74,040)</u>	<u>(6,135)</u>
Net Increase / (decrease) in cash and cash equivalents	4,776	(56,551)
Cash and cash equivalents at beginning of the year	18,312	74,863
Cash and cash equivalents at the end of the year	<u>23,088</u>	<u>18,312</u>

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

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

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

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** AL Habib Asset Allocation Fund (the Fund) was established under a Trust Deed executed between AL Habib Asset Management Limited (AHAML) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on August 06, 2017 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on 26 July 2017 under Rule 67 of the Non-banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).
- 1.2** The Management Company of the Fund has been licensed to undertake Asset Management Services as Non-Banking Finance Company under the NBFC Rules by SECP. The registered office of the Management Company is situated at 3rd floor, Mackinnons Building, I, I Chundrigar Road Karachi, Pakistan.
- 1.3** The Fund is an open-end mutual fund and is listed on the Pakistan Stock Exchange (PSX). Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund at the option of the unit holder.
- 1.4** The Fund has been formed to provide reasonable rate of return consistent with reasonable concern for safety of principal amount to the unit holders, along with facility to join or leave the fund at their convenience. The management team would seek to enhance returns through active portfolio management using efficiency tools. The Fund has been categorized as an Open-End Shairah Complaint (Islamic) Income Scheme as per criteria laid down by the Securities and Exchange Commission of Pakistan for categorisation of Collective Investment Scheme (CIS).
- 1.5** Pakistan Credit Rating Agency (PACRA) has assigned asset management rating of 'AM2++' to the Management Company and the Fund respectively on August 12, 2023.
- 1.6** Title to the assets of the Fund is held in the name of Central Depository Company (CDC) of Pakistan Limited as a trustee of the Fund.
- 1.7** The Fund is registered under the Sindh Trusts Act, 2020, after the promulgation of Provincial Trust Act.

2. BASIS OF PRESENTATION

2.1 Statement of compliance

- 2.1.1** These financial statement have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies, 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 VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules and 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 VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

2.2 Functional and presentation currency

These financial statement is presented in Pakistan rupee ('Rupees' or 'Rs.'), which is the Fund's functional and presentational currency.

2.3 Basis of measurement

These financial statements have been prepared under the historical cost basis except for certain investments which are required to be measured at fair value.

2.4 Use of judgments and estimates

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of approved accounting standards, as applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material judgment in the next year are as follows:

Classification and valuation of investment

For details please refer notes 4.2.2.1 and 6 to these financial statements.

Impairment of investment

For details please refer note 4.2.2.2 to these financial statements.

3 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS**3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2024**

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

Amendments	Effective date (annual periods beginning on or after)
Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 Making Materiality Judgements- Disclosure of Accounting Policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	January 01, 2023

The Company adopted the narrow-scope amendments to the International Accounting Standard (IAS) 1, Presentation of Financial Statements which have been effective for annual reporting years beginning on or after 1 January 2023. Although the amendments did not result in any changes to accounting policy themselves, they impacted the accounting policy information disclosed in the financial statements.

Management reviewed the accounting policies and updates to the information disclosed in Note 4 Material accounting policies (2023: Significant accounting policies) in certain instances in line with the amendments and concluded that all its accounting policies are material for disclosure.

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

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

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026

	Effective date (annual periods beginning on or after)
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
IFRS 17 Insurance Contracts	January 01, 2026
IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).	
IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.	
IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.	
IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual years beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2026.	

4 SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

4.1 Cash and cash equivalents

Cash and cash equivalents comprise of balances with banks and short-term highly liquid investments with original maturities of three months or less.

4.2 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

4.2.1 Financial assets

Financial assets are classified in appropriate category at amortized cost, fair value through comprehensive income and fair value through profit and loss. The Management determines the classification of financial assets in appropriate category based on fund's business model, managing the financial assets and the contractual terms of cashflows.

4.2.2 Initial recognition and measurement

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

4.2.2.1 Classification**Equity Instruments**

On initial recognition of an equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis. An equity instrument held for trading purposes or in which FVOCI election is not taken is classified as measured at FVTPL. Given the objectives of the Fund, all investments have been classified as FVTPL.

Debt Instruments**Amortized cost**

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

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

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Fair value through profit or loss

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Subsequent, the financial measured at:**Debt investments at amortized cost**

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest / markup income and impairment are recognized in income statement.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in income statement. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to income statement.

Debt investments at FVTPL

These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method and impairment are recognized in income statement.

Equity instruments at FVOCI

Upon initial recognition, the Fund occasionally elects to classify irrevocably some of its equity investments as equity instruments at FVOCI when they meet the definition of Equity under IAS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis. The Fund has not used this classification for its investment portfolio.

These assets are subsequently measured at their fair values. Gain/loss on remeasurement are recognised in other comprehensive income and are never recycled to profit. Dividends are recognised in income statement when the right of the payment has been established, except when the Fund benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

Equity investments at FVTPL

These assets are subsequently measured at fair value. Dividends are recognised as income in income statement unless the dividend clearly represents a recovery of part of the cost of the investment.

4.2.2.2 Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

The guiding principle of the expected credit loss (ECL) model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. The amount of ECLs recognised as a loss allowance or provision depends on the extent of credit deterioration since initial recognition. Under the general approach, there are two measurement bases:

- 12-month ECLs (Stage 1), which applies to all items (from initial recognition) as long as there is no significant deterioration in credit quality.
- Lifetime ECLs (Stages 2 and 3), which applies when a significant increase in credit risk has occurred on an individual or collective basis.

The Fund's financial assets include mainly investments, deposits, other receivables, profit/mark-up receivable and bank balances.

SECP through its SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 have deferred the applicability of above impairment requirements in relation to debt securities for mutual funds. Meanwhile, asset management companies shall continue to follow the requirements of Circular 33 of 2012 dated October 24, 2012 in relation to impairment of debt securities.

4.2.2.3 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.

4.2.2.4 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.

4.2.2.5 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.

4.2.3 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.

4.3 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.

4.4 Taxation

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 the form of cash among the unit holders. Provided that, for the purpose of determining distribution of at least ninety percent of its accounting income for the year, the income distributed through bonus units shall not be taken into account.

The Fund intends to continue availing the tax exemption in future years by distributing at least ninety percent of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders every year. Accordingly, no tax liability or deferred tax has been recognised in these financial statements.

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.

4.5 Proposed distributions

Distributions declared subsequent to the reporting date are considered as non-adjusting events and are not recognised before the reporting date.

4.6 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the application received during business hours on that day. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load and provision of any duties and charges if applicable. The sales load is payable to the Management Company / Distributors as processing fee.

Units redeemed are recorded at the redemption price applicable to units for which the Management Company receives redemption application during business hours of that day. The redemption price shall be equal to NAV as of the close of the business day, less an amount as the Management Company may consider to be an appropriate provision of duties and charges as processing fee.

4.7 Element of income

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 year. Element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

4.8 Net assets value per unit

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

4.9 Revenue recognition

- Realised capital gains / (losses) arising on sale of investments are included in the income statement on the date at which the transaction takes place.
- Mark-up / profit / return on Government securities, bank profits and investment in debt securities are recognized 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 in the period in which they arise.
- Dividend income from equity securities is recognised when the right to receive the dividend is established.

	Note	2024 ----- Rupees in '000 -----	2023
5 BANK BALANCES			
Saving accounts	5.1	<u>23,088</u>	18,312
		<u>23,088</u>	<u>18,312</u>
5.1	These carry profit rates ranging from 19.50% to 21.50% (June 2023: 15.50% to 20.50%) per annum.		
5.2	It includes balance of Rs. 16.657 million (June 30, 2023: Rs 14.361 million) with Bank AL Habib Limited (ultimate parent), a related party carrying profit rate effective at year end is 21.50% (June 30, 2023: 20.00%) per annum.		
6 INVESTMENTS			
At fair value through profit or loss			
Listed equity securities	6.1	<u>83,303</u>	18,011
Government Securities	6.2	<u>-</u>	71,017
		<u>83,303</u>	<u>89,028</u>

6.1 Financial assets at 'fair value through profit or loss' - Listed equity securities

Name of the Investee	As at July 01, 2023	Purchased during the year	Bonus / right issue during the year	Sold during the year	As at June 30, 2024	Carrying value as at June 30, 2024	Market value as at June 30, 2024	Unrealized appreciation / diminution	Market Value as a percentage of		Face value of investments as a percentage of the paid up capital of the investee company
									Net Assets	Total Investments	
Automobile Parts and Accessories											
Baluchistan Wheels Limited	-	5,000	-	-	5,000	667	650	(17)	0.64%	0.78%	0.04%
Sazgar Engineering Works	-	59,000	-	48,500	10,500	2,198	8,741	6,543	8.60%	10.49%	0.02%
Indus Motor Company Limited	-	500	-	500	-	-	-	-	0.00%	0.00%	0.00%
Exide Pakistan Limited	-	2,000	-	2,000	-	1,039	1,179	140	1.16%	1.42%	0.00%
	-	66,500	-	51,000	15,500	3,904	10,570	6,666			
Banks											
Askari Bank Limited	-	45,000	-	45,000	-	-	-	-	0.00%	0.00%	0.00%
Bank Alfalah Limited	50,000	55,000	-	80,000	25,000	851	1,701	850	1.67%	2.04%	0.00%
Bank Islami Pakistan Limited	-	100,000	-	25,000	75,000	1,676	1,670	(6)	1.64%	2.00%	0.01%
The Bank of Punjab Limited	-	225,000	-	225,000	-	-	-	-	0.00%	0.00%	0.00%
Habib Bank Limited	-	70,000	-	54,000	16,000	1,659	1,984	325	1.95%	2.38%	0.00%
MCB Bank Limited	12,000	19,000	-	19,000	12,000	1,509	2,724	1,215	2.68%	3.27%	0.00%
Meezan Bank Limited	36,000	45,000	-	51,000	30,000	4,469	7,182	2,713	7.07%	8.62%	0.00%
National Bank Of Pakistan	-	135,000	-	135,000	-	-	-	-	0.00%	0.00%	0.00%
United Bank Limited	-	71,000	-	41,000	30,000	4,276	7,687	3,411	7.56%	9.23%	0.00%
JS Bank Limited	-	150,000	-	150,000	-	-	-	-	0.00%	0.00%	0.00%
	98,000	870,000	-	780,000	188,000	14,440	22,948	8,508			
Fertilizer											
Engro Corporation Limited	7,000	20,500	-	17,500	10,000	2,825	3,327	502	3.27%	3.99%	0.00%
Engro Fertilizer Limited	22,400	65,600	-	64,000	24,000	2,354	3,989	1,635	3.92%	4.79%	0.00%
Fauji Fertilizer Bin Qasim Limited	-	50,000	-	-	50,000	1,621	1,774	153	1.75%	2.13%	0.00%
Fauji Fertilizer Company Limited	18,000	27,000	-	34,000	11,000	1,127	1,797	670	1.77%	2.16%	0.00%
	47,400	163,100	-	115,500	95,000	7,927	10,887	2,960			
Glass & Ceramics											
Tariq Glass Industries Limited	-	47,500	-	47,500	-	-	-	-	0.00%	0.00%	0.00%
	-	47,500	-	47,500	-	-	-	-			
Cement											
Attock Cement Pakistan Limited	-	31,000	-	15,000	16,000	1,477	1,554	77	1.53%	1.87%	0.00%
Cherat Cement Company Limited	5,000	23,500	-	18,500	10,000	1,282	1,631	349	1.60%	1.96%	0.01%
Fauji Cement Company Limited	-	325,000	-	275,000	50,000	848	1,146	298	1.13%	1.38%	0.00%
Kohat Cement Company Limited	3,000	20,000	-	11,171	11,829	2,151	2,962	811	2.91%	3.56%	0.01%
Lucky Cement Company Limited	-	14,000	-	13,000	1,000	561	907	346	0.89%	1.09%	0.00%
Maple Leaf Cement Company Limited	40,000	245,000	-	215,000	70,000	2,197	2,660	463	2.62%	3.19%	0.01%
Pioneer Cement Limited	-	32,500	-	32,500	-	-	-	-	0.00%	0.00%	0.00%
	48,000	691,000	-	580,171	158,829	8,516	10,860	2,344			
Engineering											
Mughal Iron & Steel Industries Limited	-	60,000	-	60,000	-	-	-	-	0.00%	0.00%	0.00%
Crescent steel and allied product limited	-	35,000	-	35,000	-	-	-	-	0.00%	0.00%	0.00%
	-	95,000	-	95,000	-	-	-	-			
Oil and Gas Exploration Companies											
Mari Petroleum	-	1,500	-	-	1,500	3,624	4,069	445	4.00%	4.88%	0.00%
Oil and Gas Development Company Limited	-	113,000	-	48,000	65,000	4,162	5,753	1,591	5.66%	6.91%	0.00%
Pakistan Oilfield Limited	9,000	9,000	-	13,500	4,500	1,846	2,205	359	2.17%	2.65%	0.00%
Pakistan Petroleum Limited	-	161,000	-	122,000	39,000	3,392	4,567	1,175	4.49%	5.48%	0.00%
Pakistan State Oil Limited	-	33,000	-	33,000	-	-	-	-	0.00%	0.00%	0.00%
	9,000	317,500	-	216,500	110,000	13,024	16,594	3,570			
Oil and Gas Marketing Companies											
Pakistan State Oil Company Limited	-	33,000	-	29,000	4,000	-	-	-	0.00%	0.00%	0.00%
Sui Nothern Gas Company Limited	-	122,000	-	122,000	-	-	-	-	0.00%	0.00%	0.00%
	-	155,000	-	151,000	4,000	-	-	-			
Power Generation and Distribution											
Engro Powergen Qadirpur Limited	-	70,000	-	-	70,000	2,356	1,967	(389)	1.94%	2.36%	0.02%
Hub Power Company Limited	10,000	71,000	-	41,000	40,000	5,211	6,523	1,312	6.42%	7.83%	0.00%
	10,000	141,000	-	41,000	110,000	7,567	8,490	923			
Paper and Board											
Security Papers Limited	-	3,400	-	-	3,400	506	457	(49)	0.45%	0.55%	0.00%
	-	3,400	-	-	3,400	506	457	(49)			
Textile Composite											
Interloop Limited	-	55,000	-	55,000	-	-	-	-	0.00%	0.00%	0.00%
Towellers Limited	-	16,500	-	16,500	-	-	-	-	0.00%	0.00%	0.00%
	-	71,500	-	71,500	-	-	-	-			
Miscellaneous											
TPL Properties	-	255,000	-	255,000	-	-	-	-	0.00%	0.00%	0.00%
Pakistan Aluminium Beverages Cans Limited	-	45,000	-	35,000	10,000	679	739	-	0.73%	0.89%	0.00%
	-	300,000	-	290,000	10,000	679	739	-			

AL HABIB ASSET ALLOCATION FUND

Name of the Investee	As at July 01, 2023	Purchased during the year	Bonus / right issue during the year	Sold during the year	As at June 30, 2024	Carrying value as at June 30, 2024	Market value as at June 30, 2024	Unrealized appreciation / diminution	Market Value as a percentage of		Face value of investments as a percentage of the paid up capital of the investee company
									Net Assets	Total Investments	
Pharmaceutical											
Hightoon Laboratories Limited	-	6,000	-	6,000	-	-	-	-	0.00%	0.00%	0.00%
	-	6,000	-	6,000	-	-	-	-			
Technology and communication											
AirLink Communication Limited	-	50,000	-	50,000	-	-	-	-	0.00%	0.00%	0.00%
Avanceon Limited	-	40,000	-	40,000	-	-	-	-	0.00%	0.00%	0.00%
System Limited	-	22,500	-	2,500	20,000	-	-	-	0.00%	0.00%	0.01%
	-	112,500	-	92,500	20,000	-	-	-			
Refinery											
Attock Refinery Limited	-	18,000	-	18,000	-	-	-	-	0.00%	0.00%	0.00%
	-	18,000	-	18,000	40,000	-	-	-			
Food and Personal Care											
Matco Foods Limited	-	40,000	-	40,000	-	-	-	-	0.00%	0.00%	0.00%
National Foods Limited	-	10,000	-	10,000	-	-	-	-	0.00%	0.00%	0.00%
The Organic Meat Company	-	50,000	-	-	50,000	1,199	1,760	561	1.73%	2.11%	0.03%
	-	100,000	-	50,000	50,000	1,199	1,760	561			
Chemicals											
Berger Paint	-	20,000	-	20,000	-	-	-	-	0.00%	0.00%	0.00%
	-	20,000	-	20,000	-	-	-	-			
Total as at June 30, 2023						57,760	83,303	25,543			
Total as at June 30, 2023						19,346	18,011	(1,335)			

6.2 Government securities - Market Treasury Bills

	Face value				As at 30 June 2024			Market Value as a Percentage of	
	As at July 01, 2023	Purchased during the year	Sold / Matured during the year	As at June 30, 2024	Carrying value	Market Value	Unrealized appreciation / diminution	Net assets	Total investments
Treasury bills - 3 months									
15-Jun-2023	74,000	-	74,000	-	-	-	-	-	-
Total as at 30 June 2024					-	-	-		
Total as at 30 June 2023					71,108	71,017	(91)		

6.1.1 Following shares were pledged with National Clearing Company of Pakistan Limited (NCCPL) as collateral against exposure margin and mark to market losses.

	2024 (Number of Shares)	2023 (Number of Shares)
Engro Fertilizer	5,000	-
Pakistan Oilfield Limited	1,000	-
Meezan Bank Limited	24,000	32,000
	30,000	32,000

7 PROFIT AND DIVIDEND RECEIVABLE

Profit receivable on bank deposit	264	164
Dividend receivable	388	31
	652	195

8 ADVANCES AND DEPOSITS

Deposits with		
National Clearing Company of Pakistan Limited	1000	1,000
Central Depository Company of Pakistan Limited - Trustee	100	100
	1100	1100
Advance tax	1211	1,188
Others	1	1
	2,312	2,289

9 PAYABLE TO AL HABIB ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY

	Notes	2024 (Number of Shares)	2023
Management remuneration	9.1	369	130
Sindh sales tax	9.2	48	17
Allocation of expenses related to registrar services, accounting, operation and valuation services	9.3	295	75
		<u>712</u>	<u>222</u>

9.1 As per the amendments made in the NBFC Regulations, 2008 vide SRO 639 (1) / 2019 dated 20 June 2019, the Management Company shall set and disclose in the offering document the maximum rate of fee chargeable to Collective Investment Scheme within allowed expense ratio, the Management Company of the Fund is entitled to an accrued remuneration equal to an amount not exceeding 10% of gross earnings of the Fund. The Management has charged its remuneration at rate ranging from 0% to 10% of the gross earnings of the Fund, which is within the allowed expense ratio limit. The remuneration is paid to the Management Company on monthly basis in arrears.

9.2 The Sindh Sales Tax has been charged at 13% on the Management Company's remuneration during the year (June 30, 2023: 13%).

9.3 In accordance with Regulation 60(3)(s) of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme.

10 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

	Notes	2024 (Rupees in '000)	2023
Trustee remuneration	10.1	37	19
Sales tax payable on trustee remuneration	10.2	5	2
		<u>42</u>	<u>21</u>

10.1 The Trustee is entitled to a remuneration for services rendered to the Fund under the provisions of the Trust Deed and Offering Document based on the daily Net Asset Value of the Fund. The remuneration is paid to the Trustee on monthly basis in arrears. The tariff structure applicable to the Fund in respect of the Trustee fee has been revised effective from July 01, 2019, whereby the revised tariff is 0.075% of average daily net assets of the Fund.

10.2 Sindh Sales Tax has been charged at 13% on the Trustee's remuneration charged during the year (June 30, 2023: 13%).

11 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Annual fee payable	11.1	<u>18</u>	<u>20</u>

11.1 This represents annual fee payable to Securities and Exchange Commission of Pakistan (SECP) at 0.095% (June 2023: 0.02%) of net assets in accordance with regulation 62 of the NBFC Regulations.

12 ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors' remuneration	207	306
Settlement charges	144	44
Withholding tax	3,859	1,296
Brokerage	552	-
Dividend	-	1,778
Others	2,180	99
	<u>6,942</u>	<u>3,523</u>

14. NUMBER OF UNITS IN ISSUE

	2024 -----Number of units -----	2023
Total units in issue at the beginning of the year	1,112,380	1,081,312
Add: Units issued during the year	563,496	522,246
Less: Units redeemed during the year	(652,897)	(491,178)
Total units in issue at the end of the year	<u>1,022,979</u>	<u>1,112,380</u>

AL HABIB ASSET ALLOCATION FUND

	2024	2023
	-----Number of units-----	
15. PROFIT ON BANK DEPOSITS		
Saving accounts	<u>4,551</u>	<u>5,181</u>
16 AUDITORS' REMUNERATION		
Annual audit fee	209	193
Fee for half yearly review	95	95
Other certifications and out of pocket expenses	-	33
	<u>304</u>	<u>321</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 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute atleast 90 percent of the net accounting income other than capital gains to the unit holders. The Fund has not recorded any tax liability in respect of income relating to the current year as the management intends to distribute in cash atleast 90 percent of the Fund's accounting income for the year ending June 30, 2024 as reduced by capital gains (whether realised or unrealised) to its unit holders.

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.

18 EARNINGS PER UNIT

Earnings per unit has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating earnings per unit is not practicable.

19 FINANCIAL INSTRUMENTS BY CATEGORY

Particulars	As at June 30, 2024		
	Fair value through profit or loss	Amortized cost	Total
----- Rupees in '000 -----			
Financial assets			
Bank balances	-	23,088	23,088
Investments	83,303	-	83,303
Profit and dividend receivable	-	652	652
Advances and deposits	-	1,100	1,100
	<u>83,303</u>	<u>24,840</u>	<u>108,143</u>
Financial liabilities			
Payable to AL Habib Asset Management Limited - Management Company	-	664	664
Payable to Central Depository Company of Pakistan Limited- Trustee	-	37	37
Payable to Securities and Exchange Commission of Pakistan	-	18	18
Accrued expenses and other liabilities	-	3,083	3,083
	<u>-</u>	<u>3,802</u>	<u>3,802</u>

AL HABIB ASSET ALLOCATION FUND

Particulars	As at June 30, 2023		
	Fair value through profit or loss	Amortized cost	Total
----- Rupees in '000 -----			
Financial assets			
Bank balances	-	18,312	18,312
Investments	89,028	-	89,028
Profit and dividend receivable	-	195	195
Advances and deposits	-	1,100	1,100
	<u>89,028</u>	<u>19,607</u>	<u>108,635</u>
Financial liabilities			
Payable to AL Habib Asset Management Limited - Management Company	-	205	205
Payable to Central Depository Company of Pakistan Limited- Trustee	-	19	19
Payable to Securities and Exchange Commission of Pakistan	-	20	20
Accrued expenses and other liabilities	-	2,227	2,227
	<u>-</u>	<u>2,471</u>	<u>2,471</u>

20 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

- 20.1** Related party/ Connected persons include AL Habib Asset Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, other Collective Investment Schemes managed by the Management Company, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of Fund and the directors and officers of the Management Company and the Trustee and unit holders holding Ten percent or more units of the Fund.
- 20.2** The transactions with connected persons are in the normal course of business, at contracted terms determined in accordance with the market rates.
- 20.3** Remuneration to the Management Company and the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.
- 20.4** The details of significant transactions carried out by the Fund with connected persons and balances with them at the end of reporting year are as follows:

Connected persons / related parties include:

S.No	Company Name	Relationship
1	Al Habib Asset Management Limited	Management Company
2	Bank AL Habib Limited	Parent Company of Al Habib Management Company.
3	AL Habib Capital Market Company	Subsidiary of Bank AL Habib Limited
4	AL Habib Cash Fund	Managed by AL Habib Asset Management Limited
5	AL Habib Money Market Fund	Managed by AL Habib Asset Management Limited
6	AL Habib Income Fund	Managed by AL Habib Asset Management Limited
7	AL Habib Islamic Income Fund	Managed by AL Habib Asset Management Limited
8	AL Habib Stock Fund	Managed by AL Habib Asset Management Limited
9	AL Habib Islamic Cash Fund	Managed by AL Habib Asset Management Limited
10	AL Habib Islamic Saving Fund	Managed by AL Habib Asset Management Limited
11	AL Habib Islamic Stock Fund	Managed by AL Habib Asset Management Limited
12	AL Habib Pension Fund	Managed by AL Habib Asset Management Limited
13	AL Habib Islamic Pension Fund	Managed by AL Habib Asset Management Limited
14	AL Habib Fixed Return Fund	Managed by AL Habib Asset Management Limited
15	AL Habib Islamic Munafa Fund	Managed by AL Habib Asset Management Limited
16	AL Habib Government Securities Fund	Managed by AL Habib Asset Management Limited
17	AL Habib GOKP Pension Fund	Managed by AL Habib Asset Management Limited
18	AL Habib GOKP Islamic Pension Fund	Managed by AL Habib Asset Management Limited
19	Central Depository Company	Trustee

Connected persons includes directors and officers of the above entities as at June 30, 2024 and staff retirement benefit funds of the above companies.

AL HABIB ASSET ALLOCATION FUND

Details of transactions with connected persons are as follows:

	2024	2023
	------(Rupees in '000)-----	
Bank AL Habib Limited		
- Dividend paid	-	1,778
AL Habib Asset Management Limited - Management Company		
- Management Remuneration	2,319	1,136
- Sindh Sales Tax on Management Company's remuneration	301	148
- Expense Allocated	540	75
- Dividend Paid	13,712	7,479
AL Habib Capital Markets (Private) Limited- Brokerage House		
-Brokerage	8	31
Central Depository Company of Pakistan Limited - Trustee		
-Trustee Remuneration	225	203
- Sindh Sales Tax on Trustee Remuneration	28	26

Details of balances with connected persons at year end are as follows:

Bank AL Habib Limited		
- Bank balance	16,657	16,240
AL Habib Asset Management Limited - Management Company		
- Management Company fee payable	712	222
Central Depository Company of Pakistan Limited - Trustee		
-Remuneration payable	42	21
-Security deposit - Non interest bearing	100	100

	2024		2023	
	(Units)	(Rupees in '000)	(Units)	(Rupees in '000)
Sale / redemption of units during the year				
Units sold to:				
Management Company				
AL Habib Asset Management Limited	368,114	40,980	522,053	51,457
Other related parties				
- Key executive of the Management Company	2,420	322	-	-
Connected party holding 10% or more of the units issue	724,130	72,571	-	-
Units redeemed by:				
Management Company				
AL Habib Asset Management Limited	623,518	80,106	-	-
Other related parties				
- Key executive of the Management Company	1,883	278	-	-
Connected party holding 10% or more of the units issue	623,518	80,106	-	-
Units held by:				
Management Company				
AL Habib Asset Management Limited	654,309	65,012	909,713	86,718
Parent Companies				
- Bank AL Habib Limited	200,149	19,887	200,149	19,079
Other related parties				
- Key executive of the Management Company	537	53	-	-
Connected party holding 10% or more of the units issue	1,010,325	100,386	-	-

21 FINANCIAL RISK MANAGEMENT

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

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

The Fund primarily invests in a portfolio of investments such as Government securities, spread transactions and in other money market instruments. These activities expose the Fund to a variety of financial risks, such as market risk, credit risk and liquidity risk.

21.1 Market risk

Market risk is the risk that the fair value or 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.

Market risk comprises of three types of risk; currency risk, interest rate risk and other price risk. The fund is exposed to interest rate risk only.

21.1.1 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) Sensitivity analysis of variable rate

The Fund is exposed to cash flow interest rate risk for balances in certain savings account, the interest rates on which range between 20.50% to 21.50% per annum.

In case of 100 basis points increase / (decrease) in interest rates on June 30, 2024 with all other variable held constant, the net income for the year and the net assets would have been higher / lower by Re. 0.231 million (June 30, 2023: Re. 0.183 million).

b) Sensitivity analysis of fixed rate

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. Yield / Interest rate sensitivity position for financial instrument is as follows:

Particulars	Effective yield / interest rate	As at June 30, 2024				Total
		Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and upto one year	More than one year		
		%	Rupees in '000			
On-balance sheet financial instruments						
Financial assets						
Bank balances	20.50 - 21.50	23,088	-	-	-	23,088
Investments						
Listed equity securities		-	-	-	83,303	83,303
Profit and dividend receivable		-	-	-	652	652
Advances and deposits		-	-	-	1,100	1,100
Sub total		23,088	-	-	85,055	108,143
Financial liabilities						
Payable to AL Habib Asset Management Limited - Management Company					664	664
Payable to Central Depository Company of Pakistan Limited- Trustee		-	-	-	37	37
Payable to Securities and Exchange Commission of Pakistan		-	-	-	18	18
Accrued expenses and other liabilities		-	-	-	3,083	3,083
Sub total		-	-	-	3,138	3,138
On-balance sheet gap (a)		23,088	-	-	81,917	105,005
Off-balance sheet financial instruments						
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		23,088	-	-	81,917	105,005
Cumulative interest rate sensitivity gap		23,088	-	-		

AL HABIB ASSET ALLOCATION FUND

----- As at June 30, 2023 -----						
Particulars	Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
		Upto three months	More than three months and upto one year	More than one year		
----- Rupees in '000 -----						
On-balance sheet financial instruments						
Financial assets						
Bank balances	15.50% - 20.50%	18,312	-	-	-	18,312
Investments						
Listed equity securities		-	-	-	18,011	18,011
Government Securities	15.63%-22.69%			71,017		
Profit and dividend receivable		-	-	-	195	195
Advances and deposits		-	-	-	1,100	1,100
Sub total		18,312	-	71,017	19,306	37,618
Financial liabilities						
Payable to AL Habib Asset Management Limited - Management Company		-	-	-	205	205
Payable to Central Depository Company of Pakistan Limited- Trustee		-	-	-	19	19
Payable to Securities and Exchange Commission of Pakistan		-	-	-	20	20
Accrued expenses and other liabilities		-	-	-	2,227	2,227
Sub total		-	-	-	2,471	2,471
On-balance sheet gap (a)		18,312	-	71,017	16,835	35,147
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		18,312	-	71,017	16,835	35,147
Cumulative interest rate sensitivity gap		18,312	-	71,017		

21.1.2 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because 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 price risk because of investments held by the Fund in listed equity securities classified as financial assets at 'fair value through profit or loss'. To manage its price risk arising from investments in equity securities, the Fund diversifies its portfolio within eligible stocks. The Fund's constitutive document and NBFC Regulations also limit investment in individual equity securities to no more than 15% of net assets of the Fund, or issued capital of the investee company respectively.

In case of 5% increase / decrease in price of all shares held by Fund at the year end, net income for the year would increase / decrease by Rs 4.165 million (2023: Rs 4.451 million) and net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on equity securities at fair value through profit or loss.

21.2 Credit risk

Credit risk represents the risk of a loss if the counter parties fail to perform as contracted. The Fund's credit risk is primarily attributable to investment in debt securities such as Sukuks and Bank balances. Bank balances are maintained with balance with a reasonably high credit rating. The risk of default is considered minimal due to inherent systematic measures taken therein.

21.2.1 The analysis below summarises the credit quality of the Fund's bank balances as at June 30, 2024 and June 30, 2023:

Bank	Balances held by the Fund as at June 30, 2024	Latest available published rating as at June 30, 2024	Rating agency
(Rupees in '000')			

Balances with banks by rating category

JS Bank Limited	6,089	AA	PACRA
Dubai Islamic Bank Limited	107	A-1+	VIS
MCB Bank Limited	235	AAA	PACRA
Bank Al Habib Limited	16,089	AAA	PACRA
Bank Al Habib Limited	568	AAA	PACRA
	<u>23,088</u>		

Bank	Balances held by the Fund as at June 30, 2023	Latest available published rating as at June 30, 2023	Rating agency
(Rupees in '000')			
Balances with banks by rating category			
JS Bank Limited	85	AA	PACRA
NRSP Micro Finance Bank	20	A-	PACRA
Dubai Islamic Bank Limited	706	A-1+	VIS
MCB Bank Limited	844	AAA	PACRA
Bank Al Habib Limited	16,657	AAA	PACRA
	<u>18,312</u>		

21.2.2 The analysis below summarizes the credit quality of the Fund's credit exposure:

Rating by rating category	2024 ----- (Percentage) -----	2023 ----- (Percentage) -----
A- to A+	3.00%	1.00%
AA	1.00%	4.00%
AAA	96.00%	95.00%
	<u>100.00%</u>	<u>100.00%</u>

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is mainly concentrated in Gop Ijara sukkuks and bank balances, while the remaining transactions are entered into with diverse credit-worthy counterparties, thereby mitigating any significant concentration of credit risk to counterparties. At the reporting date the fund is not exposed to a concentration of credit risk.

21.3 Liquidity risk

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

In order to manage the Fund's overall liquidity, the Fund also has the ability to withhold daily redemption requests in excess of 10% of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below 10% of the units then in issue. However, no such instances were witnessed by the Fund during the current year (June 30, 2023: 10%).

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

Particulars	As at June 30, 2024			
	Upto three months	More than three months and upto one year	More than one year	Total
----- Rupees in '000 -----				
Financial liabilities				
Payable to AL Habib Asset Management Limited - Management Company	664	-	-	664
Payable to Central Depository Company of Pakistan Limited- Trustee	37	-	-	37
Payable to Securities and Exchange Commission of Pakistan	18	-	-	18
Accrued expenses and other liabilities	3,083	-	-	3,083
	<u>3,802</u>	<u>-</u>	<u>-</u>	<u>3,802</u>
Particulars	As at June 30, 2023			
	Upto three months	More than three months and upto one year	More than one year	Total
----- Rupees in '000 -----				
Financial liabilities				
Payable to AL Habib Asset Management Limited - Management Company	205	-	-	205
Payable to Central Depository Company of Pakistan Limited- Trustee	19	-	-	19
Payable to Securities and Exchange Commission of Pakistan	20	-	-	20
Accrued expenses and other liabilities	2,227	-	-	2,227
	<u>2,471</u>	<u>-</u>	<u>-</u>	<u>2,471</u>

22 UNITS HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by the net assets attributable to unit holders / redeemable units. The amount of net assets attributable to unit holders can change significantly on a daily basis as the Fund is subject to daily issuance and redemptions at the discretion of unit holders. These unit holders of the Fund are entitled to distributions and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the statement of movement in unit holders' fund. Unit holders fund risk management is carried out by the Management Company through following steps:

- Monitors the level of daily issuance and redemptions relative to the liquid assets and adjusts the amount of distributions the Fund pays to the unit holders;
- Redeems and issues units in accordance with the constitutive documents of the Fund. This includes the Fund's ability to restrict redemptions; and
- The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management Company critically track the movement of 'Assets under Management'. The Board of Directors is updated regarding key performance indicators, e.g. yield and movement of NAV and total Fund size at the end of each quarter.

The Fund has maintained and complied with the requirements of minimum fund size during the current year.

23 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying amount 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 i.e. listed equity shares are based on the quoted market prices at the close of trading on the reporting 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.

As per the requirements of IFRS 7 (Financial Instruments: Disclosures) and IFRS 13 (Fair Value Measurement), 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:

- Level 1 - Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - 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 3 - Fair value measurements using Inputs for assets or liability that are not based on observable market data (i.e. unobservable inputs).

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

Particulars	2024						
	Carrying amount			Fair value			
	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Rupees in '000'							
Financial assets measured at fair value							
Listed equity securities	83,303	-	83,303	83,303	-	-	83,303
Financial assets not measured at fair value							
Bank balances	-	23,088	23,088				
Profit and dividend receivable	-	652	652				
Advances and deposits	-	1,100	1,100				
	-	24,840	24,840				
Financial liabilities not measured at fair value							
Payable to AL Habib Asset Management Limited - Management Company	-	664	664				
Payable to Central Depository Company of Pakistan Limited- Trustee	-	37	37				
Payable to Securities and Exchange Commission of Pakistan	-	18	18				
Accrued expenses and other liabilities	-	3,083	3,083				
	-	3,802	3,802				

AL HABIB ASSET ALLOCATION FUND

Particulars	2023						
	Carrying amount			Fair value			
	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
----- Rupees in '000' -----							
Financial assets measured at fair value							
Listed equity securities	18,011	-	18,011	18,011	-	-	18,011
Government securities	71,017	-	71,017	-	71,017	-	71,017
Financial assets not measured at fair value							
Bank balances	-	18,312	18,312				
Profit and dividend receivable	-	195	195				
Advances and deposits	-	1,100	1,100				
	-	10,032	10,032				
Financial liabilities not measured at fair value							
Payable to AL Habib Asset Management Limited - Management Company	-	205	205				
Payable to Central Depository Company of Pakistan Limited- Trustee	-	19	19				
Payable to Securities and Exchange Commission of Pakistan	-	20	20				
Accrued expenses and other liabilities	-	2,227	2,227				
	-	2,644	2,644				

23.1 Valuation techniques

For level 1 investments at fair value through profit or loss - Investment in respect of equity securities, the Fund uses daily quotation rates which are taken from Pakistan Stock Exchange Limited at the reporting date.

For level 2 investments at fair value through profit or loss - investment in respect of Treasury Bills, Pakistan Investment Bonds and GOP Ijarah Sukuks, Fund uses the rates which are derived from PKRV, PKFRV and PKISRV rates at reporting date per certificate multiplied by the number of certificates held as at year end and for investment in respect of Term Finance Certificates, Fund uses the rates prescribed by MUFAP.

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

23.3 No transfer were made between various levels of fair value hierarchy during the year.

24 PATTERN OF UNITHOLDING

Pattern of unit holding at June 30, 2024 is as follows:

Category	-----As at June 30, 2024-----			
	No. of unit holders	Number of units held	Investment amount	Percentage of total
Individuals	89	168,520	16,743,978	16.47%
Associated Companies and Directors	2	854,458	84,897,610	83.53%
	91	1,022,978	101,641,588	100%

Pattern of unit holding at June 30, 2023 is as follows:

Category	-----As at June 30, 2023-----			
	No. of unit holders	Number of units held	Investment amount	Percentage of total
Individuals	79	2,518	241,000	16.47%
Associated Companies and Directors	2	1,109,862	105,797,000	83.53%
	81	1,112,380	106,038,000	100%

AL HABIB ASSET ALLOCATION FUND

25 BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID

S. No	Broker name	2024 (Percentage)	2023
1	Next Capital Limited	9.35%	24.06%
2	Al-Habib Capital Market (Pvt) Limited	21.84%	21.67%
3	DJM Securities Limited	7.54%	15.05%
4	Habib Metropolitan Financial Services Limited	3.14%	9.60%
5	Arif Habib Limited	11.29%	7.42%
6	Optimus Market Private Limited	11.10%	6.59%
7	Topline Securities (Pvt) Limited	10.23%	5.32%
8	BMA Capital Management Limited	8.55%	5.26%
9	Ismail Iqbal Securities (Pvt) Limited	3.76%	3.35%
10	Taurus Securities Limited	0.00%	1.68%
11	Js Global Capital Limited	4.83%	0.00%
12	K Trade	8.39%	0.00%
		100%	100%

26 PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER

Details of members of the Investment Committee of the Fund as on June 30, 2024 are as follow:

Name	Designation	Qualification	Experience
Mr. Kashif Rafi	Chief Executive Officer	MBA - IBA	23 years
Mr. Zahid Hussain Vasnani	Chief Operating Officer & Company Secretary	CA- Affiliate	24 years
Mr. Abdul Rehman	Chief Investment Officer	MBA & CFA	13 years
Mr. Ahmed Abbas	Fund Manager	MBA	16 years
Mr. Talha A.Siddiqui	Fund Manager	MA in Economics	11 years
Mr. Umar Bin Hassan	Manager Risk & Research	MS - IBA	6 years

26.1 Mr. Ahmed Abbas is also Fund Manager of AL Habib Cash Fund, AL Islamic Cash Fund, AL Habib Income Fund, AL Habib Islamic Savings Funds, AL Habib Islamic Income Fund, AL Habib Fixed Return Fund & AL Habib Islamic Munafa Fund.

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

Four meetings of the Board of Directors were held on August 17, 2023 and October 19, 2023 , January 25, 2024, April 18, 2024 respectively. Information in respect of the attendance by the Directors in the meetings is given below:

S.No.	Name of Director	Number of meetings			Meeting(s) not attended
		Held	Attended	Leave	
1	Mr. Abbas D. Habib	4	3	1	99th Meeting
2	Mr. Mansoor Ali Khan	4	4	-	-
3	Mr. Saeed Allawala	4	4	-	-
4	Ms. Zarine Aziz	4	1	3	99th, 100th and 101st Meeting
5	Mr. Imran Azim	4	3	1	100th Meeting
6	Mr. Kashif Rafi (CEO)	4	4	-	-

28 TOTAL EXPENSE RATIO (TER)

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 June 30, 2023 is 4.23% (June 30, 2023: 2.67%) which includes 0.44% (June 30, 2023: 0.21%) representing Government levy and SECP fee.

29 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.

30 GENERAL

30.1 Figures have been rounded off to the nearest thousand Rupees, unless otherwise stated.

31 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **August 01, 2024** by the Board of Directors of the Management Company.

**For AL Habib Asset Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

ANNUAL FUND MANAGER REPORT FINANCIAL YEAR 2024

Fund Objective:

The objective of AHAAF is to provide risk adjusted competitive returns to its investor by investing in multiple asset classes based on market outlook.

Fund Objective Achieved:

The fund has achieved its stated objective.

Strategies and Policies Employed during the period under review:

The AHAAF maintained its strategy of reaping maximum benefits emanating from volatility experienced in both equity and debt markets. The selection criterion for equity securities is based upon hybrid investment approach with companies having sound financial history backed by strong fundamentals. The exposure in debt portion was also in line with the investment objectives with preference given to highly rated and liquid debt securities.

Performance of the fund with benchmark

The Fund outperformed its benchmark by 828 bps as it posted YTD return of 75.64% as against the benchmark of 67.36%.

Fund Description

Fund Type & Category	Open Ended - Asset Allocation Scheme	External Auditors	BDO Ebrahim & Co. Chartered Accountants
Launch Date	December 08, 2017	Management Fee	Up to 10% of the gross earnings of the Scheme
Benchmark	Weighted average daily return of KSE - 100 & 6M KIBOR	Sales Load	2% front-end-load (Management has the discretion to reduce or waive load on any transaction)
Annual Return	75.64%	Minimum Investment	Initial investment of Rs. 5,000 Subsequently Rs. 1,000 per transaction
Benchmark	67.36%	Dealing Days/Timings	Monday to Thursday 9:00 am to 3:30 pm Friday 9:00 am to 4:30 pm
Net Assets	Rs. 101.64 million (June 30, 2024)	AMC Rating	"AM2+" by PACRA
NAV per unit	Rs. 99.3584 per unit (June 30, 2024)	Trustee	Central Depository Company of Pakistan Limited.
Pricing Mechanism	Forward Pricing	Risk Profile	High (Principal at High Risk)

Market Review:

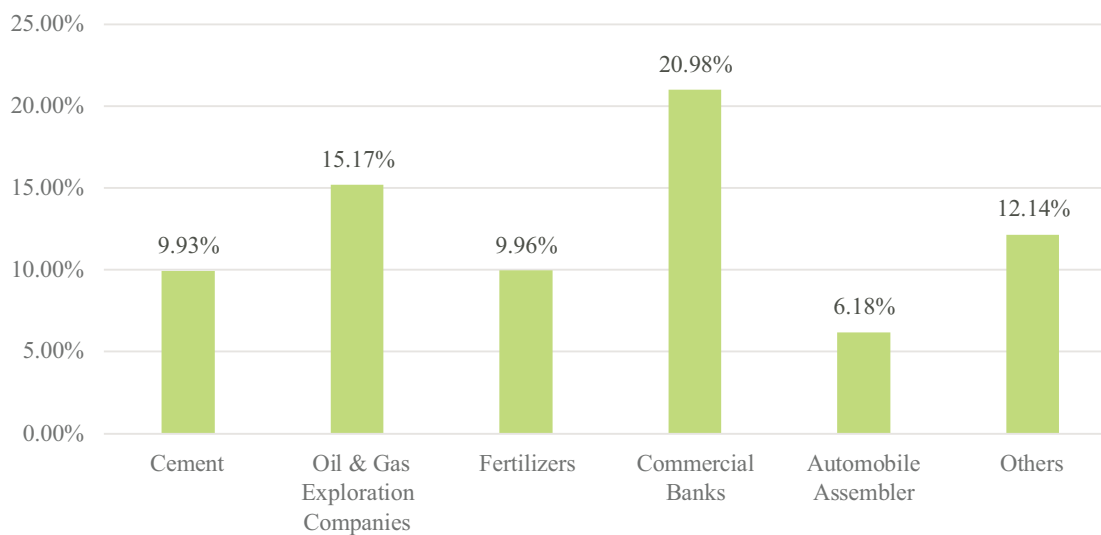
During FY24, Pakistan's economy showed encouraging signs of recovery despite global uncertainties. GDP grew by 2.38% YoY, primarily driven by a strong agricultural sector and gradual improvement in industrial output. Macroeconomic variables also improved, with the current account deficit narrowing significantly to PKR 0.68 trillion from PKR 3.27 trillion in the previous year. This was the result of enhanced remittance flows through official channels and controlled imports, which contributed to the stability of the PKR exchange rate. Inflation saw a sharp decline, falling to 12.6% in June 2024 from 29.4% in June 2023. In response, the SBP reduced the policy rate by 150 bps to 20.5%. The yield curve inversion in the secondary market indicated expectations of further rate cuts in FY25. On the equity front, the KSE 100 index reached a new high, crossing the 80,000-point mark, making it the region's best-performing market. With attractive valuations and the likelihood of securing a long-term IMF program, which would bolster macroeconomic stability, the equity market is set for continued growth in FY25.

PKRV Rates			
Tenor	As at June 30, 2024	As at June 30, 2023	Change (Bps)
3 Months	19.97	22.65	-268
6 Months	19.91	22.87	-296
12 Months	18.62	22.93	-431
3 Years	16.65	19.47	-282
5 Years	15.37	16.08	-71

Asset Allocation of Fund (as a % of total assets)

Particulars	30-Jun-24	30-Jun-23
Cash	21.11%	13.88%
T-Bills	-	64.74%
Equity	76.18%	16.42%
Others	2.71%	4.97%

Sector Allocation (%age of Total Assets) June 30, 2024

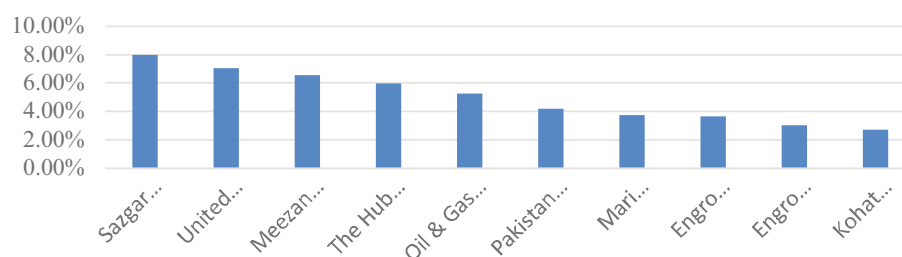


Unit Holding Pattern

Size of Unit Holding (Units)	# of Unit Holders
1-1000	83
1001-5000	2
5001-10000	1
100001-500000	2
500001-1000000	1
Grand Total	89

AL HABIB ASSET ALLOCATION FUND

Top Ten holding (%age of Total Asset) June 30, 2024



Income Distribution

AHAAF made a total distribution of Rs.68,5108 per unit during FY24 in the form of dividend, the details of which is as follows;

Month	Cum NAV Rs.	Ex-NAV Rs.	Distribution Rs.
Jun-2024	168.5108	100	68.5108

During the period under question:

There has been no significant change in the state of affairs of the Fund. Al Habib Asset Allocation Fund does not have any soft commission arrangement with any broker in the industry.

Sales and Redemptions of Units

During the year ended June 30, 2024, 563,496 units valued Rs. 0.0678 billion were sold while 652,897 units valued of Rs 0.098 billion were redeemed resulting in a net sale of 89,401 units valued Rs. 0.030 billion.

Unit Holders Pattern

For the breakdown of unit holding by size as on June 30, 2024, please refer to note 24 of the Annual Accounts 2024.

AHAAF Performance at a Glance

	2024
Net Assets as at June 30 (Rs. in million)	101.64
NAV per unit as at June 30 (Rs.)	99.3584
Distribution during the year ended June 30 (Rs.)	68.5108
Annual Return	75.64%

AL HABIB STOCK FUND
Annual Report
For the year ended June 30, 2024

FUND'S INFORMATION**Management Company**

AL Habib Asset Management Limited

Board of Directors of the Management Company

Mr. Abbas D. Habib	Chairman
Mr. Mansoor Ali	Director
Mr. Imran Azim	Director
Ms. Zarin Aziz	Director
Mr. Saeed Allawala	Director
Mr. Kashif Rafi	Chief Executive Officer

Chief Financial Officer

Mr. Abbas Qurban

Company Secretary & Chief Operating Officer

Mr. Zahid Hussain Vasanani

Audit Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali	Member
Mr. Imran Azim	Member

Human Resource Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali	Member
Ms. Zarin Aziz	Member
Mr. Kashif Rafi	Member

Auditors

BDO Ebrahim & Co.
Lakson Square Building No. 1, 9th Floor,
Block C Sarwar Shaheed Rd, Civil Lines,
Karachi, Karachi City, Sindh 74200

Legal Advisor

Mohsin Tayebaly & Co.
Barristers & Advocates,
2nd Floor, DIME Centre, BC-4,
Block 9, Kehkashan, Clifton, Karachi.

Trustee

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block 'B', S.M.C.H.S.,
Main Shahra-e-Faisal, Karachi.

Rating

AM2++ Management Company Quality
Rating Assigned by PACRA.

Bankers to the Fund

Bank AL Habib Limited
MCB Bank Limited
National Bank of Pakistan Limited
Dubai Islamic Bank Limited

Registered Office: 3rd Floor, Mackinnon's Building, I.I. Chundrigar Road, Karachi.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S. Main Shakra-e-Faisal
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



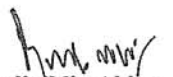
TRUSTEE REPORT TO THE UNIT HOLDERS

AL HABIB STOCK FUND

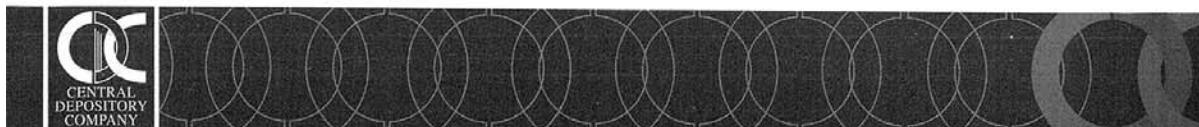
Report of the Trustee pursuant to Regulation 41(h) and Clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of AL Habib Stock Fund (the Fund) are of the opinion that AL Habib Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2024 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) 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.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 27, 2024





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 Pakistan

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF AL HABIB STOCK FUND

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Al Habib Stock Fund ("the Fund"), which comprise the statement of assets and liabilities as at June 30, 2024, and the income statement, statement of comprehensive income, statement of cash flows and statement of movement in unit holders' fund for the year ended June 30, 2024, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at June 30, 2024, and its financial performance and its cash flows for the year June 30, 2024 in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for opinion

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

Key Audit Matters

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

Following are the Key audit matters:

S.NO	Key audit matter(s)	How the matter was addressed in our audit
1.	Existence and valuation of investment As disclosed in note 6 to the financial statements of the Fund for the year June 30, 2024, the Fund has investments classified as "Fair value through profit or loss" amounting to Rs. 1,188.28 million representing 85.19% of the net assets value of the Fund.	Our audit procedures included the following: • We evaluated the design and implementation of key controls of investment and tested controls over acquisition, disposals and year end valuation of investments portfolio.



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S.NO	Key audit matter(s)	How the matter was addressed in our audit
	As these investments represent a significant element of the statement of assets and liabilities, a discrepancy in the valuation or existence of investments could cause the NAV to be materially misstated which would also impact the Fund's reported performance as the valuation of investments is the main driver of movements in the performance of the Fund. In view of the significance of these investments in relation to the total assets and the NAV of the Fund, we have considered the existence and valuation of such investments as a key audit matter.	- We performed substantive audit procedures on year-end balance of investment portfolio including review of custodian's statement, and related reconciliations and re-performance of debt instruments valuations on the basis of prices the Mutual Fund Association of Pakistan (MUFAP) as at June 30, 2024 and matching the valuation of investment with that appearing in the financial statements. - We assessed the Fund's compliance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) in relation to the concentration of investments and exposure limits prescribed in such Regulations and reviewed the adequacy of disclosures as may be applicable in situations of non-compliance.

Information other than the financial statements and auditor's report thereon

The Management Company is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management Company and its Board of Directors

The Management Company ("Al Habib Asset Management Limited") of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and accounting and reporting 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.

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

BDO Ebrahim & Co. Chartered Accountants Page - 2

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The Management Company is responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

We also provide the Board of Directors of the Management Company 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.



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From the matters communicated with the Board of Directors of the Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current year 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.

Report on other legal and regulatory requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in accordance with the relevant provisions of the Trust Deed, NBFC Rules and NBFC Regulations.

Other matter

The financial statements of the Fund for the year ended June 30, 2023 were audited by another firm of Chartered Accountants, who vide their report dated September 28, 2023 issued an unqualified opinion thereon.

The engagement partner on the audit resulting in this independent auditor's report is Tariq Feroz Khan.

KARACHI

DATED: August 30, 2024

UDIN: AR202410166JdDfi26W7

BDO EBRAHIM & CO.
bdo CHARTERED ACCOUNTANTS

STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2024

	Note	2024 ------(Rupees in '000)-----	2023
ASSETS			
Bank balances	5	23,751	3,394
Investments	6	1,188,280	105,183
Dividend and profit receivable	7	3,855	86
Receivable against sale of units		333,645	-
Receivable against sale of investment		-	5,452
Advances and deposits	8	3,693	1,318
Total assets		1,553,224	115,433
LIABILITIES			
Payable to AL Habib Asset Management Limited - Management Company	9	1,840	-
Provision for Federal Excise Duty on remuneration of the Management Company	10	2,043	2,043
Payable to Central Depository Company of Pakistan Limited - Trustee	11	173	23
Payable to Securities and Exchange Commission of Pakistan	12	111	24
Payable against Purchase of Investment		137,340	-
Accrued expenses and other liabilities	13	16,858	749
Total liabilities		158,365	2,839
NET ASSETS		1,394,859	112,594
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		1,394,859	112,594
CONTINGENCIES AND COMMITMENTS	14		
		------(Number of units)-----	
Number of units in issue	15	13,947,192	1,468,186
		(Rupees)	
Net assets value per unit		100.01	76.69

The annexed notes 1 to 32 form an integral part of these financial statements.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 ----- (Rupees in '000) -----	2023 -----
INCOME			
Profit on bank deposits	16	9,508	2,910
Dividend income		32,527	11,437
Net gain / (loss) on investments designated at fair value through profit or loss			
- Capital gain / (loss) on sale of investments		95,161	(4,655)
- Unrealised appreciation / (diminution) on re-measurement of investments classified at 'fair value through profit or loss' - net		99,491	(10,468)
		194,652	(15,123)
Total income / (loss)		236,687	(776)
EXPENSES			
Remuneration of AL Habib Asset Management Limited - Management Company		6,740	1,148
Sindh Sales Tax on Management Company's remuneration		876	149
Expenses allocated by the Management Company		140	-
Remuneration of Central Depository Company of Pakistan Limited - Trustee		667	235
Sindh Sales Tax on Trustee's remuneration		87	31
Annual fee to the Securities and Exchange Commission of Pakistan		308	24
Brokerage expense		4,440	479
Settlement and bank charges		436	352
Annual listing fee		25	28
Auditors' remuneration	17	390	491
Printing charges		65	65
Total expenses		14,174	3,000
Net income / (loss) for the year before taxation		222,513	(3,776)
Taxation	18	-	-
Net income / (loss) for the year after taxation		222,513	(3,776)
Allocation of net income for the year after taxation			
Net income for the year after taxation		222,513	-
Income already paid on units redeemed		(136,408)	-
		86,105	-
Accounting income available for distribution:			
- Relating to capital gains		95,161	-
- Excluding capital gains		(9,056)	-
		86,105	-

The annexed notes 1 to 32 form an integral part of these financial statements.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

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

	2024	2023
	----- (Rupees in '000) -----	
Net income / (loss) for the year after taxation	222,513	(3,776)
Other comprehensive income for the year	-	-
Total comprehensive income / (loss) for the year	<u>222,513</u>	<u>(3,776)</u>

The annexed notes 1 to 32 form an integral part of these financial statements.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	2024			2023		
	Capital Value	Undistributed (loss) / Income	Total	Capital Value	Undistributed (loss) / Income	Total
	(Rupees in '000)					
Net assets at beginning of the year	173,705	(61,111)	112,594	177,793	(57,335)	120,458
Issuance of 28,688,045 units (2023: 376,297 units)						
- Capital value	2,200,086	-	2,200,086	30,077	-	30,077
- Element of income / (loss)	1,557,201	-	1,557,201	(2,218)	-	(2,218)
Total proceeds on issuance of units	3,757,287	-	3,757,287	27,859	-	27,859
Redemption of 16,209,039 units (2023: 415,173 units)						
- Capital value	(1,243,071)	-	(1,243,071)	(33,185)	-	(33,185)
- Element of income	(903,335)	(136,408)	(1,039,743)	1,238	-	1,238
Total payments on redemption of units	(2,146,406)	(136,408)	(2,282,814)	(31,947)	-	(31,947)
Total comprehensive income / (loss) for the year	-	222,513	222,513	-	(3,776)	(3,776)
Distribution during the year	(357,014)	(57,707)	(414,721)	-	-	-
Net assets at end of the year	1,427,572	(32,713)	1,394,859	173,705	(61,111)	112,594
Accumulated loss brought forward						
- Realised loss		(50,642)			(45,387)	
- Unrealised (loss)		(10,469)			(11,948)	
		(61,111)			(57,335)	
Accounting income available for distribution						
- Relating to capital gain		95,161			-	
- Excluding capital gain		(9,056)			-	
		86,105			-	
Net loss for the year after taxation		-			(3,776)	
Distribution during the year		(57,707)			-	
Accumulated loss carried forward		(32,713)			(61,111)	
Accumulated loss carried forward comprises of:						
- Realised (loss)		(132,204)			(50,642)	
- Unrealised gain / (loss)		99,491			(10,469)	
		(32,713)			(61,111)	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the year		76.69			79.93	
Net assets value per unit at end of the year		100.01			76.69	

The annexed notes 1 to 32 form an integral part of these financial statements.

**For AL Habib Asset Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
	Note -----	(Rupees in '000) -----
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income / (loss) for the year before taxation	222,513	(3,776)
Adjustments for:		
Unrealised (appreciation) / diminution on re-measurement of investments classified at 'fair value through profit or loss' - net	(99,491)	10,468
	123,022	6,692
Working capital changes		
(Increase) / decrease in assets		
Investments	(983,606)	(28,618)
Dividend and profit receivable	(3,769)	(14)
Receivable against sale of units	(333,645)	-
Receivable against sale of investment	5,452	1,026
Advances and deposits	(2,375)	1,474
	(1,317,943)	(26,132)
Increase/ (decrease) in liabilities		
Payable to AL Habib Asset Management Limited - Management Company	2,947	(233)
Payable to Central Depository Company of Pakistan Limited - Trustee	150	-
Payable to Securities and Exchange Commission of Pakistan	87	(24)
Payable against Purchase of Investment	137,340	-
Accrued expenses and other liabilities	16,109	(209)
	155,526	(466)
Net cash used in operating activities	(1,039,395)	(19,906)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	3,757,287	27,859
Payments made on redemption of units	(2,282,814)	(31,947)
Dividend paid during the year	(414,721)	-
Net cash generated from / (used in) financing activities	1,059,752	(4,088)
Net increase / (decrease) in cash and cash equivalents during the year	20,357	(23,994)
Cash and cash equivalents at beginning of the year	3,394	27,388
Cash and cash equivalents at end of the year	23,751	3,394

The annexed notes 1 to 32 form an integral part of these financial statements.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

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

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** First Habib Stock Fund (the "Fund") was established under a Trust Deed between AL Habib Asset Management Limited (HAML) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on August 21, 2008 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on August 11, 2008 under Rule 67 of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).
- 1.2** The Management Company of the Fund has been licensed to undertake Asset Management Services as Non Banking Finance Company under the NBFC Rules by the SECP. The registered office of the Management Company is situated at 3rd Floor, MacKinnon's Building, I.I. Chundrigar Road, Karachi, Pakistan.
- 1.3** The Fund has been categorized as an Open-End Asset Allocation Scheme as per the criteria laid down by the Securities and Exchange Commission of Pakistan for categorisation of Collective Investment Schemes (CIS) and is listed on Pakistan Stock Exchange Limited (the stock exchange). Units are offered for public subscription on a continuous basis. Units are transferable and can be redeemed by surrendering them to the Fund at the option of the unit holder. Title to the assets of the Fund is held in the name of Central Depository Company (CDC) of Pakistan Limited as a Trustee of the Fund.
- 1.4** The objective of the Fund is to provide investors with long term capital growth from an actively managed portfolio invested primarily in diversified pool of listed equities and related instruments. The Fund will primarily focus on investment in undervalued shares listed on Stock Exchanges. From time to time the Fund may invest in money and debt markets, Continuous Funding System, ready future spread transactions, fixed income securities or low risk assets when it has a bearish view on stock market.
- 1.5** Pakistan Credit Rating Agency (PACRA) has assigned asset management rating of 'AM2++' to the Management Company and the Fund respectively on August 12, 2023.
- 1.6** The trust deed is registered under the Sindh Act 2020, after the promulgation of Provincial Trust Act.

2. BASIS OF PREPARATION

2.1 Statement of compliance

- 2.1.1** These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules and the NBFC Regulations differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for the investments which are stated at fair value.

2.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupees, which is the Fund's functional and presentation currency. All amount have been rounded to the nearest thousand rupees, unless stated otherwise.

2.4 Critical accounting estimates and judgement

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

Judgments made by management in the application of approved accounting standards, as applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material judgment in the next year are as follows:

Classification and measurement of financial assets and financial liabilities

For details please refer notes 4.2.1.1 and 6 to these financial statements.

Impairment of financial assets

For details please refer notes 4.2.2 to these financial statements.

3 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

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

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

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

Amendments	Effective date (annual periods beginning on or after)
Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 Making Materiality Judgements- Disclosure of Accounting Policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	January 01, 2023

The Company adopted the narrow-scope amendments to the International Accounting Standard (IAS) 1, Presentation of Financial Statements which have been effective for annual reporting years beginning on or after 1 January 2023. Although the amendments did not result in any changes to accounting policy themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting the Company to provide useful entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and updates to the information disclosed in Note 4 Material accounting policies (2023: Significant accounting policies) in certain instances in line with the amendments and concluded that all its accounting policies are material for disclosure.

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

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

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
IFRS 17 Insurance Contracts	January 01, 2026
IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).	
IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.	
IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.	
IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual years beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2026.	

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

4.1 Cash and cash equivalents

Cash and cash equivalents comprise of balances with banks and short-term highly liquid investments with original maturities of three months or less.

4.2 Financial instruments

4.2.1 Financial assets

Financial assets are classified into appropriate categories at amortized cost and at fair value through profit or loss. The management determines the classification of financial assets into categories based on fund's business model for managing the financial and the contractual terms of the cash flows.

4.2.1.1 Classification

4.2.1.1.1 Equity Instruments

On initial recognition of an equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis. An equity instrument held for trading purposes or in which FVOCI election is not taken is classified as measured at FVTPL. Given the objectives of the Fund, all investments have been classified as FVTPL.

4.2.1.1.2 Debt Instruments

Amortized cost

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

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

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Fair value through profit or loss

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Subsequent, the financial measured at:

Debt investments at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest / markup income, foreign exchange gains and losses and impairment are recognised in income statement.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in income statement. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to income statement.

Debt investments at FVTPL

These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in income statement.

Equity instruments at FVOCI

Upon initial recognition, the Fund occasionally elects to classify irrevocably some of its equity investments as equity instruments at FVOCI when they meet the definition of Equity under IAS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by instrument basis. The Fund has not used this classification for its investment portfolio.

These assets are subsequently measured at their fair values. Gain/loss on remeasurement are recognised in other comprehensive income and are never recycled to profit. Dividends are recognised in income statement when the right of the payment has been established, except when the Fund benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

Equity investments at FVTPL

These assets are subsequently measured at fair value. Dividends are recognised as income in income statement unless the dividend clearly represents a recovery of part of the cost of the investment.

4.2.1.2 Regular way purchase and sale of financial asset

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 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 Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

The guiding principle of the expected credit loss (ECL) model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. The amount of ECLs recognised as a loss allowance or provision depends on the extent of credit deterioration since initial recognition. Under the general approach, there are two measurement bases:

- 12-month ECLs (Stage 1), which applies to all items (from initial recognition) as long as there is no significant deterioration in credit quality.
- Lifetime ECLs (Stages 2 and 3), which applies when a significant increase in credit risk has occurred on an individual or collective basis.

The Fund's financial assets include mainly bank balances, investments and other receivables.

4.2.3 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.

4.2.4 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 realise the assets and settle the liabilities simultaneously.

4.3 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.

4.4 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 (90%) of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders. The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% 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) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

4.5 Proposed distributions

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

4.6 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that day. The offer price represents the net assets value per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours of that day. The redemption price represents the net assets value per unit as of the close of the business day less any back-end load (if applicable), any duties, taxes, charges on redemption and any provision for transaction costs, if applicable. Redemption of units are recorded on acceptance of application for redemption.

4.7 Net assets value per unit

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

4.8 Revenue recognition

- Realised capital gains / (losses) arising on sale of investments are included in the income statement on the date at which the transaction takes place.
- Mark-up / profit / return on Government securities, bank profits and investment in debt securities are recognized using the effective interest method. Dividend income from equity securities is recognised when the right to receive the dividend is established.
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are included in the income statement in the period in which they arise.
- Dividend income from equity securities is recognised when the right to receive the dividend is established.

4.9 Transactions with related parties / connected persons

Transactions with related parties / connected persons are based at arm's length at normal commercial rates on the same terms and conditions as applicable to third party transactions.

Remuneration to the Management Company and the Trustee is determined in accordance with the provision of NBFC Rules, NBFC Regulations and the Trust Deed respectively.

5. BANK BALANCES

	Note	2024 ----- (Rupees in '000) ---	2023
Savings accounts	5.1 & 5.2	<u>23,751</u>	<u>3,394</u>
		<u>23,751</u>	<u>3,394</u>

5.1 These carries profit rates ranging from 20.50% to 21.50% (June 30, 2023: 12.50% to 19.75%) per annum.

5.2 This includes a balance of Rs. 300.01 million (June 30, 2023: Rs. 3.28 million) with Bank AL Habib Limited, a related party.

6. INVESTMENTS

Financial assets at fair value through profit or loss

Listed equity securities	6.1	<u>1,118,280</u>	<u>105,183</u>

6.1 Financial assets at 'fair value through profit or loss' - Listed equity securities

Name of the Investee Companies	Note	As at July 01, 2023	Purchased during the year	Bonus / right issue during the year	Sold during the year	As at June 30, 2024	Carrying value as at June 30, 2024	Market value as at June 30, 2024	Unrealised appreciation / (diminution)	Market Value as a percentage of:		Face value of investments as a percentage of the paid up capital of the investee company
										Net Assets	Total Investment	
Number of shares						(Rupees in '000)			(-%)			
Commercial Banks												
Askari Bank Limited		-	325,000	-	325,000	-	-	-	-	0.00%	0.00%	0.00%
Bank Alfalah Limited	6.1.1	85,000	1,348,000	-	713,000	720,000	45,486	48,974	3,488	3.51%	4.12%	0.05%
Bank AL Habib Limited		23,000	-	-	-	23,000	994	2,580	1,586	0.18%	0.22%	0.00%
Faysal Bank Limited		90,000	879,762	-	160,000	809,762	37,405	42,464	5,059	3.04%	3.57%	0.11%
Habib Bank Limited		10,000	483,000	-	193,000	300,000	33,826	37,209	3,383	2.67%	3.13%	0.03%
Habib Metro Bank Limited		30,000	-	-	30,000	-	-	-	-	0.00%	0.00%	0.00%
MCB Bank Limited		18,000	135,000	-	90,000	63,000	12,605	14,302	1,697	1.03%	1.20%	0.01%
Meezan Bank Limited		80,000	481,000	-	261,000	300,000	64,066	71,817	7,751	5.15%	6.04%	1.77%
National Bank of Pakistan		-	540,000	-	540,000	-	-	-	-	0.00%	0.00%	0.00%
JS Bank Limited		-	200,000	-	200,000	-	-	-	-	0.00%	0.00%	0.00%
Soneri Bank Limited		-	295,000	-	70,000	225,000	2,684	2,680	(4)	0.19%	0.23%	0.04%
Bank Islami Pakistan Limited	-	1,205,000	-	125,000	1,080,000	25,024	24,041	(983)	1.72%	2.02%	0.00%	
United Bank Limited	12,000	512,000	-	184,000	340,000	72,679	87,122	14,443	6.25%	7.33%	0.03%	
	348,000	6,403,762	-	2,891,000	3,860,762	294,769	331,189	36,420				
Oil & Gas Marketing Companies												
Sui Nourthern Gas Pipelines Limited		39,000	395,000	-	334,000	100,000	6,404	6,347	(57)	0.46%	0.53%	0.02%
Pakistan State Oil Company Limited		-	43,000	-	43,000	-	-	-	-	0.00%	0.00%	0.00%
Attock Petroleum Limited		6,625	13,500	-	20,125	-	-	-	-	0.00%	0.00%	0.00%
	45,625	451,500	-	397,125	100,000		6,404	6,347	(57)			
Engineering												
Mughal Iron and Steel Industries Limited		45,000	20,000	-	65,000	-	-	-	-	0.00%	0.00%	0.00%
	45,000	20,000	-	65,000	-		-	-	-			
Chemicals												
Dynea Pakistan Limited		13,900	-	-	13,900	-	-	-	-	0.00%	0.00%	0.00%
Engro Polymer and Chemicals Limited		9,000	60,000	-	69,000	-	-	-	-	0.00%	0.00%	0.00%
Nimir Industrial Chemicals Limited		12,000	-	-	12,000	-	-	-	-	0.00%	0.00%	0.00%
	34,900	60,000	-	94,900	-		-	-	-			
Fertilizers												
Engro Fertilizers Limited	6.1.1	90,000	465,000	-	402,000	153,000	21,895	25,432	3,537	1.82%	2.14%	0.00%
Engro Corporation Limited		25,000	266,000	-	94,500	196,500	66,096	65,378	(718)	4.69%	5.50%	0.05%
Fatima Fertilizer Company Limited		-	368,650	-	165,650	203,000	10,570	10,479	(91)	0.75%	0.88%	0.01%
Fauji Fertilizer Bin Qasim Limited		-	1,290,000	-	415,000	875,000	29,024	31,036	2,012	2.23%	2.61%	0.09%
Fauji Fertilizer Company Limited		41,000	353,740	-	234,740	160,000	24,273	26,141	1,868	1.87%	2.20%	0.02%
		156,000	2,743,390	-	1,311,890	1,587,500	151,857	158,465	6,608			
Oil & Gas Exploration Companies												
Mari Petroleum Company Limited	6.1.1	2,900	37,300	-	13,000	27,200	72,506	73,776	1,270	5.29%	6.21%	0.03%
Oil and Gas Development Company Limited	6.1.1	48,000	1,020,000	-	478,000	590,000	76,342	79,868	3,526	5.73%	6.72%	0.01%
Pakistan Oilfields Limited		17,000	84,700	-	26,700	75,000	36,876	36,746	(130)	2.63%	3.09%	0.03%
Pakistan Petroleum Limited	6.1.1	62,000	1,027,500	-	549,500	540,000	63,603	63,239	(364)	4.53%	5.32%	0.05%
	129,900	2,169,500	-	1,067,200	1,232,200	249,327	253,629	4,302				
Glass & Ceramics												
Tariq Glass Industries Limited 42,000		-	75,000	-	117,000	-	-	-	-	0.00%	0.00%	0.00%
Ghani Glass Limited		-	50,000	-	50,000	-	-	-	-	0.00%	0.00%	0.00%
	42,000	125,000	-	167,000	-		-	-	-			
Miscellaneous												
Synthetic Products Enterprise Limited		35,000	-	-	35,000	-	-	-	-	0.00%	0.00%	0.00%
Pakistan Aluminium Beverage Cans Limited		-	155,000	-	95,000	60,000	4,138	4,431	293	0.32%	0.37%	0.00%
	35,000	155,000	-	130,000	60,000		4,138	4,431	293			
Cement												
Attock Cement Pakistan Limited		23,500	122,000	-	55,500	90,000	9,179	8,743	(436)	0.63%	0.74%	0.00%
Bestway Cement Limited		19,000	19,300	-	14,300	24,000	4,913	5,383	470	0.39%	0.45%	0.11%
Cherat Cement Pakistan Limited		21,431	138,567	-	82,998	77,000	12,114	12,561	447	0.90%	1.06%	0.08%
Fauji Cement Co Limited		200,000	2,330,000	-	580,000	1,950,000	44,016	44,675	659	3.20%	3.76%	0.28%
Gharibwal Cement Limited		90,000	-	-	90,000	-	-	-	-	0.00%	0.00%	0.00%
Kohat Cement Limited		10,500	105,340	-	29,840	86,000	19,014	21,537	2,523	1.54%	1.81%	1.74%
Lucky Cement Limited		6,500	95,500	-	44,000	58,000	50,738	52,590	1,852	3.77%	4.43%	0.02%
Maple Leaf Cement Factory Limited		180,000	594,323	-	494,323	280,000	10,454	10,640	186	0.76%	0.90%	1.55%
Pioneer Cement Limited		21,000	328,000	-	141,000	208,000	33,058	35,079	2,021	2.51%	2.95%	2.18%
Power Cement Limited		-	-	-	-	-	-	-	-	0.00%	0.00%	0.00%
	571,931	3,733,030	-	1,531,961	2,773,000		183,485	191,208	7,722			
Automobiles Assemblers												
Atlas Battery Limited		-	12,500	-	12,500	-	-	-	-	0.00%	0.00%	0.00%
Balochistan Wheels Limited		-	70,000	-	57,500	12,500	1,677	1,625	(52)	0.12%	0.14%	1.08%
Exide Pakistan Limited		-	27,000	-	-	27,000	14,123	15,911	1,788	1.14%	1.34%	4.99%
Sazgar Ind Limited		-	68,000	-	68,000	-	-	-	-	0.00%	0.00%	0.00%
Sazgar Engineering Works Limited	6.1.1	-	240,000	-	139,000	101,000	54,795	84,078	29,283	6.03%	7.08%	0.56%
	-	417,500	-	277,000	140,500	70,595	101,614	31,019				

AL HABIB STOCK FUND

Name of the Investee Companies	Note	As at July 01, 2023	Purchased during the year	Bonus / right issue during the year	Sold during the year	As at June 30, 2024	Carrying value as at June 30, 2024	Market value as at June 30, 2024	Unrealised appreciation / (diminution)	Market Value as a percentage of:		Face value of investments as a percentage of the paid up capital of the investee company
										Net Assets	Total Investment	
Number of shares						(Rupees in '000)			(%)			
Textile Composition												
Interloop Limited		22,500	43,000	-	65,500	-	-	-	-	0.00%	0.00%	0.00%
Kohinoor Textile Mills Limited		19,500	-	-	19,500	-	-	-	-	0.00%	0.00%	0.00%
Towelers Limited		-	21,000	-	21,000	-	-	-	-	0.00%	0.00%	0.00%
		42,000	64,000	-	106,000	-	-	-	-			
Pharmaceutical												
Abbott Lab (Pakistan) Limied		2,400	15,000	-	5,900	11,500	6,796	8,429	1,633	0.60%	0.71%	0.00%
Highnoon Laboratories Limited		-	15,000	-	6,000	9,000	4,835	6,422	1,587	0.46%	0.54%	0.79%
		2,400	30,000	-	11,900	20,500	11,630	14,851	3,221			
Power Generation and Distribution												
Engro Powergen Qadirpur Limited		-	210,000	-	50,000	160,000	5,252	4,496	(756)	0.32%	0.38%	0.05%
Hub Power Company Limited	38,000	-	838,000	-	226,000	650,000	96,274	106,002	9,728	7.60%	8.92%	0.06%
Kot Adu Power Company Limited -		-	65,000	-	65,000	-	-	-	-	0.00%	0.00%	0.00%
		38,000	1,113,000	-	341,000	810,000	101,526	110,498	8,972			
Cable & Electrical Goods												
Fast Cables Limited		-	337,882	-	-	337,882	8,261	8,079	(182)	0.58%	0.68%	0.00%
		-	337,882	-	-	337,882	8,261	8,079	(182)			
Food And Personal Care Products												
At-Tahir Limited.		18,000	-	-	18,000	-	-	-	-	0.00%	0.00%	0.00%
Matco Foods Limited		-	-	-	-	-	-	-	-	0.00%	0.00%	0.00%
Habib Sugar Mills		-	-	-	-	-	-	-	-	0.00%	0.00%	0.00%
The Organic Meat Company Limited		-	275,000	-	125,000	150,000	3,823	5,279	1,456	0.38%	0.44%	0.00%
		18,000	275,000	-	143,000	150,000	3,823	5,279	1,456			
Paper & Boards												
Security Papers Limited		-	25,000	-	5,000	20,000	2,974	2,690	(284)	0.19%	0.23%	0.91%
		-	25,000	-	5,000	20,000	2,974	2,690	(284)			
Technology & Communications												
Air Link Communication		44,000	-	-	44,000	-	-	-	-	0.00%	0.00%	0.00%
Avanceon Limited		29,550	-	-	29,550	-	-	-	-	0.00%	0.00%	0.00%
Octopus Digital Limited		17,250	-	-	17,250	-	-	-	-	0.00%	0.00%	0.00%
System Limited		10,900	41,500	-	52,400	-	-	-	-	0.00%	0.00%	0.00%
TPL Trakker Limited		125,000	-	-	125,000	-	-	-	-	0.00%	0.00%	0.00%
Hum Network Ltd.		-	300,000	-	300,000	-	-	-	-	0.00%	0.00%	0.00%
		226,700	341,500	-	568,200	-	-	-	-			
Leather & Tanneries												
Service Global Foot		20,000	-	-	20,000	-	-	-	-	0.00%	0.00%	0.00%
		20,000	-	-	20,000	-	-	-	-			
Property												
TPL Properties Ltd.		114,000	225,000	-	339,000	-	-	-	-	0.00%	0.00%	0.00%
		114,000	225,000	-	339,000	-	-	-	-			
Refinery												
Attock Refinery Limited		-	5,000	-	5,000	-	-	-	-	0.00%	0.00%	0.00%
		-	5,000	-	5,000	-	-	-	-			
Synthetic & Rayon												
Image Pakistan Ltd.		-	25,000	-	25,000	-	-	-	-	0.00%	0.00%	0.00%
		-	25,000	-	25,000	-	-	-	-			
Total equity securities as at June 30 2024		1,869,456	18,720,064	-	9,497,176	11,092,344	1,088,789	1,188,280	99,491			
Total equity securities as at June 30 2023		1,353,000	2,634,882	50,925	2,169,351	1,869,456	115,651	105,183	(10,468)			

6.1.1 Following shares were pledged with National Clearing Company of Pakistan Limited (NCCPL) as collateral against exposure margin and mark to market losses.

	2024	2023
	(Number of Shares)	
Bank AL Habib Limited	23,000	23,000
Engro Fertilizers Limited	-	15,000
Engro Corporation Limited	20,000	10,000
Faysal Bank Limited	-	50,000
Habib Bank Limited	-	10,000
Habib Metropolitan Bank Limited	-	28,000
Mari Petroleum Company Limited	2,500	2,900
Meezan Bank Limited	89,000	65,000
Oil & Gas Development Company Limited	69,000	19,000
Pakistan Petroleum Limited	50,036	36
Sazgar Engineering Works Limited	10,000	-
TPL Trakker Limited	-	100,000
	<u>263,536</u>	<u>322,936</u>

		2024	2023
	Note	(Number of Shares)	
7. DIVIDEND AND PROFIT RECEIVABLE			
Dividend receivable		1,113	70
Profit receivable on saving accounts	7.1	3,785	16
		<u>4,898</u>	<u>86</u>

7.1 This includes an amount receivable from Bank Al Habib Limited (a related party) amounting to Rs. 3.78 million (2023: 469 million).

8. ADVANCES AND DEPOSITS

Advance tax	8.1	218	218
Advance against IPO		2,375	-
Security deposit with:			
National Clearing Company of Pakistan Limited		1,000	1,000
Central Depository Company of Pakistan Limited		100	100
		<u>1,100</u>	<u>1,100</u>
		<u>3,693</u>	<u>1,318</u>

8.1 The income of the Fund is exempt from tax under clause 99 of Part I of the Second Schedule of the Income Tax Ordinance 2001 (ITO 2001). Further, the Fund is exempt under clause 47(B) of Part IV of Second Schedule of ITO 2001 from withholding of tax under section 150, 150A, 151 and 233 of ITO 2001. The Federal Board of Revenue ("FBR") through a circular "C.No.1 (43) DG (WHT)/ 2008-Vol.II- 66417-R" dated May 12, 2015 made it mandatory to obtain exemption certificates under section 159 (1) of the ITO 2001 from Commissioner Inland Revenue (CIR). For the advance tax withheld under section 151 of ITO 2001 in prior years, the management has applied to the FBR for refund and is confident that the same will be refunded in due course.

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On 28 January 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Fund together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit received on bank deposits by the Fund has been shown as advance tax as at 30 June 2024 as in the opinion of the management, the amount of tax deducted at source will be refunded.

9. PAYABLE TO AL HABIB ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY

		2024	2023
	Note	(Rupees in '000)	
Remuneration payable to the Management Company	9.1	1,628	-
Sindh Sales Tax payable on Management Company's remuneration	9.2	212	-
		<u>1,840</u>	<u>-</u>

9.1 As per the amendments made in the NBFC Regulations, 2008 vide SRO 639 (1) I 2019 dated 20 June 2019, the Management Company has set and disclosed in the offering document the maximum rate of fee chargeable to Collective Investment Scheme within allowed expense ratio, the Management Company of the Fund is entitled to an accrued remuneration equal to an amount not exceeding 2% of average net assets of the Fund. The Management has charged its remuneration at rate ranging from 0% to 2% of the average net assets of the Fund, which is within the allowed expense ratio limit. The remuneration is paid to the Management Company on monthly basis in arrears.

9.2 Sindh Sales Tax has been charged at 13% (June 30, 2023: 13%) on the Management Company's remuneration during the year.

10. PROVISION FOR FEDERAL EXCISE DUTY ON REMUNERATION OF THE MANAGEMENT COMPANY

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 been 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 Fund Association of Pakistan (MUFAP) with the Honorable Sindh High Court (SHC) on 04 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, the tax authorities subsequently filed appeal against the decision of the SHC in the Supreme Court of Pakistan (SCP), which is pending for 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 provincial sales tax. Therefore, in the current year, provision for FED has not been recorded.

However, since the appeal is pending in the Supreme Court of Pakistan, the Fund, as a matter of abundant caution, is carrying provision for FED for the years from 13 June 2013 to 30 June 2016 aggregating to Rs. 2.043 million. Had the provision not been made, NAV per unit of the Fund as at 30 June 2024 would have been higher by Rs. 0.15 (June 30, 2023: Rs. 1.39) per unit.

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

	Note	2024 (Rupees in '000)	2023
Trustee remuneration	11.1	153	20
Sales tax payable on trustee remuneration	11.2	20	3
		<u>173</u>	<u>23</u>

- 11.1 The Trustee is entitled to a remuneration for services rendered to the Fund under the provisions of the trust deed based on the daily net asset value of the Fund. The remuneration of the Trustee has been calculated as per following applicable tariff :

Average net assets (Rs. In millions)	Tariff per annum
Upto Rs. 1,000	Rs 0.7 million or 0.2% per annum of net asset value whichever is higher.
Rs. 1,000 and above	Rs. 2 million plus 0.10% per annum of net assets on amount exceeding Rs. 1,000 million.

- 11.2 The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% (2023: 13%) on the remuneration of Trustee through Sindh Sales Tax on Services Act, 2011.

12. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

	Note	2024 (Rupees in '000)	2023
Annual fee payable	12.1	<u>111</u>	<u>24</u>

- 12.1 This represents annual fee payable to Securities and Exchange Commission of Pakistan (SECP) at 0.095% (2023: 0.02%) of net assets in accordance with regulation 62 of the NBFC Regulations.

13. ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors' remuneration	392	409
Printing charges	150	102
Withholding tax payable	13,867	192
Brokerage payable	2,286	-
Dividend payable	84	-
Annual listing fee	25	-
Settlement charges	54	46
	<u>16,858</u>	<u>749</u>

14. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at June 30, 2024 (30 June 2023: Nil).

15. NUMBER OF UNITS IN ISSUE	2024 -----Number of units -----	2023
Total units in issue at the beginning of the year	1,468,186	1,507,062
Add: Units issued during the year	28,688,045	376,297
Less: Units redeemed during the year	(16,209,039)	(415,174)
Total units in issue at the end of the year	<u>13,947,192</u>	<u>1,468,186</u>

		2024	2023
	Note	-----Rupees in '000-----	
16. PROFIT ON BANK DEPOSITS			
Saving accounts	16.1	9,508	2,910
16.1	This includes a balance of Rs. 9.49 million (June 30, 2023: Rs. 2.89 million) with Bank AL Habib Limited, a related party, carrying profit rate of 21.50% (June 30, 2023: 19.75%) per annum.		
17 AUDITORS' REMUNERATION			
Annual audit fee		236	325
Fee for half yearly review		118	120
Other certifications and out of pocket expenses		36	46
		<u>390</u>	<u>491</u>

18. TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unit holders. The Fund has not recorded any tax liability in respect of income relating to the current year as the management intends to distribute in cash atleast 90 percent of the Fund's accounting income for the year ending June 30, 2024 as reduced by capital gains (whether realised or unrealised) to its unit holders.

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.

19. EARNINGS PER UNIT

Earnings per unit has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating earnings per unit is not practicable.

20. FINANCIAL INSTRUMENTS BY CATEGORY

Particulars	As at June 30, 2024		
	Fair value through profit or loss	Amortized cost	Total
	----- Rupees in '000 -----		
Financial assets			
Bank balances	-	23,751	23,751
Investments	1,188,280	-	1,188,280
Dividend and profit receivable	-	3,855	3,855
Receivable against sale of units	-	333,645	333,645
Receivable against sale of investments - net	-	-	-
Advances and deposits	-	3,693	3,693
	<u>1,188,280</u>	<u>364,944</u>	<u>1,553,224</u>
Financial liabilities			
Payable to AL Habib Asset Management Limited - Management Company	-	1,840	1,840
Payable to Central Depository Company of Pakistan Limited - Trustee	-	173	173
Payable to Securities and Exchange Commission of Pakistan	-	111	111
Accrued expenses and other liabilities	-	16,858	16,858
	<u>-</u>	<u>18,982</u>	<u>18,982</u>

AL HABIB STOCK FUND

Particulars	As at June 30, 2023		
	Fair value through profit or loss	Amortized cost	Total
----- Rupees in '000 -----			
Financial assets			
Bank balances	-	3,394	3,394
Investments	105,183	-	105,183
Dividend and profit receivable	-	86	86
Receivable against sale of investments - net	-	5,452	5,452
Advances and deposits		1,318	1,318
	<u>105,183</u>	<u>10,250</u>	<u>115,433</u>
Financial liabilities			
Payable to AL Habib Asset Management Limited - Management Company	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	-	23	23
Payable to Securities and Exchange Commission of Pakistan	-	24	24
Accrued expenses and other liabilities	-	749	749
	<u>-</u>	<u>796</u>	<u>796</u>

21. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties include:

S.No	Company Name	Relationship
1	AL Habib Asset Management Limited	Management Company
2	Bank AL Habib Limited	Parent Company of AL Habib Management Company
3	AL Habib Capital Market Company	Subsidiary of Bank AL Habib Limited
4	AL Habib Cash Fund Fund	Managed by AL Habib Asset Management Limited
5	AL Habib Money Market Fund	Managed by AL Habib Asset Management Limited
6	AL Habib Income Fund	Managed by AL Habib Asset Management Limited
7	AL Habib Asset Allocation Fund	Managed by AL Habib Asset Management Limited
8	AL Habib Stock Fund	Managed by AL Habib Asset Management Limited
9	AL Habib Islamic Cash Fund	Managed by AL Habib Asset Management Limited
10	AL Habib Islamic Saving Fund	Managed by AL Habib Asset Management Limited
11	AL Habib Islamic Stock Fund	Managed by AL Habib Asset Management Limited
12	AL Habib Pension Fund	Managed by AL Habib Asset Management Limited
13	AL Habib Islamic Pension Fund	Managed by AL Habib Asset Management Limited
14	AL Habib Fixed Return Fund	Managed by AL Habib Asset Management Limited
15	AL Habib Islamic Munafa Fund	Managed by AL Habib Asset Management Limited
16	AL Habib Government Securities Fund	Managed by AL Habib Asset Management Limited
17	AL Habib GOKP Pension Fund	Managed by AL Habib Asset Management Limited
18	AL Habib GOKP Islamic Pension Fund	Managed by AL Habib Asset Management Limited
19	Central Depository Company	Trustee

Related parties include directors and officers of the above entities as at June 30, 2024 and staff retirement benefit funds of the above related parties.

The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with regulatory requirements and as agreed between the parties.

21.1 Details of the transactions with connected persons / related parties are as follows:

	2024	2023
	----- (Rupees in '000) -----	
AL Habib Asset Management Limited		
Management Company's Remuneration	<u>6,740</u>	<u>1,148</u>
Sindh Sales Tax on Management Company's remuneration	<u>876</u>	<u>149</u>
Expenses allocated by the Management Company	<u>140</u>	<u>-</u>

		2024	2023
		------(Rupees in '000)-----	
AL Habib Capital Markets (Private) Limited			
Brokerage		<u>778</u>	<u>94</u>
Central Depository Company of Pakistan Limited			
Remuneration of Trustee		<u>667</u>	<u>235</u>
Sindh Sales Tax on Trustee's remuneration		<u>87</u>	<u>31</u>
Bank AL Habib Limited - Parent Company of AL Habib Asset Management Company			
Profit on bank balances		<u>9,491</u>	<u>2,891</u>
Dividend Income		<u>5,533</u>	<u>161</u>
Details of the balances with connected persons / related parties as at year end are as follows:			
Bank AL Habib Limited - Parent Company of AL Habib Asset Management Company			
Bank balance		<u>300,012</u>	<u>3,284</u>
Equity Securities		<u>2,580</u>	<u>994</u>
Bank Profit receivable		<u>3,777</u>	<u>469</u>
AL Habib Asset Management Limited			
Payable to Management Company (inclusive of Sindh Sales tax)		<u>1,840</u>	<u>-</u>
Federal excise duty on Management Fee payable		<u>2,043</u>	<u>2,043</u>
Central Depository Company of Pakistan Limited			
Remuneration payable (inclusive of Sindh Sales Tax)		<u>173</u>	<u>23</u>
Security deposit - non interest bearing		<u>100</u>	<u>100</u>
AL Habib Capital Markets (Private) Limited			
Brokerage payable		<u>135,302</u>	<u>-</u>
21.2 Sale / redemption of units during the year			
Units sold to:		2024	2023
		(Units) (Rupees in '000)	(Units) (Rupees in '000)
Management Company			
- AL Habib Asset Management Limited		<u>986,730</u>	<u>35,725</u>
Directors & Their Relatives of the Management Company			
- Directors of the Management Company		<u>1</u>	<u>-</u>
Key Management Executives		<u>17,504</u>	<u>195</u>
Units redeemed by:		2024	2023
		(Units) (Rupees in '000)	(Units) (Rupees in '000)
Management Company			
- AL Habib Asset Management Limited		<u>986,730</u>	<u>35,725</u>
Directors & their relatives of the Management Company		<u>44</u>	<u>9,993</u>
Key Management Executives		<u>17,276</u>	<u>100,510</u>
21.3 Units held by:		2024	2023
		(Units) (Rupees in '000)	(Units) (Rupees in '000)
Management Company			
- AL Habib Asset Management Limited		<u>-</u>	<u>-</u>
Directors & their relative of the Management Company		<u>11</u>	<u>54</u>
- Mr. Qumail Habib			
Key Management Executives & their relatives of Directors		<u>818</u>	<u>590</u>
Connected party holding 10% or more of the units in issue):		<u>3,807,996</u>	<u>773,738</u>
		<u>380,838</u>	<u>59,336</u>

22. FINANCIAL RISK MANAGEMENT

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

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

The Fund primarily invests in a portfolio of Islamic equity securities. These activities are exposed to a variety of financial risks: market risks, credit risks and liquidity risks.

22.1. Market risk

Market risk is the risk that the fair value or 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.

Market risk comprises of three types of risk: currency risk, interest rate risk and price risk. The Fund is not exposed to interest rate risk and price risk.

22.1.1 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) Sensitivity analysis of variable rate

The Fund is exposed to cash flow interest rate risk for balances in certain savings account, the interest rates on which range between 20.50% to 21.50% per annum.

In case of 100 basis points increase / (decrease) in interest rates on June 30, 2024 with all other variable held constant, the net income for the year and the net assets would have been higher / lower by Re. 3.002 million (2023: Re. 0.034 million).

b) Sensitivity analysis of fixed rate

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. Yield / Interest rate sensitivity position for financial instrument is as follows:

		As at June 30, 2024				
Particulars		Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
	Effective yield / interest rate	Upto three months	More than three months and upto one year	More than one year		
	%	Rupees in '000				
On-balance sheet financial instruments						
Financial assets						
Bank balances	20.50 - 21.00	23,751	-	-	-	23,751
Investments						
Listed equity securities		-	-	-	1,188,280	1,188,280
Dividend and profit receivable		-	-	-	3,858	3,858
Receivable against sale of units		-	-	-	333,645	333,645
Advances and deposits		-	-	-	3,475	3,475
Sub total		23,751	-	-	1,529,255	1,553,006
Financial liabilities						
Payable to the Management Company		-	-	-	1,840	1,840
Payable to the Trustee		-	-	-	173	173
Payable to the SECP		-	-	-	111	111
Accrued expenses and other liabilities		-	-	-	2,991	2,991
Sub total		-	-	-	5,115	5,115
On-balance sheet gap (a)		23,751	-	-	1,524,146	1,547,891
Off-balance sheet financial instruments -						
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		23,751	-	-	1,524,146	1,547,891
Cumulative interest rate sensitivity gap		23,751	-	-		

----- As at June 30, 2023 -----						
Particulars		Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
	Effective yield / interest rate	Upto three months	More than three months and upto one year	More than one year		
----- Rupees in '000 -----						
On-balance sheet financial instruments						
Financial assets						
Bank balances	12.50 - 19.75	3,394	-	-	-	3,394
Investments						
Listed equity securities		-	-	-	105,183	105,183
Dividend and profit receivable		-	-	-	86	86
Receivable against sale of investments - net		-	-	-	5,452	5,452
Advances and deposits		-	-	-	3,475	3,475
Sub total		3,394	-	-	114,196	117,590
Financial liabilities						
Payable to the Trustee		-	-	-	23	23
Payable to the SECP		-	-	-	24	24
Accrued expenses and other liabilities		-	-	-	557	557
Sub total		-	-	-	604	604
On-balance sheet gap (a)		3,394	-	-	113,592	116,986
Off-balance sheet financial instruments						
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		3,394	-	-	113,592	116,986
Cumulative interest rate sensitivity gap		3,394	-	-		

22.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because 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 has exposure to equity price risk arising from its investments in equity securities. The Fund manages its price risk arising from investment in equity investment in the equity securities by diversifying its portfolio withing the eligible limits prescribed in the Fund's constitutive documents, the NBFC Regulations and circulars issued by SECP from time to time. The Fund's equity investments and their fair values exposed to price risk as at the year end are concentrated in the sectors given in note 6.1.

The following table illustrates the sensitivity of the profit for the year and the unit holders' fund to an increase or decrease of 5% in the fair values of the Fund's equity securities. This level of change is considered to be reasonably possible based on observation of current market conditions. The sensitivity analysis is based on the Fund's equity securities at each statement of assets and liabilities date, with all other variables held constant.

	2024	2023
	(Rupees in '000)	
Investments	59,414	5,259
Income Statement	59,414	5,259

22.2 Credit risk

Credit risk represents the risk of a loss if the counter parties fail to perform as contracted. The Fund's credit risk is primarily attributable bank balances and credit exposure arising as a result of profit receivable from banks and dividend receivable on equity securities.

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22.2.1 The analysis below summarises the credit quality of the Fund's bank balances as at June 30, 2024 and June 30, 2023:

Bank	Balances held by the Fund as at June 30, 2024	Latest available published rating as at June 30, 2024	Rating agency
(Rupees in '000')			
Balances with banks by rating category			
Bank Al Habib Limited	300,012	AAA	PACRA
MCB Bank Limited	127	AAA	PACRA
Dubai Islamic Bank Limited	60	AA	VIS
	<u>300,199</u>		

Bank	Balances held by the Fund as at June 30, 2023	Latest available published rating as at June 30, 2023	Rating agency
(Rupees in '000')			
Balances with banks by rating category			
Bank Al Habib Limited	3,284	AAA	PACRA
MCB Bank Limited	52	AAA	PACRA
Dubai Islamic Bank Limited	58	AA	VIS
	<u>3,394</u>		

The analysis below summarizes the credit quality of the Fund's credit exposure:

	2024	2023
	----- (Percentage) -----	
AAA	99.98	98.29
AA	0.02	1.71

Concentration of credit risk

Concentration of credit risk exists when change in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is mainly concentrated in bank balances while the remaining transactions are entered into with diverse credit-worthy counterparties thereby mitigating any significant concentration of credit risk to counterparties other than the Government. The Fund is not exposed to a concentration of credit risk.

22.3 Liquidity risk

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

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

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

Particulars	As at June 30, 2024			
	Upto three months	More than three months and upto one year	More than one year	Total
----- Rupees in '000 -----				
Financial liabilities				
Payable to Management Company	1,840	-	-	1,840
Provision for Federal Excise Duty	2,043	-	-	2,043
Payable to Trustee	173	-	-	173
Payable to Securities and Exchange Commission of Pakistan	111	-	-	111
Accrued expenses and other liabilities	16,858	-	-	16,858
	<u>21,025</u>	<u>-</u>	<u>-</u>	<u>21,025</u>

Particulars	As at June 30, 2023			
	Upto three months	More than three months and upto one year	More than one year	Total
----- Rupees in '000 -----				
Financial liabilities				
Provision for Federal Excise Duty	2,043	-	-	2,043
Payable to Trustee	23	-	-	23
Payable to Securities and Exchange Commission of Pakistan	24	-	-	24
Accrued expenses and other liabilities	749	-	-	749
	<u>2,839</u>	<u>-</u>	<u>-</u>	<u>2,839</u>

23 UNITS HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by the net assets attributable to unit holders / redeemable units. The amount of net assets attributable to unit holders can change significantly on a daily basis as the Fund is subject to daily issuance and redemptions at the discretion of unit holders. These unit holders of the Fund are entitled to distributions and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the statement of movement in unit holders' fund. Unit holders fund risk management is carried out by the Management Company through following steps:

- Monitors the level of daily issuance and redemptions relative to the liquid assets and adjusts the amount of distributions the Fund pays to the unit holders;
- Redeems and issues units in accordance with the constitutive documents of the Fund. This includes the Fund's ability to restrict redemptions; and
- The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management Company critically track the movement of 'Assets under Management'. The Board of Directors is updated regarding key performance indicators, e.g. yield and movement of NAV and total Fund size at the end of each quarter.

The Fund has maintained and complied with the requirements of minimum fund size during the current year.

24 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 amount 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 i.e. listed equity shares are based on the quoted market prices at the close of trading on the reporting 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.

As per the requirements of IFRS 7 (Financial Instruments : Disclosures) and IFRS 13 (Fair Value Measurement), 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).

AL HABIB STOCK FUND

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

Particulars	2024						
	Carrying amount			Fair value			
	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total

Note ----- Rupees in '000' -----

Financial assets measured at fair value

Listed equity securities	24.1	1,188,280	-	1,188,280	1,188,280	-	-	1,188,280

Particulars	2023						
	Carrying amount			Fair value			
	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total

Note ----- Rupees in '000' -----

Financial assets measured at fair value

Listed equity securities	24.1	105,183	-	105,183	105,183	-	-	105,183

24.1 Valuation techniques

For level 1 investments at fair value through profit or loss - Investment in respect of equity securities, the Fund uses daily quotation rates which are taken from Pakistan Stock Exchange Limited at the reporting date.

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

24.3 Transfers during the year

No transfer were made between various levels of fair value hierarchy during the year.

25 BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID

S. No	Broker name	2024	2023
		(Percentage)	
1	AL Habib Capital Markets (Private) Limited	19.81%	22.13%
2	AKD Securities Limited	19.69%	0.00%
3	Optimus Capital Management (Pvt.) Limited	12.69%	9.25%
4	JS Global Capital Limited	8.14%	0.00%
5	Topline Securities (Pvt.) Limited	7.51%	11.89%
6	KTRade Securities Limited	6.35%	0.00%
7	DJM Securities Limited	6.03%	10.61%
8	BMA Capital (Pvt.) Limited	5.90%	11.79%
9	Arif Habib Limited	5.47%	11.96%
10	Ismail Iqbal Securities (Pvt.) Limited	4.11%	3.84%
11	Next Capital Limited	2.41%	7.02%
12	Habib Metropolitan Financial Services	1.89%	7.96%
13	Taurus Securities Limited	0.00%	3.55%
		100%	100%

26 PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER

Details of members of the Investment Committee of the Fund as on June 30, 2024 are as follow:

Name	Designation	Qualification	Experience
Mr. Kashif Rafi	Chief Executive Officer	MBA - IBA	23 years
Mr. Zahid Hussain Vasnani	Chief Operating Officer & Company Secretary	CA- Affiliate	24 years
Mr. Abdul Rehman	Chief Investment Officer	MBA & CFA	13 years
Mr. Ahmed Abbas	Fund Manager	MBA	16 years
Mr. Talha A.Siddiqui	Fund Manager	MA in Economics	11 years
Mr. Umar Bin Hassan	Manager Risk & Research	MS - IBA	6 years

27 PATTERN OF UNITHOLDING

Pattern of unit holding at June 30, 2024 is as follows:

Category	-----As at June 30, 2024-----			
	No. of unit holders	Number of units held	Investment amount	Percentage of total
Individuals	-	-	-	0.00%
Associated Companies and Directors	4	100,000	10,001,000	0.72%
Retirement Funds	6	964,606	96,470,246	6.92%
Insurance companies	4	1,416,084	141,622,561	10.15%
Other Corporate	13	2,344,877	234,511,149	16.81%
Other	602	9,121,625	912,253,716	65.40%
	629	13,947,192	1,394,858,672	100%

Pattern of unit holding at June 30, 2023 is as follows:

Category	-----As at June 30, 2023-----			
	No. of unit holders	Number of units held	Investment amount	Percentage of total
Individuals	138	548,954	42,099	37.39%
Associated companies and directors	4	100,644	7,718	6.85%
Retirement Funds	-	-	-	0.00%
Others	3	818,588	62,777	55.76%
	145	1,468,186	112,594	100%

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

Four meetings of the Board of Directors were held on August 17, 2023 and October 19, 2023, January 25, 2024, April 18, 2024 respectively. Information in respect of the attendance by the Directors in the meetings is given below:

S.No.	Name of Director	Number of meetings			Meeting(s) not attended
		Held	Attended	Leave	
1	Mr. Abbas D. Habib	4	3	1	99th Meeting
2	Mr. Mansoor Ali Khan	4	4	-	-
3	Mr. Saeed Allawala	4	4	-	-
4	Ms. Zarine Aziz	4	1	3	99th, 100th and 101st Meeting
5	Mr. Imran Azim	4	3	1	100th Meeting
6	Mr. Kashif Rafi (CEO)	4	4	-	-

29. TOTAL EXPENSE RATIO

Securities and Exchange Commission of Pakistan (SECP) vide directive no. SCD/PRDD/Direction/18/2016 dated July 20, 2016, requires that collective Investment Scheme (CIS) shall disclose Total Expense Ratio (TER) in the yearic financial statements of CIS/ the fund. TER of the Fund for the year ended June 30, 2024 is 4.21% which includes 0.53% representing Government levy and SECP fee. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an equity scheme.

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

31.1 Figures have been rounded off to the nearest thousand Rupees unless otherwise stated.

32. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **August 01, 2024** by the Board of Directors of the Management Company.

**For AL Habib Asset Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

ANNUAL FUND MANAGER REPORT FINANCIAL YEAR 2024

Fund Objective:

The objective of AHSF is to provide investors with long term capital growth from an actively managed portfolio invested primarily in diversified pool of listed equities and other approved instruments.

Fund Objective Achieved:

The Fund has achieved its stated objective.

Strategies and Policies Employed during the period under review:

AHSF primarily invests in equity securities listed on Pakistan Stock Exchange. The selection criterion for these securities is based upon hybrid investment approach with companies having sound financial history backed by strong fundamentals. The residual funds are placed with Commercial Banks in order to maintain liquidity requirements of the fund.

Performance of the fund with benchmark

The Fund outperformed it's benchmark by 758 bps as it posted YTD return of 102.57% as against the benchmark of 94.99%.

Fund Description

Fund Type & Category	Open Ended - Equity Scheme	External Auditors	BDO Ebrahim & Co. Chartered Accountants
Launch Date	October 10, 2009	Management Fee	2% per annum of average daily net assets.
Benchmark	KSE - 30 Index (Total Return)	Sales Load	2% front-end-load (Management has the discretion to reduce or waive load on any transaction)
Annual Return	102.57%	Minimum Investment	Initial investment of Rs. 5,000 Subsequently Rs. 1,000 per transaction
Benchmark	67.36%	Dealing Days/Timings	Monday to Thursday 9:00 am to 3:30 pm Friday 9:00 am to 4:30 pm
Net Assets	94.99%	AMC Rating	"AM2+" by PACRA
NAV per unit	Rs. 100.0101 per unit (June 30, 2024)	Trustee	Central Depository Company of Pakistan Limited.
Pricing Mechanism	Forward Pricing	Risk Profile	High (Principal at High Risk)

Market Review:

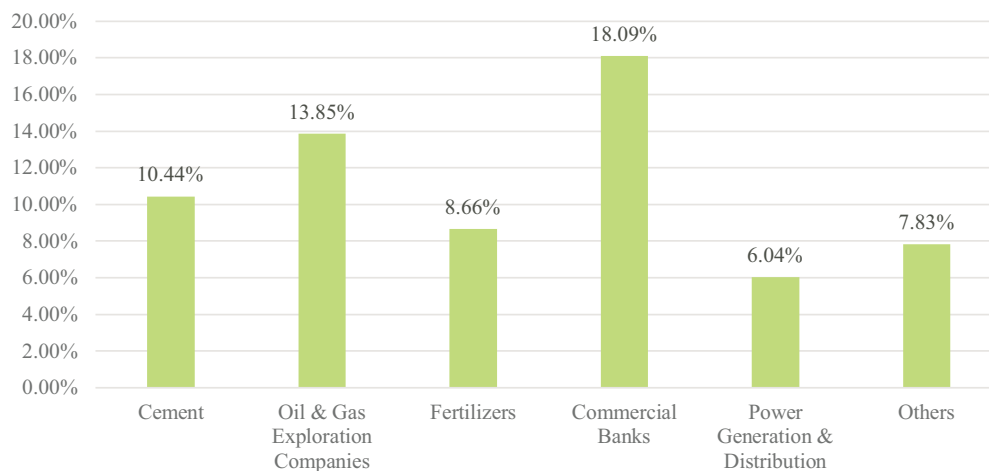
During FY24, Pakistan's economy showed encouraging signs of recovery despite global uncertainties. GDP grew by 2.38% YoY, primarily driven by a strong agricultural sector and gradual improvement in industrial output. Macroeconomic variables also improved, with the current account deficit narrowing significantly to PKR 0.68 trillion from PKR 3.27 trillion in the previous year. This was the result of enhanced remittance flows through official channels and controlled imports, which contributed to the stability of the PKR exchange rate. Inflation saw a sharp decline, falling to 12.6% in June 2024 from 29.4% in June 2023. In response, the SBP reduced the policy rate by 150 bps to 20.5%. The yield curve inversion in the secondary market indicated expectations of further rate cuts in FY25. On the equity front, the KSE 100 index reached a new high, crossing the 80,000-point mark, making it the region's best-performing market. With attractive valuations and the likelihood of securing a long-term IMF program, which would bolster macroeconomic stability, the equity market is set for continued growth in FY25.

AL HABIB STOCK FUND

Asset Allocation of Fund (as a % of total assets)

Particulars	30-Jun-24	30-Jun-23
Cash	16.40%	2.27%
Equity	64.91%	91.12%
Others	18.69%	6.61%

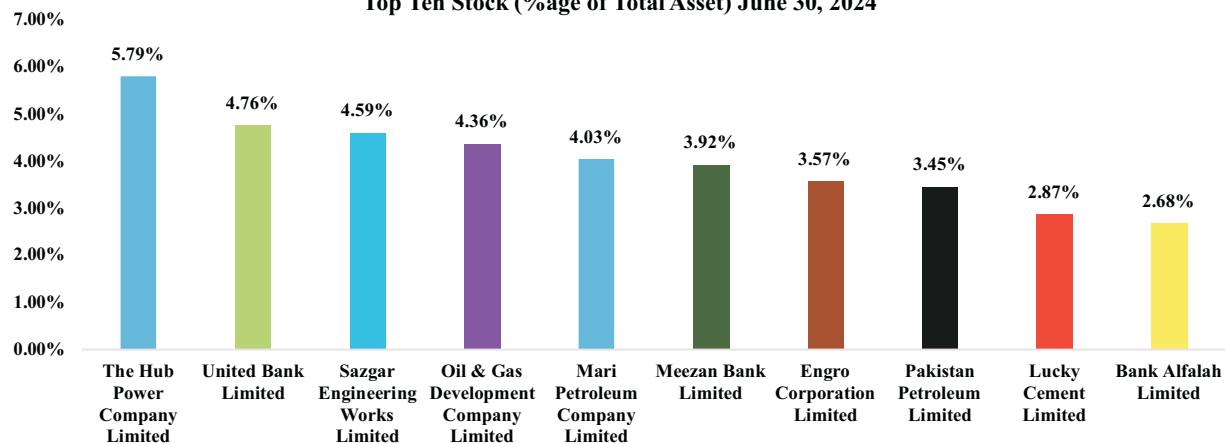
Sector Allocation (%age of Total Assets) June 30, 2024



Unit Holding Pattern

Size of Unit Holding (Units)	# of Unit Holders
1-1000	108
1001-5000	20
5001-10000	9
10001-50000	21
50001-100000	5
100001-500000	3
500001-1000000	9
1000001-5000000	4
Grand Total	179

Top Ten Stock (%age of Total Asset) June 30, 2024



Income Distribution

AHSF made a total distribution of Rs.55.329 during FY24 in the form of dividend, the details of which is as follows;

Month	Cum NAV Rs.	Ex-NAV Rs.	Distribution Rs.
Jun-24	155.329	100	55.329

During the period under question:

There has been no significant change in the state of affairs of the Fund. Al Habib Stock Fund does not have any soft commission arrangement with any broker in the industry.

Sales and Redemptions of Units

During FY24, 28,719,480 units of the value of Rs. 3.759 billion were sold, while 16,240,474 units of value of Rs. 2.276 billion were redeemed, resulting in to a net sale of 12,479,006 units valued Rs. 1.482 billion.

Unit Holders Pattern

For the breakdown of unit holding by size as on June 30, 2024, please refer to note 23 of the Annual Accounts 2024.

Fund Performance at a Glance

	2024
Net Assets as at June 30 (Rs. in Billion)	1.39
NAV per unit as at June 30 (Rs.)	100.0101
Distribution during the year ended June 30 (Rs.)	55.329
Annual Return	102.57%

AL HABIB ISLAMIC CASH FUND
Annual Report
For the year ended June 30, 2024

FUND'S INFORMATION

Management Company

AL Habib Asset Management Limited

Board of Directors of the Management Company

Mr. Abbas D. Habib	Chairman
Mr. Mansoor Ali	Director
Mr. Imran Azim	Director
Ms. Zarin Aziz	Director
Mr. Saeed Allawala	Director
Mr. Kashif Rafi	Chief Executive Officer

Chief Financial Officer

Mr. Abbas Qurban

Company Secretary & Chief Operating Officer

Mr. Zahid Hussain Vasnani

Audit Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali	Member
Mr. Imran Azim	Member

Human Resource Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali	Member
Ms. Zarin Aziz	Member
Mr. Kashif Rafi	Member

Auditors

BDO Ebrahim & Co.
Lakson Square Building No. 1, 9th Floor,
Block C Sarwar Shaheed Rd, Civil Lines,
Karachi, Karachi City, Sindh 74200

Legal Advisor

Mohsin Tayebaly & Co.
Barristers & Advocates,
2nd Floor, DIME Centre, BC-4, Block 9,
Kehkashan, Clifton, Karachi.

Trustee

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block 'B', S.M.C.H.S.,
Main Shahra-e-Faisal, Karachi.

Rating

AA+(f) Fund Stability Rating, Rating by PACRA
AM2++ Management Company Quality Rating
Assigned by PACRA.

Bankers to the Fund

Bank Islami Pakistan Limited
Bank Al Habib Limited
Meezan Bank Limited

Registered Office: 3rd Floor, Mackinnon's Building, I.I. Chundrigar Road, Karachi.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S. Main Shakra-e-Faisal
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcPakistan.com
Email: info@cdcpak.com



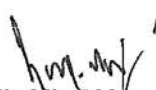
TRUSTEE REPORT TO THE UNIT HOLDERS

AL HABIB ISLAMIC CASH FUND

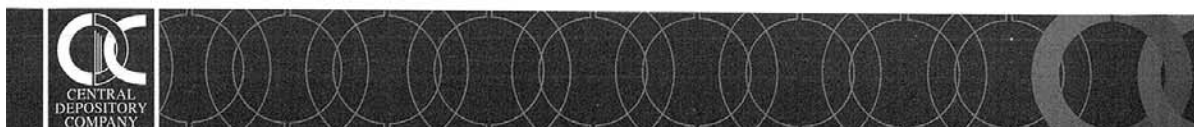
Report of the Trustee pursuant to Regulation 41(h) and Clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of AL Habib Islamic Cash Fund (the Fund) are of the opinion that AL Habib Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2024 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) 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.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 27, 2024



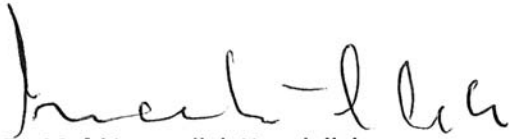
REVIEW REPORT OF THE SHARIAH ADVISOR

As a Shariah Advisor of the **AL Habib Islamic Cash Fund (AHICF)**, I am issuing this report. The scope of the report is to express an opinion on the Shariah compliance of the fund's activities.

It is the responsibility of the management of aforesaid fund to establish and maintain a system of internal control to ensure compliance with Shariah guidelines. My responsibility is to express an opinion, based on my review of the representation made by the management, to the extent where such compliance can be objectively verified.

A review is limited primarily to inquire to the Management Company's personnel and review of various documents prepared by the management company to comply with prescribed criteria. In the light of the above, I hereby certify that:

- I have reviewed and approved the modes of investment of AHICF in the light of the Shariah guidelines.
- All the provisions of the scheme and investments made on account of AHICF by Management Company are Shariah Compliant and in accordance with the criteria established.
- On the basis of information provided by the Management Company, all the operations of AHICF for the period from July 01, 2023 to June 30, 2024 have been in compliance with Shariah principles.



Dr. Mufti Ismatullah Hamdullah
Shariah Advisor

Date: June 30, 2024



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INDEPENDENT ASSURANCE REPORT TO THE UNITHOLDERS ON THE STATEMENT OF COMPLIANCE WITH THE SHARIAH PRINCIPLES

Scope of our Work

We have performed an independent assurance engagement of Al Habib Islamic Cash Fund (the Fund), to express an opinion on the annexed Statement of Compliance with the Shariah Principles (the Statement) for the period ended June 30, 2024. Our engagement was carried out as required under Trust Deed and Shariah Principles of the Fund.

Applicable Criteria

The criteria for the assurance engagement against which the underlying statement (the subject matter) is assessed comprises of compliance with the Shariah Principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor (criteria). Therefore, the underlying subject matter may not be suitable for another purpose. Our engagement was carried out as required under Trust Deed and Shariah Principles of the Fund.

Management Company's responsibility

Management Company (Al Habib Asset Management Limited) of the Fund is responsible for the preparation and fair presentation of the Statement (the subject matter) and for compliance with the Shariah Principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor (criteria). This responsibility includes designing, implementing and maintaining internal control to ensure that operations of the Fund and the investments made by the Fund are in compliance with the Shariah Principles.

Our Independence and Quality Control

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. The firms apply International Standard on Quality Management (ISQM) 1 "Quality Management for Firms That Perform Audits and Reviews of Financial Statements, And Other Assurance and Related Services Engagements" and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibility of independent assurance providers

Our responsibility is to express our conclusion on the Statement based on our independent assurance engagement, performed in accordance with the International Standards on Assurance Engagement (ISAE 3000) (Revised) 'Assurance Engagements other than Audits or Reviews of Historical Financial Information'. This standard requires that we plan and perform the engagement to obtain reasonable assurance whether the Statement reflects the status of the Fund's compliance with the Shariah Principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor and is free from material misstatement.

The procedures selected depend on our judgment, including the assessment of the risks of material non-compliance with the Shariah Principles whether due to fraud or error. In making those risk assessments, we have considered internal controls relevant to the Fund's compliance with the principles in order to design procedures that are appropriate in the circumstances, for gathering sufficient appropriate evidence to determine that the Fund was not materially non-compliant with the principles. Our engagement was not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

Page - 1

BDO Ebrahim & Co. Chartered Accountants

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The procedures performed included:

- Checking compliance of specified guidelines issued by the Shariah Advisor relating to charity, maintaining bank accounts and for making investments of the Fund; and
- Checking that the Shariah Advisor has certified that the operations of the Fund and investments made by the Fund during the period ended June 30, 2024 are in compliance with the Shariah Principles and where required, purification of income from non-compliant sources has been made in consultation with the Shariah Advisor.

Conclusion

In our opinion, the Statement, in all material respects, presents fairly the status of the Fund's compliance with the Shariah principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor for the period ended June 30, 2024.

KARACHI

DATED: SEPTEMBER 30, 2024


BDO EBRAHIM & CO
CHARTERED ACCOUNTANTS



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INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF AL HABIB ISLAMIC CASH FUND

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Al Habib Islamic Cash Fund ("the Fund"), which comprise the statement of assets and liabilities as at June 30, 2024, and the income statement, statement of comprehensive income, statement of cash flows and statement of movement in unit holders' fund for the year ended June 30, 2024, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at June 30, 2024, and its financial performance and its cash flows for the year June 30, 2024 in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for opinion

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

Key Audit Matters

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

Following are the Key audit matters:

S.NO	Key audit matter(s)	How the matter was addressed in our audit
1.	Existence and valuation of investments As disclosed in note 6 to the accompanying financial statements of the Fund for the year June 30, 2024, the Fund has investments classified as "Fair value through profit or loss" amounting to Rs. 7.188 million representing 40% of the net assets value of the Fund.	Our audit procedures included the following: • We evaluated the design and implementation of key controls of Investment and tested controls over acquisition, disposals and year end valuation of investments portfolio.



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S.NO	Key audit matter(s)	How the matter was addressed in our audit
	As these investments represent a significant element of the statement of assets and liabilities, a discrepancy in the valuation or existence of investments could cause the NAV to be materially misstated which would also impact the Fund's reported performance as the valuation of investments is the main driver of movements in the performance of the Fund. In view of the significance of these investments in relation to the total assets and the NAV of the Fund, we have considered the existence and valuation of such investments as a key audit matter.	- We performed substantive audit procedures on year-end balance of investment portfolio including review of custodian's statement, and related reconciliations and re-performance of debt instruments valuations on the basis of prices the Mutual Fund Association of Pakistan (MUFAP) as at June 30, 2024 and matching the valuation of investment with that appearing in the financial statements. - We assessed the Fund's compliance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) in relation to the concentration of investments and exposure limits prescribed in such Regulations and reviewed the adequacy of disclosures as may be applicable in situations of non-compliance.

Information other than the financial statements and auditor's report thereon

The Management Company is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management Company and its Board of Directors

The Management Company ("Al Habib Asset Management Limited") of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and accounting and reporting 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.

In preparing the financial statements, the Management Company is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and



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using the going concern basis of accounting unless the Management Company either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Management Company is responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

We also provide the Board of Directors of the Management Company 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.

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BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.



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From the matters communicated with the Board of Directors of the Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current year 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.

Report on other legal and regulatory requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in accordance with the relevant provisions of the Trust Deed, NBFC Rules and NBFC Regulations.

Other matter

The financial statements of the Fund for the year ended June 30, 2023 were audited by another firm of Chartered Accountants, who vide their report dated September 28, 2023 issued an unqualified opinion thereon.

The engagement partner on the audit resulting in this independent auditor's report is Tariq Feroz Khan.

KARACHI

DATED: August 30, 2024

UDIN: AR202410166Q6erluKYi

 BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2024

	Note	2024 ----- Rupees in '000' -----	2023 ----- Rupees in '000' -----
ASSETS			
Bank balances	5	9,051,600	13,675,517
Investments	6	8,688,252	-
Profit receivable	7	957,978	169,128
Advances, deposits and other receivables	8	2,179	716
TOTAL ASSETS		<u>18,700,009</u>	<u>13,845,361</u>
LIABILITIES			
Payable to AL Habib Asset Management Limited - Management company	9	35,620	12,654
Payable to Central Depository Company of Pakistan Limited - Trustee	10	2,326	881
Payable to Securities and Exchange Commission of Pakistan	11	2,666	1,994
Payable against redemption of units		597,523	-
Accrued expenses and other liabilities	12	77,775	23,798
TOTAL LIABILITIES		<u>715,910</u>	<u>39,327</u>
NET ASSETS		<u>17,984,099</u>	<u>13,806,034</u>
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		<u>17,984,099</u>	<u>13,806,034</u>
CONTINGENCIES AND COMMITMENTS			
	13		
-----Number of units-----			
Number of units in issue		<u>179,840,173</u>	<u>138,060,347</u>
-----Rupees-----			
Net assets value per unit		<u>100.00</u>	<u>100.00</u>

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

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 ----- Rupees in '000' -----	2023
Income			
Income from government securities		1,944,317	-
Profit on bank deposits		2,262,572	1,499,458
Profit on term deposit receipts		453,506	154,888
Net gain on investments classified at fair value through profit or loss		4,660,395	1,654,346
- Net realised loss on sale of investment		(1,065)	-
- Net unrealised gain on sale of investment	6.1	10,780	-
		9,715	-
		4,670,110	1,654,346
Expenses			
Remuneration of AL Habib Asset Management Limited - Management Company	9.1	200,394	56,362
Sindh Sales tax on Management Company's remuneration	9.2	26,048	7,327
Expenses allocated by the Management company		19,005	16,193
Remuneration of Central Depository Company of Pakistan Limited - Trustee	10	12,585	5,469
Sindh Sales tax on Trustee's remuneration	10.3	1,636	711
Annual fee to Securities and Exchange Commission of Pakistan	11	17,016	1,994
Brokerage expense		698	-
Annual listing fee		25	25
Auditors' remuneration		551	588
Mutual Fund rating fee		150	70
Printing and other expenses		120	116
		278,228	88,855
Net income for the year before taxation		4,391,882	1,565,491
Taxation	14	-	-
Net income for the year after taxation		4,391,882	1,565,491
Allocation of net income for the year			
Net income for the year		4,391,882	1,565,491
Income already paid on redemption of units		-	-
		4,391,882	1,565,491
Accounting income available for distribution:			
- Relating to capital gains		9,715	-
- Excluding capital gains		4,382,167	1,565,491
		4,391,882	1,565,491
Earnings per unit	15		

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

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

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

	2024	2023
	--- Rupees in '000' ---	
Net income for the year	4,391,882	1,565,491
Other comprehensive income	-	-
Total comprehensive income for the year	<u>4,391,882</u>	<u>1,565,491</u>

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

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	2024			2023		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
	-----Rupees in '000'-----					
Net assets at beginning of the year	13,806,034	-	13,806,034	10,133,885	-	10,133,885
Issuance of 617,858,693 units (June 30, 2023: 325,476,762 units) including additional units 37,406,508 units issued at nil value						
- Capital value	65,526,520	-	65,526,520	32,547,676	-	32,547,676
- Element of income	-	-	-	-	-	-
Total proceeds on issuance of units	65,526,520	-	65,526,520	32,547,676	-	32,547,676
Redemption of 613,484,549 units (June 30, 2023: 288,755,267 units)						
- Capital value	(61,348,455)	-	(61,348,455)	(28,875,527)	-	(28,875,527)
- Element of income	-	-	-	-	-	-
Total payments on redemption of units	(61,348,455)	-	(61,348,455)	(28,875,527)	-	(28,875,527)
Total comprehensive income for the year	-	4,391,882	4,391,882	-	1,565,491	1,565,491
Interim distribution for the year ended June 30, 2023	-	(4,391,882)	(4,391,882)	-	(1,565,491)	(1,565,491)
Net income for the year less distribution	-	-	-	-	-	-
Net assets at end of the year	17,984,099	-	17,984,099	13,806,034	-	13,806,034
Undistributed income brought forward						
- Realised income	-			-		
- Unrealised income	-			-		
Accounting income available for distribution						
- Relating to capital gains	9,715			-		
- Excluding capital gains	4,382,167			1,565,491		
	4,391,882			1,565,491		
Interim distribution for the year ended June 30 2023	(4,391,882)			(1,565,491)		
Undistributed income carried forward	-			-		
Undistributed income carried forward comprises of:						
- Realised income	-			-		
- Unrealised income	-			-		
	-			-		
	(Rupees)			(Rupees)		
Net assets value per unit at beginning of the year	100.00			100.00		
Net assets value per unit at end of the year	100.00			100.00		

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

**For AL Habib Asset Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2024

Note	2024	2023
	-----Rupees in '000'-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year before taxation	4,391,882	1,565,491
Adjustments for:		
Unrealised gain on re-measurement of investments classified as financial assets at 'fair value through profit or loss' - net	(10,780)	-
	4,381,102	1,565,491
Increase in assets		
Investments	(8,677,472)	-
Profit receivable	(788,850)	(56,540)
Advances, deposits and other receivables	(1,463)	(40)
	(9,467,785)	(56,580)
Increase in liabilities		
Payable to AL Habib Asset Management Limited - Management company	22,966	10,534
Payable to Central Depository Company of Pakistan Limited - Trustee	1,445	457
Payable to Securities and Exchange Commission of Pakistan	672	1,707
Payable against redemption of units	597,523	-
Accrued expenses and other liabilities	52,595	8,996
	676,583	21,694
Net cash (used in) / generated from operating activities	(4,410,100)	1,530,605
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of units	65,526,520	32,547,676
Payments on redemption of units	(61,348,455)	(28,875,527)
Dividend paid	(4,391,882)	(1,565,491)
Net cash (used in) / generated from financing activities	(213,817)	2,106,658
Net (decrease) / increase in cash and cash equivalents	13,675,517	3,637,263
Cash and cash equivalents at the beginning of the year	13,675,517	10,038,254
Cash and cash equivalents at the end of the year	5 9,051,600	13,675,517

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

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Al Habib Islamic Cash Fund ('the Fund') was established under a Trust Deed executed between AL Habib Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter No. SCD/AMCW/AHICF/136/2021 dated November 12, 2021 and the Trust Deed was executed on September 27, 2021.
- 1.2 The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on August 24, 2021, the above-mentioned Trust Deed has been registered under the Sindh Trust Act.
- 1.3 Effective from September 1, 2016, AL Habib Asset Management Limited became Management Company of the Fund, which is a wholly owned subsidiary of Bank Al Habib Limited.
- 1.4 The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is situated at 3rd Floor MacKinnon's Building, I.I Chundrigar Road Karachi, Pakistan.
- 1.5 The Fund is an open-ended shariah compliant money market scheme and is listed on Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at the initial price of Rs. 100 per unit which was only for one day that began at the start of the banking hours and end at the close of the banking hours on December 20, 2021. Thereafter, the units are offered to the public for subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund at the option of the unit holder.
- 1.6 The Fund has been categorized as a shariah compliant money market scheme as per the criteria laid down by the SECP for categorization of open-end Collective Investment Schemes (CISs).
- 1.7 The core objective of the Fund is to provide its unit-holders optimum return from a shariah compliant portfolio of low risk and short duration assets while being highly liquid.
- 1.8 PACRA Credit Rating Company has assigned a management quality rating of 'AM2+' (Stable Outlook) to the Management Company and assigned stability rating of AA+(f) to the Fund as at August 12, 2023 and September 01, 2023, respectively.
- 1.9 Title of the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as trustee of the Fund.

2. BASIS OF PREPARATION

2.1 Statement of compliance

- 2.1.1 These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017; and
- NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the 'NBFC Regulations') and requirements of the Trust Deed.

Where the provisions of and directives issued under the Companies Act, 2017, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of approved accounting standards, as applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material judgment in the next year are as follows:

2.4.1 Classification and valuation of investments

For details please refer notes 4.2.1.1 and 6 to these financial statements.

2.4.2 Impairment of financial assets

For details please refer notes 4.2.1.2 to these financial statements.

3 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS**3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2024**

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

	Effective date (annual periods beginning on or after)
Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice	January 01, 2023
Statement 2 Making Materiality Judgements- Disclosure of Accounting Policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	January 01, 2023

The Company adopted the narrow-scope amendments to the International Accounting Standard (IAS) 1, Presentation of Financial Statements which have been effective for annual reporting periods beginning on or after 1 January 2023. Although the amendments did not result in any changes to accounting policy themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting the Company to provide useful entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and updates to the information disclosed in Note 4 Material accounting policies (2023: Significant accounting policies) in certain instances in line with the amendments and concluded that all its accounting policies are material for disclosure.

3.2 New accounting standards, amendments and 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, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
IFRS 17 Insurance Contracts	January 01, 2026
IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).	
IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.	
IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.	
IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2026.	

4. MATERIAL ACCOUNTING POLICY INFORMATION

The principal accounting policies applied in the preparation of these financial statements are set out below.

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.

4.2 Financial instruments

4.2.1 Financial assets

Financial assets are classified into appropriate categories at amortized cost and at fair value through profit or loss. The management determines the classification of financial assets into categories based on fund's business model for managing the financial and the contractual terms of the cash flows.

4.2.1.1 Classification

4.2.1.1.1 Debt Instruments

Amortized cost

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

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

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Fair value through profit or loss

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Subsequent, the financial measured at:

Debt investments at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest / markup income, foreign exchange gains and losses and impairment are recognised in income statement.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in income statement. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to income statement.

Debt investments at FVTPL

These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in income statement.

4.2.1.2 Regular way purchase and sale of financial asset

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 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 Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

The guiding principle of the expected credit loss (ECL) model is to reflect the general pattern of deterioration or improvement in

the credit quality of financial instruments. The amount of ECLs recognised as a loss allowance or provision depends on the extent of credit deterioration since initial recognition. Under the general approach, there are two measurement bases:

- 12-month ECLs (Stage 1), which applies to all items (from initial recognition) as long as there is no significant deterioration in credit quality.
- Lifetime ECLs (Stages 2 and 3), which applies when a significant increase in credit risk has occurred on an individual or collective basis.

The Fund's financial assets include mainly bank balances, investments and other receivables.

4.2.3 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.

4.2.4 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 realise the assets and settle the liabilities simultaneously.

4.3 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.

4.4 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 (90%) of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders.

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.

4.5 Proposed distributions

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

4.6 Issuance and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that day. The offer price represents the net assets value per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours of that day. The redemption price represents the net assets value per unit as of the close of the business day less any back-end load (if applicable), any duties, taxes, charges on redemption and any provision for transaction costs, if applicable. Redemption of units are recorded on acceptance of application for redemption.

4.7 Element of income

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

4.8 Net asset value per unit

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

4.9 Revenue recognition

- Realised capital gains / (losses) arising on sale of investments are included in the income statement on the date at which the transaction takes place.
- Mark-up / profit / Government securities, return on investment in debt securities are recognized 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 in the year in which they arise.
- Dividend income in equity is recognised when the Fund's right to receive the dividend is established.

4.10 Transactions with related parties / connected persons

Transactions with related parties / connected persons are based at arm's length at normal commercial rates on the same terms and conditions as applicable to third party transactions.

Remuneration to the Management Company and the Trustee is determined in accordance with the provision of NBFC Rules, NBFC Regulations and the Trust Deed respectively.

		2024	2023
	Note	----- Rupees in '000' -----	
5. BANK BALANCES			
Savings accounts	5.1 & 5.2	9,051,600	13,675,517
		<u>9,051,600</u>	<u>13,675,517</u>

5.1 These carries profit rates ranging from 19.10% to 21.15% per annum (June 30, 2023: 19% to 20.88% per annum).

5.2 This includes a balance held with Bank Al Habib Limited a related party, amounting to Rs. 1,172.768 million (June 30, 2023: Rs. 923.919 million).

5.3 This represent term deposit receipts held with Bank Al-Falah Limited carrying profit rates 19.80% (June 30, 2023: 20.25% to 20.50%) per annum.

6 INVESTMENTS

Financial assets classified at fair value
through profit or loss

Government Ijarah Sukuks (GOP Ijarah Sukuks)	6.1	7,188,252	-
At Amortized cost		1,500,000	-
		<u>8,688,252</u>	<u>-</u>

6.1 Government Ijarah Sukuks (GOP Ijarah Sukuks)

	Face value				Carrying value as at June 30, 2024	Market value as at June 30, 2024	Unrealised appreciation on re-measurement of investment	Market value as a percentage of net assets	Market value as a percentage of total investments
	As at July 1, 2023	Purchases made during the year	Sales / matured during the year	As at June 30, 2024					
-----Rupees in '000'-----									
GOP IJARA SUKUK 1 YEAR FRR (09-10-2023)	-	3,200,000	-	3,200,000	3,216,177	3,221,120	4,943	17.91%	44.81%
GOP IJARA SUKUK 1 YEAR VRR (07-08-2023)	-	5,546,500	3,000,000	2,546,500	2,546,764	2,548,028	1,264	14.17%	35.45%
GOP IJARA SUKUK 1 YEAR VRR (09-10-2023)	-	1,415,000	-	1,415,000	1,414,530	1,419,104	4,574	7.89%	19.74%
Total - as at June 30, 2024	-	10,161,500	3,000,000	7,161,500	7,177,471	7,188,252	10,781	39.97%	100.00%
Total - as at June 30, 2023	-	-	-	-	-	-	-	0.00%	0.00%

		2024	2023
	Note	----- Rupees in '000' -----	
7 PROFIT RECEIVABLE			
Saving accounts		508,415	125,861
Government Ijara Sukuks		446,308	-
Term deposit receipts		3,255	43,267
		<u>957,978</u>	<u>169,128</u>

8 ADVANCES, DEPOSITS AND OTHER RECEIVABLES

Advance tax	8.1	121	13
Annual Listing Fee		86	99
Other receivables		1,972	604
		<u>2,179</u>	<u>716</u>

- 8.1** The income of the Fund is exempt from tax under clause 99 of Part I of the Second Schedule of the Income Tax Ordinance 2001 (ITO 2001). Further, the Fund is exempt under clause 47(B) of Part IV of Second Schedule of ITO 2001 from withholding of tax under section 150, 151 and 233 of ITO 2001.

The Federal Board of Revenue through a circular "C.No.1 (43) DG (WHT)/ 2008-Vol.II- 66417-R" dated May 12, 2015, made it mandatory to obtain exemption certificates under section 159 (1) of the ITO 2001 from Commissioner Inland Revenue (CIR). However, various withholding agents have deducted advance tax under section 151 of ITO 2001. The Management Company is confident that the same shall be refunded after filing refund application.

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On 28 January 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Fund together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit received on bank deposits by the Fund has been shown as advance tax as at June 30, 2024 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

9 PAYABLE TO AL HABIB ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY

		2024	2023
	Note	----- Rupees in '000' -----	
Remuneration payable to the Management Company	9.1	22,709	7,260
Sindh Sales Tax on Management Company's remuneration	9.2	5,408	944
Allocation of expenses related to registrar services, accounting, operation and valuation services	9.3	6,503	4,450
		<u>35,620</u>	<u>12,654</u>

- 9.1** As per the amendments made in the NBFC Regulations, 2008 vide SRO 639 (1) / 2019 dated 20 June 2019, the Management Company shall set and disclose in the offering document the maximum rate of fee chargeable to Collective Investment Scheme within allowed expense ratio, the Management Company of the Fund is entitled to an accrued remuneration equal to an amount not exceeding 10% of gross earnings of the Fund. The Management has charged its remuneration at rate ranging from 0% to 10% (June 30, 2023: 0% to 10%) of the gross earnings of the Fund, which is within the allowed expense ratio limit. The remuneration is paid to the Management Company on monthly basis in arrears.
- 9.2** The Sindh Government has levied Sindh Sales Tax at the rate of 13% (June 30, 2023: 13%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.
- 9.3** As per Regulation 60(3)(s) of NBFC Regulations, fees and expenses related to registrar services, accounting, operation and valuation services related to Collective Investment Scheme (CIS) are chargeable to the CIS. During the year, the fee is being charged at the rate 0.11% of the average annual net assets.

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10	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	2024	2023
			----- Rupees in '000' -----	
	Remuneration payable to the Trustee	10.1 & 10.2	1,779	780
	Sindh Sales Tax payable on remuneration of the Trustee	10.3	<u>547</u>	<u>101</u>
			<u>2,326</u>	<u>881</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 average annual net assets of the Fund. The fee is paid to the Trustee monthly in arrears.			
10.2	As per the Trust Deed and Offering Document, the trustee fee shall be charged in accordance to the tariff flat rate of 0.055% (June 30, 2023: 0.055%) per annum of net assets.			
10.3	The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% (June 30, 2023: 13%) on the Trustee fee through the Sindh Sales Tax on Services Act, 2011.			
11	PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN			
	Annual fee payable	11.1	<u>2,666</u>	<u>1,994</u>
			<u>2,666</u>	<u>1,994</u>
11.1	As per Regulation 62 of NBFC Regulations, an Asset Management Company managing a Collective Investment Scheme shall pay SECP an annual fee of 0.075% of the average annual nets assets. The fee is payable annually in arrears.			
12	ACCRUED EXPENSES AND OTHER LIABILITIES			
	Auditor's remuneration		402	563
	Printing charges		68	42
	Withholding tax payable		76,935	20,931
	Other payables		<u>370</u>	<u>2,262</u>
			<u>77,775</u>	<u>23,798</u>
13	CONTINGENCIES AND COMMITMENTS			
	There were no contingencies and commitments as at the reporting date. (June 30, 2023: Nil).			
14	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 its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed to the unit holders. The Fund is also exempt from section 113 (minimum tax) provision under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.			
	During the period ended June 30, 2023 , the Fund has distributed by way of cash and bonus units as dividend, as the case maybe, at minimum of 90% of accounting income for the period , as reduced by capital gains, whether realised or unrealised to the unit holders. Accordingly, no provision for taxation has been recognized in these financial statements.			
15	EARNINGS PER UNIT			
	Earnings per unit (EPU) has not been disclosed in these financial statements as in the opinion of the Management Company the determination of the cumulative weighted average number of outstanding units is not practicable.			

16 FINANCIAL INSTRUMENTS BY CATEGORY

Particulars	June 30, 2024		
	Fair value through profit or loss	Amortised cost	Total
----- Rupees in '000' -----			
Financial assets			
Bank balances	-	9,051,600	9,051,600
Investments	7,188,252	-	7,188,252
Profit receivable	-	957,978	957,978
Advances, deposits and other receivables	-	2,058	2,058
	<u>7,188,252</u>	<u>11,544,792</u>	<u>18,733,044</u>
Financial liabilities			
Payable to AL Habib Asset Management Limited	-	35,620	35,620
Payable to Central Depository Company of Pakistan Limited - Trustee	-	2,326	2,326
Payable to Securities and Exchange Commission of Pakistan	-	2,666	2,666
Payable against redemption of units	-	597,523	597,523
Accrued expenses and other liabilities	-	840	840
	<u>-</u>	<u>638,975</u>	<u>638,975</u>

Particulars	June 30, 2023		
	Fair value through profit or loss	Amortised cost	Total
----- Rupees in '000' -----			
Financial assets			
Bank balances	-	13,675,517	13,675,517
Profit receivable	-	169,128	169,128
Advances, deposits and other receivables	-	703	703
	<u>-</u>	<u>13,845,348</u>	<u>13,845,348</u>
Financial liabilities			
Payable to AL Habib Asset Management Limited	-	11,710	11,710
Payable to Central Depository Company of Pakistan Limited - Trustee	-	780	780
Payable to Securities and Exchange Commission of Pakistan	-	1,994	1,994
Accrued expenses and other liabilities	-	2,867	2,867
	<u>-</u>	<u>17,351</u>	<u>17,351</u>

17 TRANSACTIONS AND BALANCES WITH RELATED PARTIES/ CONNECTED PERSONS

Related parties/ Connected persons include Al Habib Fund Managers Limited being the Management Company, Bank Al Habib 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, as disclosed in the offering document of the fund.

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Related parties/connected persons include:

S.No	Company Name	Relationship
1	AL Habib Asset Management Limited	Management Company
2	Bank Al Habib Limited	Parent Company of AL Habib Asset Management Limited
3	Al Habib Capital Market (Private) Limited	Subsidiary of Bank Al Habib Limited
4	AL Habib Income Fund	Managed by AL Habib Asset Management Limited
5	AL Habib Islamic Income Fund	Managed by AL Habib Asset Management Limited
6	AL Habib Stock Fund	Managed by AL Habib Asset Management Limited
7	AL Habib Islamic Stock Fund	Managed by AL Habib Asset Management Limited
8	AL Habib Pension Fund	Managed by AL Habib Asset Management Limited
9	AL Habib Cash Fund	Managed by AL Habib Asset Management Limited
10	AL Habib Islamic Pension Fund	Managed by AL Habib Asset Management Limited
11	AL Habib GOKP Pension Fund	Managed by AL Habib Asset Management Limited
12	AL Habib Islamic GOKP Pension Fund	Managed by AL Habib Asset Management Limited
13	AL Habib Asset Allocation Fund	Managed by AL Habib Asset Management Limited
14	AL Habib Money Market Fund	Managed by AL Habib Asset Management Limited
15	AL Habib Islamic Saving Fund	Managed by AL Habib Asset Management Limited
16	AL Habib Fixed Return Fund	Managed by AL Habib Asset Management Limited
17	AL Habib Islamic Munafa Fund	Managed by AL Habib Asset Management Limited
18	AL Habib Government Securities Fund	Managed by AL Habib Asset Management Limited
19	Central depository Company of Pakistan	Trustee

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

	2024	2023
17.1 Transactions during the year	----- Rupees in '000 -----	
AL Habib Asset Management Limited - Management Company		
Remuneration of the Management Company	200,394	56,362
Sindh Sales Tax on remuneration of the Management Company	26,048	7,327
Allocation of expenses related to registrar services, accounting, operation and valuation services	19,005	16,193
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	12,585	5,469
Sindh Sales Tax on remuneration of the Trustee	1,636	711
Bank Al Habib Limited - Sponsor		
Bank charges	(14)	-
Profit on bank deposits	2,262,572	1,499,458
Other Connected Persons		
Purchase of units of the plan (77,440,930 units)	7,744,093	-
Directors and Key Executives		
Purchase of units of the plan (17,410 units)	-	1,746,276
17.2 Balances outstanding as at year end		
AL Habib Asset Management Limited - Management Company		
Remuneration payable to the Management Company	23,709	7,260
Sindh Sales Tax payable on remuneration of the Management Company	5,408	944
Allocation of expenses related to registrar services, accounting, operation and valuation services	6,503	4,450
Bank Al Habib Limited - Sponsor		
Bank balances	9,051,600	13,675,517
Profit receivable	957,978	169,128

	2024	2023
	----- Rupees in '000 -----	
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	1,779	780
Sindh Sales Tax payable on remuneration of the trustee	547	101
Other Connected Persons		
Units held as at June 30, 2024 (77,440,930 Units)	7,744,093	-
Directors and Key Executives		
Units held as at June 30, 2023 (17,410 units)	-	1,746,276

18 FINANCIAL RISK MANAGEMENT

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

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

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

18.1 Market risk

Market risk is a 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 on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises of three types of risk; currency risk, interest rate risk and other price risk.

18.1.1 Currency risk

Currency risk is a 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.

18.1.2 Interest rate risk

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

a) Cash flow interest rate risk

The Fund is exposed to cash flow interest rate risk for balances in certain savings accounts, the interest rates on which range between 19.10% to 21.15% per annum, and against investments in GOP Ijara Sukuks, the interest rate on which range between 21.99% and 20.94% to 25.54% respectively.

In case of 100 basis points increase / decrease in interest rates on June 30, 2024, with all other variables held constant, the net income for the year and the net assets would have been higher / lower by Rs. 105.85 million (June 30, 2023: Rs. 105.75 million).

b) Fair value interest rate risk

The Fund's investment in GOP Ijara Sukuk exposes it to fair value interest rate risk.

In case of 100 basis points increase / decrease in interest rates on June 30, 2024, with all other variables held constant, the net income for the year and the net assets would have been higher / lower by Rs. 71.88 million. (June 30, 2023: 26.50 million).

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The composition of the Fund's investment portfolio and rates announced by Financial Market Association of Pakistan is expected to change over time. Therefore, the sensitivity analysis prepared as of June 30, 2024 is not necessarily indicative of the effect on the Fund's net assets of future movements in interest rates.

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

Particulars	June 30, 2024					Total
	Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and upto one year	More than one year		
	%	Rupees in '000				
On-balance sheet financial instruments						
Financial assets						
Bank balances	19.10 - 21.15	9,051,600	-	-	-	9,051,600
Investments	20.94 - 25.54	-	-	7,188,252	-	7,188,252
Profit receivable		-	-	-	957,978	957,978
Advances, deposits and other receivables		-	-	-	2,058	2,058
Sub total		9,051,600	-	7,188,252	960,036	17,199,888
Financial liabilities						
Payable to the Management Company-			-	-	60,776	60,776
Payable to the Trustee		-	-	-	1,779	1,779
Payable to the SECP		-	-	-	2,666	2,666
Payable against redemption of units	-		-	-	597,523	597,523
Accrued expenses and other liabilities-			-	-	840	840
Sub total		-	-	-	663,584	663,584
On-balance sheet gap (a)		10,584,756	-	7,188,252	296,452	18,069,460
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		10,584,756	-	7,188,252	296,452	18,069,460
Cumulative interest rate sensitivity gap		10,584,756	-	7,188,252		

Particulars	June 30, 2023					Total
	Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and upto one year	More than one year		
	%	Rupees in '000				
On-balance sheet financial instruments						
Financial assets						
Bank balances	18 - 20.50	13,675,517	-	-	-	13,675,517
Profit receivable		-	-	-	169,128	169,128
Advances, deposits and other receivables		-	-	-	703	703
Sub total		13,675,517	-	-	169,831	13,845,348
Financial liabilities						
Payable to the Management Company -			-	-	11,710	11,710
Payable to the Trustee		-	-	-	780	780
Payable to the SECP		-	-	-	1,994	1,994
Accrued expenses and other liabilities -			-	-	2,867	2,867
Sub total		-	-	-	17,351	17,351
On-balance sheet gap (a)		13,675,517	-	-	152,481	13,827,998
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		13,675,517	-	-	152,481	13,827,998
Cumulative interest rate sensitivity gap		13,675,517	-	-		

18.2 Credit risk

Credit risk represents the risk of a loss if the counter parties fail to perform as contracted. The Fund's credit risk is primarily attributable to investment in debt securities such as GOP Ijara Sukuks and Bank balances. Bank balances are maintained with balance with a reasonably high credit rating. The risk of default is considered minimal due to inherent systematic measures taken therein.

18.2.1 The analysis below summarises the credit rating quality of the Fund's financial assets as at June 30, 2024 and June 30, 2023:

Name of Banks	Balances held as at June 30, 2024	Latest available published rating as at June 30, 2023	Rating agency
Rupees in '000			
Balances with banks by rating category			
UBL Ameen	2,151,556	A1+	VIS
Bank Al Habib Limited	1,139,612	A1+	PACRA
Allied Bank Limited	2,597,402	A1+	PACRA
Dubai Islamic Bank Pakistan Limited	189	A1+	VIS
Faysal Bank Limited	3,149,914	A1+	PACRA
Askari Bank Ltd	12,913	A1+	PACRA
Habib Metropolitan Bank Limited	14	A1+	PACRA
	<u>9,051,600</u>		

Name of Banks	Balances held as at June 30, 2023	Latest available published rating as at June 30, 2023	Rating agency
Rupees in '000			
Balances with banks by rating category			
Bank Al Habib Limited	975,234	A1+	PACRA
Allied Bank Limited	921,019	A1+	PACRA
Meezan Bank Limited	7	A1+	VIS
Bank Alfalah Ltd (Islamic)	10,000	A1+	PACRA
Dubai Islamic Bank Pakistan Limited	6,797	A1+	VIS
Faysal Bank Limited	1,110,234	A1+	PACRA
Askari Bank Ltd	63	A1+	PACRA
Habib Metropolitan Bank Limited	52,163	A1+	PACRA
UBL Ameen	7,950,000	A1+	VIS
Askari Bank Limited AHICF	1,350,000	A1+	VIS
BAFL Islamic TDR AHICF	1,300,000	A1+	VIS
Total	<u>13,675,517</u>		

18.2.2 The analysis below summarizes the credit quality of the Fund's credit exposure:

	2024	2023
Rating by rating category	---- (Percentage) ----	
A1+	100%	100%

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is mainly concentrated in GOP Ijara Sukuks and bank balances, while the remaining transactions are entered into with diverse credit-worthy counterparties, thereby mitigating any significant concentration of credit risk to counterparties. The fund is not exposed to a concentration of credit risk.

18.3 Liquidity risk

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

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

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

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In order to manage the Fund's overall liquidity, the Fund also has the ability to withhold daily redemption requests in excess of 10% of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below 10% of the units then in issue. However, no such instances were witnessed by the Fund during the current year (June 30, 2023: None).

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.

Particulars	June 30, 2024			
	Upto three months	More than three months and upto one year	More than one year	Total
----- Rupees in '000 -----				
Financial liabilities				
Payable to the Management Company	35,620	-	-	35,620
Payable to the Trustee	2,326	-	-	2,326
Payable to the SECP	2,666	-	-	2,666
Payable against redemption of units	597,523	-	-	597,523
Accrued expenses and other liabilities	840	-	-	840
	<u>638,975</u>	<u>-</u>	<u>-</u>	<u>638,975</u>

Particulars	June 30, 2023			
	Upto three months	More than three months and upto one year	More than one year	Total
----- Rupees in '000 -----				
Financial liabilities				
Payable to the Management Company	11,710	-	-	11,710
Payable to the Trustee	780	-	-	780
Payable to the SECP	1,994	-	-	1,994
Accrued expenses and other liabilities	2,867	-	-	2,867
	<u>17,351</u>	<u>-</u>	<u>-</u>	<u>17,351</u>

19 UNITHOLDERS' FUND RISK MANAGEMENT

The unitholders' fund is represented by the net assets attributable to unitholders / redeemable units. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily issuance and redemptions at the discretion of unit holders. These unitholders of the Fund are entitled to distributions and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the statement of movement in unitholders' fund. Unitholders fund risk management is carried out by the Management Company through following steps:

- Monitors the level of daily issuance and redemptions relative to the liquid assets and adjusts the amount of distributions the Fund pays to the unitholders;
- Redeems and issues units in accordance with the constitutive documents of the Fund. This includes the Fund's ability to restrict redemptions; and
- The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management Company critically track the movement of 'Assets under Management'. The Board of Directors is updated regarding key performance indicators, e.g. yield and movement of NAV and total Fund size at the end of each quarter.

The Fund has maintained and complied with the requirements of minimum fund size during the current year.

20 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 amount 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 reporting 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.

As per the requirements of IFRS 7 (Financial Instruments: Disclosures) and IFRS 13 (Fair Value Measurement), 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 table below analyse financial instruments measured at the end of the reporting year by the level in the fair value hierarchy into which the fair value measurement is categorised:

Particulars		June 30, 2024						
		Carrying amount			Fair value			
		Fair value through profit or loss	Amortized cost	Total	Level 1	Level 2	Level 3	Total
	Note	Rupees in '000						
On-balance sheet financial instruments								
Financial assets measured at fair value	20.1							
GOP Ijarah Sukuks		7,188,252	-	7,188,252	-	7,188,252	-	7,188,252
		7,188,252	-	7,188,252	-	7,188,252	-	7,188,252

Particulars		June 30, 2023						
		Carrying amount			Fair value			
		Fair value through profit or loss	Amortized cost	Total	Level 1	Level 2	Level 3	Total
	Note	Rupees in '000						
On-balance sheet financial instruments								
Financial assets measured at fair value	20.1							
GOP Ijarah Sukuks		-	-	-	-	-	-	-
		-	-	-	-	-	-	-

20.1 Valuation techniques

For level 1 investments at fair value through profit or loss in units of mutual funds, Fund uses daily quotations which are taken from PSX, for the purpose of computation of Market value at the reporting date.

For level 2 investments at fair value through profit or loss in units of mutual funds, Fund uses PKISRV rates which are taken from MUFAP, for the purpose of computation of Market value at the reporting date.

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

20.3 Transfers during the year

No transfers were made between various levels of fair value hierarchy during the year.

AL HABIB ISLAMIC CASH FUND

21 LIST OF TOP BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID / PAYABLE

	2024	2023
	----- Percentage -----	
Top brokers during the year		
1 C&M Management Limited	2.97%	0.00%
2 Paramount Capital (Pvt) Ltd	0.25%	0.00%
3 Continental Exchange (Pvt.) Limited	14.12%	0.00%
4 Optimus Markets (Pvt) Limited	5.42%	0.00%
5 Summit Capital (Pvt) Limited	1.51%	0.00%
6 Icon Securities (Pvt) Limited	10.12%	0.00%
7 JS Global Capital Limited	65.62%	0.00%

22 PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER

Details of members of the Investment Committee of the Fund as on June 30, 2024 are as follows:

Name	Designation	Qualification	Experience
Mr. Kashif Rafi	Chief Executive Officer	MBA - IBA	23 years
Mr. Zahid Hussain Vasnani	Chief Operating Officer & Company Secretary	CA- Affiliate	24 years
Mr. Abdul Rehman	Chief Investment Officer	MBA & CFA	13 years
Mr. Ahmed Abbas	Fund Manager	MBA	16 years
Mr. Talha A.Siddiqui	Fund Manager	MA in Economics	11 years
Mr. Umar Bin Hassan	Manager Risk & Research	MS - IBA	6 years

23 PATTERN OF UNITHOLDING

Category	As at June 30, 2024			
	No. of unit holders	Number of units held	Investment amount	Percentage
Rupees in '000				
Associated Companies	3	2,551,688	255,169	1.42%
Retirement Funds	9	2,612,622	261,262	1.45%
Other Corporate	52	170,241,879	17,024,188	94.66%
Others	184	4,433,984	443,398	2.47%
	248	179,840,173	17,984,017	100.00%

Category	As at June 30, 2023			
	No. of unit holders	Number of units held	Investment amount	Percentage
Rupees in '000				
Individuals	41	1,345,882	134,588	1.63%
Associated Companies and Directors	2	6,096,552	609,655	7.40%
Retirement Funds	47	58,271,846	5,827,185	70.74%
Others	1	16,659,852	1,665,985	20.22%
	91	82,374,132	8,237,413	99.99%

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

Four meetings of the Board of Directors were held on August 17, 2023 and October 19, 2023 , January 25, 2024, April 18, 2024 respectively. Information in respect of the attendance by the Directors in the meetings is given below:

S.No.	Name of Director	Number of meetings			Meeting(s) not attended
		Held	Attended	Leave	
1	Mr. Abbas D. Habib	4	3	1	99th Meeting
2	Mr. Mansoor Ali Khan	4	4	-	-
3	Mr. Saeed Allawala	4	4	-	-
4	Ms. Zarine Aziz	4	1	3	99th, 100th and 101st Meeting
5	Mr. Imran Azim	4	3	1	100th Meeting
6	Mr. Kashif Rafi (CEO)	4	4	-	-

25 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 June 30, 2024 is 1.24% (June 30, 2023: 0.89%) which includes 0.20% (June 30, 2023: 0.10%) representing Government levies and SECP fee.

26 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.

27 GENERAL

27.1 Figures have been rounded off to the nearest thousand Rupees, unless otherwise stated.

28 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **August 01, 2024** by the Board of Directors of the Management Company.

**For AL Habib Asset Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

ANNUAL FUND MANAGER REPORT FINANCIAL YEAR 2024

Fund Objective

The investment objective of the AHICF is to provide its unit-holders optimum returns from a Shariah compliant portfolio of low risk and short duration assets while being highly liquid.

Fund Objective Achieved:

The Fund has achieved its stated objective.

Strategies and Policies Employed during the period under review:

The AHICF maintained the strategy to maintain exposure in high stability and low volatility avenues as mentioned in the objectives of the Fund, wherein major portion of investment was held with "AAA" rated Banks.

Performance of the fund with benchmark

The Fund outperformed its benchmark by 1106 bps as it posted YTD return of 21.34% as against the benchmark of 10.28%.

Fund Description

Fund Type & Category	Open End - Shariah Compliant Money Market	External Auditors	BDO Ebrahim & Co. Chartered Accountants
Launch Date	December 20, 2021	Management Fee	10% of the annual gross earnings of the Scheme
Benchmark	Three months average deposit rates of 3 AA rated Islamic Banks/Islamic windows of conventional banks as selected by MUFAP	Sales Load	3% (Management has the discretion to reduce or waive load on any transaction)
Annual Return	22.34%	Minimum Investment	Initial investment of Rs. 5,000 Subsequently Rs. 1,000 per transaction
Benchmark	10.28%	Dealing Days/Timings	Monday to Friday 9:00 am to 4:30 pm
Net Assets	Rs. 17.984 billion (June 30, 2024)	Fund Stability Rating	AA+(f) by PACRA
NAV per unit	Rs. 100.00 per unit (June 30, 2024)	AMC Rating	"AM2+" by PACRA
Pricing Mechanism	Backward Pricing	Trustee	Central Depository Company of Pakistan Limited.
Risk Profile	Very Low (Principal at very low risk)		

Market Review:

During FY24, Pakistan's money market witnessed significant improvements, driven by enhanced macroeconomic conditions. The most notable development was the substantial drop in headline inflation, which decreased from a peak of 29.4% in June 2023 to 12.6% by June 2024. This sharp decline in inflation created room for the State Bank of Pakistan (SBP) to adopt a more accommodative monetary policy stance. In response, the SBP reduced the policy rate by 150 basis points, bringing it down to 20.5% from the previous high of 22%. This was a strategic move, reflecting stabilizing macroeconomic indicators and an improved inflation outlook. Key among these indicators was the narrowing of Pakistan's current account deficit, which fell dramatically from PKR 3.27 trillion in FY23 to PKR 0.68 trillion in FY24. This development, coupled with better fiscal management, played a crucial role in stabilizing the exchange rate. The Pakistani rupee (PKR) traded within a narrow range of 274.5 to 281 PKR per USD during the year. Another notable factor is, while the SBP helped manage currency depreciation risks, it did not aim to keep the exchange rate fixed at any

pre-determined level. Moreover, Pakistan recorded a Current Account deficit of 62 USD Million in the second quarter of 2024. Current Account in Pakistan averaged at -799.26 USD Million from 1976 until 2024.

The SBP's interventions in the money market included substantial injections of liquidity through Open Market Operations (OMO), the SBP injected a total of PKR 11.9 trillion in June 2024 as compared to 7.99 trillion in same period last year.

Overall, FY24 marked a year of positive shifts for Pakistan's money market, characterized by lower inflation, stable interest rates, and improved external balances. These developments indicate a favourable outlook for FY25, with expectations of continued monetary easing and enhanced market stability.

PKRV Rates			
Tenor	As at June 30, 2024	As at June 30, 2023	Change (Bps)
3 Months	19.97	22.65	-268
6 Months	19.91	22.87	-296
12 Months	18.62	22.93	-431
3 Years	16.65	19.47	-282
5 Years	15.37	16.08	-71

PKRV Rates		
Date	Policy Rate	Change (Bps)
11-Jun-24	20.5	150
27-Jun-23	22	-

Asset Allocation of Fund (as a % of total assets)

Particulars	30-Jun-24	30-Jun-23
Cash	48.50%	75.69%
TDR	8.01%	18.97%
GOP Ijara Sukuk	38.37%	-
Others	5.13%	5.34%

Unit Holders Pattern

For the breakdown of unit holding by size as on June 30, 2024, please refer to note 22 of the Annual Accounts 2024.

Size of Unit Holding (Units)	# of Unit Holders
1-1000	75
1001-5000	34
5001-10000	21
10001-50000	43
50001-100000	17
100001-500000	21
500001-1000000	7
1000001-5000000	9
5000001-10000000	6
10000001-100000000	5
Grand Total	238

AL HABIB ISLAMIC CASH FUND

Income Distribution

AHICF made a total distribution of Rs. 19.4553 during FY24 in the form of dividend. EX-NAV of the fund after each dividend becomes Rs. 100.

Payout Date	Cum NAV Rs.	Ex-NAV Rs.	Distribution Rs.
Jul 02, 2023	100.22	100	0.22
Jul 05, 2023	100.1648	100	0.1648
Jul 06, 2023	100.055	100	0.055
Jul 07, 2023	100.0542	100	0.0542
Jul 08, 2023	100.0541	100	0.0541
Jul 11, 2023	100.1616	100	0.1616
Jul 12, 2023	100.0567	100	0.0567
Jul 13, 2023	100.0538	100	0.0538
Jul 14, 2023	100.0537	100	0.0537
Jul 15, 2023	100.054	100	0.054
Jul 18, 2023	100.1618	100	0.1618
Jul 19, 2023	100.054	100	0.054
Jul 20, 2023	100.0535	100	0.0535
Jul 21, 2023	100.0535	100	0.0535
Jul 22, 2023	100.0535	100	0.0535
Jul 25, 2023	100.1673	100	0.1673
Jul 26, 2023	100.0544	100	0.0544
Jul 27, 2023	100.0538	100	0.0538
Jul 28, 2023	100.0534	100	0.0534
Aug 01, 2023	100.222	100	0.222
Aug 02, 2023	100.0514	100	0.0514
Aug 03, 2023	100.0541	100	0.0541
Aug 04, 2023	100.0541	100	0.0541
Aug 05, 2023	100.0541	100	0.0541
Aug 08, 2023	100.1602	100	0.1602
Aug 09, 2023	100.0535	100	0.0535
Aug 10, 2023	100.0535	100	0.0535
Aug 11, 2023	100.0576	100	0.0576
Aug 12, 2023	100.054	100	0.054
Aug 16, 2023	100.2146	100	0.2146
Aug 17, 2023	100.0541	100	0.0541
Aug 18, 2023	100.0543	100	0.0543
Aug 19, 2023	100.0538	100	0.0538
Aug 22, 2023	100.1612	100	0.1612
Aug 23, 2023	100.054	100	0.054
Aug 24, 2023	100.054	100	0.054
Aug 25, 2023	100.054	100	0.054
Aug 26, 2023	100.054	100	0.054
Aug 29, 2023	100.1603	100	0.1603

AL HABIB ISLAMIC CASH FUND

Payout Date	Cum NAV Rs.	Ex-NAV Rs.	Distribution Rs.
Aug 30, 2023	100.054	100	0.054
Aug 31, 2023	100.0537	100	0.0537
Sep 01, 2023	100.0548	100	0.0548
Sep 02, 2023	100.0535	100	0.0535
Sep 05, 2023	100.1646	100	0.1646
Sep 06, 2023	100.0548	100	0.0548
Sep 07, 2023	100.0548	100	0.0548
Sep 08, 2023	100.0548	100	0.0548
Sep 09, 2023	100.0548	100	0.0548
Sep 12, 2023	100.1666	100	0.1666
Sep 13, 2023	100.0559	100	0.0559
Sep 14, 2023	100.0568	100	0.0568
Sep 15, 2023	100.0561	100	0.0561
Sep 16, 2023	100.0562	100	0.0562
Sep 19, 2023	100.1712	100	0.1712
Sep 20, 2023	100.0576	100	0.0576
Sep 21, 2023	100.0849	100	0.0849
Sep 22, 2023	100.0576	100	0.0576
Sep 23, 2023	100.0576	100	0.0576
Sep 26, 2023	100.1728	100	0.1728
Sep 27, 2023	100.0576	100	0.0576
Sep 28, 2023	100.0576	100	0.0576
Sep 29, 2023	100.0577	100	0.0577
Oct 02, 2023	100.1728	100	0.1728
Oct 03, 2023	100.0576	100	0.0576
Oct 04, 2023	100.0569	100	0.0569
Oct 05, 2023	100.0569	100	0.0569
Oct 06, 2023	100.0576	100	0.0576
Oct 07, 2023	100.0576	100	0.0576
Oct 10, 2023	100.1694	100	0.1694
Oct 11, 2023	100.0564	100	0.0564
Oct 12, 2023	100.0587	100	0.0587
Oct 13, 2023	100.0562	100	0.0562
Oct 14, 2023	100.0554	100	0.0554
Oct 17, 2023	100.1687	100	0.1687
Oct 18, 2023	100.0563	100	0.0563
Oct 19, 2023	100.0562	100	0.0562
Oct 20, 2023	100.0567	100	0.0567
Oct 21, 2023	100.0576	100	0.0576
Oct 24, 2023	100.168	100	0.168
Oct 25, 2023	100.0567	100	0.0567
Oct 26, 2023	100.0565	100	0.0565

AL HABIB ISLAMIC CASH FUND

Payout Date	Cum NAV Rs.	Ex-NAV Rs.	Distribution Rs.
Oct 27, 2023	100.0685	100	0.0685
Oct 28, 2023	100.0589	100	0.0589
Oct 31, 2023	100.166	100	0.166
Nov 01, 2023	100.0557	100	0.0557
Nov 02, 2023	100.0548	100	0.0548
Nov 03, 2023	100.0562	100	0.0562
Nov 04, 2023	100.0569	100	0.0569
Nov 07, 2023	100.1718	100	0.1718
Nov 08, 2023	100.0567	100	0.0567
Nov 09, 2023	100.0567	100	0.0567
Nov 11, 2023	100.112	100	0.112
Nov 14, 2023	100.168	100	0.168
Nov 15, 2023	100.0562	100	0.0562
Nov 16, 2023	100.0567	100	0.0567
Nov 17, 2023	100.0587	100	0.0587
Nov 18, 2023	100.0562	100	0.0562
Nov 21, 2023	100.1679	100	0.1679
Nov 22, 2023	100.0563	100	0.0563
Nov 23, 2023	100.0559	100	0.0559
Nov 24, 2023	100.0562	100	0.0562
Nov 25, 2023	100.0558	100	0.0558
Nov 28, 2023	100.1659	100	0.1659
Nov 29, 2023	100.0557	100	0.0557
Nov 30, 2023	100.0565	100	0.0565
Dec 01, 2023	100.0524	100	0.0524
Dec 02, 2023	100.0439	100	0.0439
Dec 05, 2023	100.1646	100	0.1646
Dec 06, 2023	100.0494	100	0.0494
Dec 07, 2023	100.0439	100	0.0439
Dec 08, 2023	100.0333	100	0.0333
Dec 09, 2023	100.0544	100	0.0544
Dec 12, 2023	100.157	100	0.157
Dec 13, 2023	100.0411	100	0.0411
Dec 14, 2023	100.0494	100	0.0494
Dec 15, 2023	100.0549	100	0.0549
Dec 16, 2023	100.0548	100	0.0548
Dec 19, 2023	100.1646	100	0.1646
Dec 20, 2023	100.0548	100	0.0548
Dec 21, 2023	100.0521	100	0.0521
Dec 22, 2023	100.054	100	0.054
Dec 23, 2023	100.0535	100	0.0535
Dec 27, 2023	100.2111	100	0.2111

AL HABIB ISLAMIC CASH FUND

Payout Date	Cum NAV Rs.	Ex-NAV Rs.	Distribution Rs.
Dec 28, 2023	100.0228	100	0.0228
Dec 29, 2023	100.05	100	0.05
Dec 30, 2023	100.0277	100	0.0277
Jan 02, 2024	100.1384	100	0.1384
Jan 03, 2024	100.0548	100	0.0548
Jan 04, 2024	100.0548	100	0.0548
Jan 05, 2024	100.0439	100	0.0439
Jan 06, 2024	100.0548	100	0.0548
Jan 09, 2024	100.1636	100	0.1636
Jan 10, 2024	100.0548	100	0.0548
Jan 11, 2024	100.0551	100	0.0551
Jan 12, 2024	100.0526	100	0.0526
Jan 13, 2024	100.055	100	0.055
Jan 16, 2024	100.1646	100	0.1646
Jan 17, 2024	100.0546	100	0.0546
Jan 18, 2024	100.0548	100	0.0548
Jan 19, 2024	100.0284	100	0.0284
Jan 20, 2024	100.0392	100	0.0392
Jan 23, 2024	100.1617	100	0.1617
Jan 24, 2024	100.0488	100	0.0488
Jan 25, 2024	100.0548	100	0.0548
Jan 26, 2024	100.0521	100	0.0521
Jan 27, 2024	100.0488	100	0.0488
Jan 30, 2024	100.1567	100	0.1567
Jan 31, 2024	100.0521	100	0.0521
Feb 01, 2024	100.0521	100	0.0521
Feb 02, 2024	100.0521	100	0.0521
Feb 03, 2024	100.0535	100	0.0535
Feb 07, 2024	100.2073	100	0.2073
Feb 08, 2024	100.0551	100	0.0551
Feb 10, 2024	100.105	100	0.105
Feb 13, 2024	100.1565	100	0.1565
Feb 14, 2024	100.0294	100	0.0294
Feb 15, 2024	100.0423	100	0.0423
Feb 16, 2024	100.0521	100	0.0521
Feb 17, 2024	100.0427	100	0.0427
Feb 20, 2024	100.1679	100	0.1679
Feb 21, 2024	100.0497	100	0.0497
Feb 22, 2024	100.0496	100	0.0496
Feb 23, 2024	100.0511	100	0.0511
Feb 24, 2024	100.044	100	0.044
Feb 27, 2024	100.1295	100	0.1295

AL HABIB ISLAMIC CASH FUND

Payout Date	Cum NAV Rs.	Ex-NAV Rs.	Distribution Rs.
Feb 28, 2024	100.0494	100	0.0494
Feb 29, 2024	100.0384	100	0.0384
Mar 01, 2024	100.0498	100	0.0498
Mar 02, 2024	100.053	100	0.053
Mar 05, 2024	100.162	100	0.162
Mar 06, 2024	100.055	100	0.055
Mar 07, 2024	100.0549	100	0.0549
Mar 08, 2024	100.0549	100	0.0549
Mar 09, 2024	100.0389	100	0.0389
Mar 12, 2024	100.1835	100	0.1835
Mar 13, 2024	100.0548	100	0.0548
Mar 14, 2024	100.055	100	0.055
Mar 15, 2024	100.0576	100	0.0576
Mar 16, 2024	100.0548	100	0.0548
Mar 19, 2024	100.1595	100	0.1595
Mar 20, 2024	100.0548	100	0.0548
Mar 21, 2024	100.0548	100	0.0548
Mar 22, 2024	100.0536	100	0.0536
Mar 23, 2024	100.0548	100	0.0548
Mar 26, 2024	100.1593	100	0.1593
Mar 27, 2024	100.0494	100	0.0494
Mar 28, 2024	100.0591	100	0.0591
Mar 29, 2024	100.0548	100	0.0548
Mar 30, 2024	100.0384	100	0.0384
Apr 02, 2024	100.1458	100	0.1458
Apr 03, 2024	100.0468	100	0.0468
Apr 04, 2024	100.0504	100	0.0504
Apr 05, 2024	100.0686	100	0.0686
Apr 06, 2024	100.0494	100	0.0494
Apr 09, 2024	100.1709	100	0.1709
Apr 10, 2024	100.0525	100	0.0525
Apr 16, 2024	100.3065	100	0.3065
Apr 17, 2024	100.0537	100	0.0537
Apr 18, 2024	100.047	100	0.047
Apr 19, 2024	100.055	100	0.055
Apr 20, 2024	100.0505	100	0.0505
Apr 23, 2024	100.1596	100	0.1596
Apr 24, 2024	100.0536	100	0.0536
Apr 25, 2024	100.0526	100	0.0526
Apr 26, 2024	100.0526	100	0.0526
Apr 27, 2024	100.0534	100	0.0534
Apr 30, 2024	100.1595	100	0.1595

Payout Date	Cum NAV Rs.	Ex-NAV Rs.	Distribution Rs.
May 01, 2024	100.0523	100	0.0523
May 02, 2024	100.0537	100	0.0537
May 03, 2024	100.0562	100	0.0562
May 04, 2024	100.0484	100	0.0484
May 07, 2024	100.1593	100	0.1593
May 08, 2024	100.0537	100	0.0537
May 09, 2024	100.0521	100	0.0521
May 10, 2024	100.0508	100	0.0508
May 11, 2024	100.0484	100	0.0484
May 14, 2024	100.1547	100	0.1547
May 15, 2024	100.0549	100	0.0549
May 16, 2024	100.0486	100	0.0486
May 17, 2024	100.0549	100	0.0549
May 18, 2024	100.0532	100	0.0532
May 21, 2024	100.1565	100	0.1565
May 22, 2024	100.0529	100	0.0529
May 23, 2024	100.0521	100	0.0521
May 24, 2024	100.0608	100	0.0608
May 25, 2024	100.0498	100	0.0498
May 28, 2024	100.1598	100	0.1598
May 29, 2024	100.0494	100	0.0494
May 30, 2024	100.0522	100	0.0522
May 31, 2024	100.0523	100	0.0523
Jun 01, 2024	100.0537	100	0.0537
Jun 03, 2024	100.1054	100	0.1054
Jun 04, 2024	100.0549	100	0.0549
Jun 05, 2024	100.0548	100	0.0548
Jun 06, 2024	100.055	100	0.055
Jun 07, 2024	100.055	100	0.055
Jun 10, 2024	100.1542	100	0.1542
Jun 11, 2024	100.055	100	0.055
Jun 12, 2024	100.0654	100	0.0654
Jun 13, 2024	100.0503	100	0.0503
Jun 14, 2024	100.0496	100	0.0496
Jun 20, 2024	100.2832	100	0.2832
Jun 21, 2024	100.0441	100	0.0441
Jun 24, 2024	100.1511	100	0.1511
Jun 25, 2024	100.0395	100	0.0395
Jun 26, 2024	100.0306	100	0.0306
Jun 27, 2024	100.0467	100	0.0467
Jun 28, 2024	100.0513	100	0.0513

AL HABIB ISLAMIC CASH FUND

During the period under question

There has been no significant change in the state of affairs of the Fund. Al Habib Islamic Cash Fund does not have any soft commission arrangement with any broker in the industry.

Sales and Redemptions of Units

During the year, 655,268,691 units valued of Rs. 66.178 billion were sold, while 613,487,961 units valued Rs. 61.348 billion were redeemed, resulting in to a net sale of 41,780,730 units valued Rs. 4.829 billion.

Unit Holders Pattern

For the breakdown of unit holding by size as on June 30, 2024, please refer to note 23 of the Annual Accounts 2024.

AHICF Performance at a Glance

	2024
Net Assets as at June 30 (Rs. in billion)	17.984
NAV per unit as at June 30 (Rs.)	100.00
Distribution during the year ended June 30 (Rs.)	19.4553
Annual Return	21.34%

AL HABIB ISLAMIC INCOME FUND
Annual Report
For the year ended June 30, 2024

FUND'S INFORMATION

Management Company

AL Habib Asset Management Limited

Board of Directors of the Management Company

Mr. Abbas D. Habib	Chairman
Mr. Mansoor Ali	Director
Mr. Imran Azim	Director
Ms. Zarine Aziz	Director
Mr. Saeed Allawala	Director
Mr. Kashif Rafi	Chief Executive Officer

Chief Financial Officer

Mr. Abbas Qurban

Company Secretary & Chief Operating Officer

Mr. Zahid Hussain Vasnani

Audit Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali	Member
Mr. Imran Azim	Member

Human Resource Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali	Member
Ms. Zarine Aziz	Member
Mr. Kashif Rafi	Member

Auditors

BDO Ebrahim & Co.
Lakson Square Building No. 1, 9th Floor,
Block C Sarwar Shaheed Rd, Civil Lines,
Karachi, Karachi City, Sindh 74200

Legal Advisor

Mohsin Tayebaly & Co.
Barristers & Advocates,
2nd Floor, DIME Centre, BC-4, Block 9,
Kehkashan, Clifton, Karachi.

Trustee

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block 'B', S.M.C.H.S,
Main Shakra-e-Faisal, Karachi.

Rating

AA(f) Fund Stability Rating, Rating by PACRA
AM2++ Management Company Quality Rating
Assigned by PACRA.

Bankers to the Fund

Bank Al Habib Limited
Bank Islami Pakistan Limited
Faysal Bank Limited
Al Baraka Bank

Registered Office: 3rd Floor, Mackinnon's Building, I.I. Chundrigar Road, Karachi.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S. Main Shakra-e-Faisal
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
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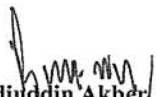
TRUSTEE REPORT TO THE UNIT HOLDERS

AL HABIB ISLAMIC INCOME FUND

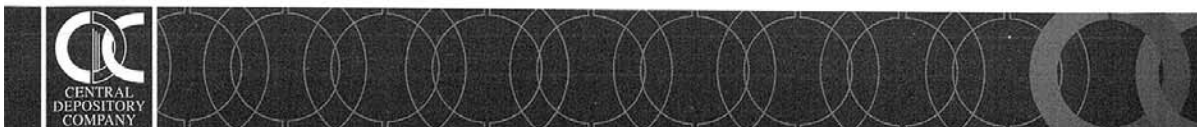
Report of the Trustee pursuant to Regulation 41(h) and Clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of AL Habib Islamic Income Fund (the Fund) are of the opinion that AL Habib Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2024 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) 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.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 27, 2024



REVIEW REPORT OF THE SHARIAH ADVISOR

As a Shariah Advisor of the **AL Habib Islamic Income Fund (AHIF)**, I am issuing this report. The scope of the report is to express an opinion on the Shariah compliance of the fund's activities.

It is the responsibility of the management of aforesaid fund to establish and maintain a system of internal control to ensure compliance with Shariah guidelines. My responsibility is to express an opinion, based on my review of the representation made by the management, to the extent where such compliance can be objectively verified.

A review is limited primarily to inquire to the Management Company's personnel and review of various documents prepared by the management company to comply with prescribed criteria. In the light of the above, I hereby certify that:

- I have reviewed and approved the modes of investment of AHIF in the light of the Shariah guidelines.
- All the provisions of the scheme and investments made on account of AHIF by Management Company are Shariah Compliant and in accordance with the criteria established.
- On the basis of information provided by the Management Company, all the operations of AHIF for the period from July 01, 2023 to June 30, 2024 have been in compliance with Shariah principles.



Dr. Mufti Ismatullah Hamdullah
Shariah Advisor

Date: June 30, 2024



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INDEPENDENT ASSURANCE REPORT TO THE UNITHOLDERS ON THE STATEMENT OF COMPLIANCE WITH THE SHARIAH PRINCIPLES

Scope of our Work

We have performed an independent assurance engagement of Al Habib Islamic Income Fund (the Fund), to express an opinion on the annexed Statement of Compliance with the Shariah Principles (the Statement) for the period ended June 30, 2024. Our engagement was carried out as required under Trust Deed and Shariah Principles of the Fund.

Applicable Criteria

The criteria for the assurance engagement against which the underlying statement (the subject matter) is assessed comprises of compliance with the Shariah Principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor (criteria). Therefore, the underlying subject matter may not be suitable for another purpose. Our engagement was carried out as required under Trust Deed and Shariah Principles of the Fund.

Management Company's responsibility

Management Company (Al Habib Asset Management Limited) of the Fund is responsible for the preparation and fair presentation of the Statement (the subject matter) and for compliance with the Shariah Principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor (criteria). This responsibility includes designing, implementing and maintaining internal control to ensure that operations of the Fund and the investments made by the Fund are in compliance with the Shariah Principles.

Our Independence and Quality Control

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. The firms apply International Standard on Quality Management (ISQM) 1 "Quality Management for Firms That Perform Audits and Reviews of Financial Statements, And Other Assurance and Related Services Engagements" and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibility of independent assurance providers

Our responsibility is to express our conclusion on the Statement based on our independent assurance engagement, performed in accordance with the International Standards on Assurance Engagement (ISAE 3000) (Revised) 'Assurance Engagements other than Audits or Reviews of Historical Financial Information'. This standard requires that we plan and perform the engagement to obtain reasonable assurance whether the Statement reflects the status of the Fund's compliance with the Shariah Principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor and is free from material misstatement.

The procedures selected depend on our judgment, including the assessment of the risks of material non-compliance with the Shariah Principles whether due to fraud or error. In making those risk assessments, we have considered internal controls relevant to the Fund's compliance with the principles in order to design procedures that are appropriate in the circumstances, for gathering sufficient appropriate evidence to determine that the Fund was not materially non-compliant with the principles. Our engagement was not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

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The procedures performed included:

- Checking compliance of specified guidelines issued by the Shariah Advisor relating to charity, maintaining bank accounts and for making investments of the Fund; and
- Checking that the Shariah Advisor has certified that the operations of the Fund and investments made by the Fund during the period ended June 30, 2024 are in compliance with the Shariah Principles and where required, purification of income from non-compliant sources has been made in consultation with the Shariah Advisor.

Conclusion

In our opinion, the Statement, in all material respects, presents fairly the status of the Fund's compliance with the Shariah principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor for the period ended June 30, 2024.

KARACHI

DATED: SEPTEMBER 30, 2024


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INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF AL HABIB ISLAMIC INCOME FUND

Report on the audit of the financial statements

Opinion

We have audited the financial statements of AL Habib Islamic Income Fund ("the Fund"), which comprise the statement of assets and liabilities as at June 30, 2024, and the income statement, statement of comprehensive income, statement of cash flows and statement of movement in unit holders' fund for the year ended June 30, 2024, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at June 30, 2024, and its financial performance and its cash flows for the year June 30, 2024 in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for opinion

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

Key Audit Matters

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

Following are the Key audit matters:

S.NO	Key audit matter(s)	How the matter was addressed in our audit
1.	Existence and valuation of investments As disclosed in note 6 to the financial statements of the Fund for the year June 30, 2024, the Fund has investments classified as "Fair value through profit or loss" amounting to Rs. 4,541.353 million representing 63.28% of the net assets value of the Fund.	Our audit procedures included the following: We evaluated the design and implementation of key controls of investment and tested controls over acquisition, disposals and year end valuation of investments portfolio.



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S.NO	Key audit matter(s)	How the matter was addressed in our audit
	As these investments represent a significant element of the statement of assets and liabilities, a discrepancy in the valuation or existence of investments could cause the NAV to be materially misstated which would also impact the Fund's reported performance as the valuation of investments is the main driver of movements in the performance of the Fund. In view of the significance of these investments in relation to the total assets and the NAV of the Fund, we have considered the existence and valuation of such investments as a key audit matter.	- We performed substantive audit procedures on year-end balance of investment portfolio including review of custodian's statement, and related reconciliations and re-performance of debt instruments valuations on the basis of prices the Mutual Fund Association of Pakistan (MUFAP) as at June 30, 2024 and matching the valuation of investment with that appearing in the financial statements. - We assessed the Fund's compliance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) in relation to the concentration of investments and exposure limits prescribed in such Regulations and reviewed the adequacy of disclosures as may be applicable in situations of non-compliance.

Information other than the financial statements and auditor's report thereon

The Management Company is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management Company and its Board of Directors

The Management Company ("Al Habib Asset Management Limited") of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and accounting and reporting 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.

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

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The Management Company is responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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



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We also provide the Board of Directors of the Management Company 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 the Board of Directors of the Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current year 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.

Report on other legal and regulatory requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in accordance with the relevant provisions of the Trust Deed, NBFC Rules and NBFC Regulations.

Other matter

The financial statements of the Fund for the year ended June 30, 2023 were audited by another firm of Chartered Accountants, who vide their report dated September 28, 2023 issued an unqualified opinion thereon.

The engagement partner on the audit resulting in this independent auditor's report is Tariq Feroz Khan.

KARACHI

DATED: August 30, 2024

UDIN: AR202410166GywxQPMn

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STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2024

		2024	2023
	Note	----- Rupees in '000 -----	
ASSETS			
Bank balances	5	2,603,239	3,871,139
Investments	6	4,541,353	1,218,655
Profit receivable	7	290,014	87,106
Advances and deposits	8	15,962	10,309
TOTAL ASSETS		7,450,568	5,187,209
LIABILITIES			
Payable to AL Habib Asset Management Limited - Management Company	9	14,963	5,246
Payable to Central Depository Company of Pakistan Limited- Trustee	10	553	365
Payable to Securities and Exchange Commission of Pakistan	11	439	1,251
Accrued expenses and other liabilities	12	257,514	31,813
TOTAL LIABILITIES		273,469	38,675
NET ASSETS		7,177,099	5,148,534
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		7,177,099	5,148,534
CONTINGENCIES AND COMMITMENTS	13	-	-
		(Number of Units)	
Number of units in issue		70,740,913	50,945,056
		(Rupees)	
Net asset value per unit		101.46	101.06

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

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

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

		2024	2023
	Note	----- Rupees in '000 -----	
INCOME			
Profit on bank deposits	15	318,890	387,941
Income from term deposit receipt		9,931	73,835
Profit on investments		764,707	435,282
Income on margin deposit with Naitional Clearing Company of Pakistan Limited		7	1,110
Realised gain on sale of investments - net		58,706	32,136
Unrealised appreciation on re-measurement of investments classified as financial at 'fair value through profit or loss' - net		15,411	2,619
		1,167,652	932,923
EXPENSES			
Remuneration of AL Habib Asset Management Limited - Management Company		56,479	22,654
Sindh Sales Tax on Management remuneration		7,342	2,945
Expenses allocated by the Management Company		6,538	9,071
Remuneration of Central Depository Company of Pakistan Limited - Trustee		4,210	4,691
Sindh Sales Tax on Trustee's remuneration		547	610
Annual fee to Securities and Exchange Commission of Pakistan		4,186	1,251
Brokerage expense		194	394
Settlement and bank charges		427	318
Annual listing fee		22	25
Auditors' remuneration	16	611	707
Mutual fund rating fee		130	146
Other charges		-	3
Printing charges		41	65
		80,727	42,880
Net income for the year before taxation		1,086,925	890,043
Taxation	17	-	-
Net income for the year after taxation		1,086,925	890,043
Allocation of net income for the year:			
Net income for the year		1,086,925	890,043
Income already paid on units redeemed		(579,197)	(424,317)
		507,728	465,726
Accounting income available for distribution:			
- Relating to capital gains		74,117	34,755
- Excluding capital gains		433,611	430,971
		507,728	465,726

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

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
	----- (Rupees in '000) -----	
Net income for the year after taxation	1,086,925	890,043
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u><u>1,086,925</u></u>	<u><u>890,043</u></u>

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

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2024

	2024			2023		
	Capital Value	Undistributed income	Net Asset	Capital Value	Undistributed income	Net Asset
	(Rupees in '000)					
Net assets at the beginning of the year	5,067,423	81,111	5,148,534	8,356,553	61,325	8,417,878
Issuance of 118,784,966 units (2023: 160,006,422 units)*						
- Capital value	12,004,409	-	12,004,409	16,112,647	-	16,112,647
- Element of income	887,859	-	887,859	404,571	-	404,571
Amount received on issuance of units	12,892,268	-	12,892,268	16,517,218	-	16,517,218
Redemption of 98,989,108 units (2023: 192,653,641 units)*						
- Capital value	(10,003,839)	-	(10,003,839)	(19,400,222)	-	(19,400,222)
- Element of income	(271,086)	(579,197)	(850,283)	(65,483)	(424,317)	(489,800)
Amount paid on redemption of units	(10,274,925)	(579,197)	(10,854,122)	(19,465,705)	(424,317)	(19,890,022)
Total comprehensive income for the year	-	1,086,925	1,086,925	-	890,043	890,043
Interim cash distribution for the year ended June 30 2024	(619,821)	(476,685)	(1,096,506)	(340,643)	(445,940)	(786,583)
Net income for the year less distribution	(619,821)	610,240	(9,581)	(340,643)	444,103	103,460
Net assets at the end of the year	7,064,945	112,154	7,177,099	5,067,423	81,111	5,148,534
Undistributed income brought forward						
- Realised income		78,492			35,726	
- Unrealised gain		2,619			25,599	
		81,111			61,325	
Accounting income available for distribution						
- Relating to capital gain		74,117			34,755	
- Excluding capital gains		433,611			430,971	
		507,728			465,726	
Interim cash distribution for the year ended Rs. 6.738 per unit (30 June 2023: 14.4448 per unit)		(476,685)			(445,940)	
Undistributed income carried forward		112,154			81,111	
Undistributed income carried forward comprise of:						
- Realised income		96,743			78,492	
- Unrealised gain		15,411			2,619	
		112,154			81,111	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the year		101.06			100.70	
Net assets value per unit at end of the year		101.46			101.06	

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

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
	----- (Rupees in '000) -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the year after taxation	1,086,925	890,043
Adjustments		
Unrealised appreciation on revaluation of investments - net	(15,411)	(2,619)
	1,071,514	887,424
(Increase) / decrease in current assets		
Investments	(3,307,287)	1,173,862
Profit receivable	(202,908)	68,418
Advances & deposits	(5,653)	(796)
	(3,515,848)	1,241,484
(Decrease) / increase in liabilities		
Payable to Habib Asset Management Limited - Management Company	9,717	2,686
Payable to Central Depository Company of Pakistan Limited - Trustee	188	(160)
Payable to Securities and Exchange Commission of Pakistan	(812)	(541)
Accrued expenses and other liabilities	225,701	(1,039,674)
	234,794	(1,037,689)
Net cash (used in) / generated from operating activities	(2,209,540)	1,091,219
CASH FLOW FROM FINANCING ACTIVITIES		
Receipts from issuance of units	12,892,268	16,517,218
Payment made on redemption of units	(10,854,122)	(19,890,022)
Dividend paid during the year	(1,096,506)	(786,583)
Net cash generated / (used in) financing activities	941,640	(4,159,387)
Net decrease in cash and cash equivalents	(1,267,900)	(3,068,168)
Cash and cash equivalents at beginning of the year	3,871,139	6,939,307
Cash and cash equivalents at the end of the year	2,603,239	3,871,139

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

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** AL Habib Islamic Income Fund was established under a Trust Deed executed between AL Habib Asset Management Limited (AHAML) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on 30 August 2016 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on 22 August 2016 under Rule 67 of the Non- banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).
- 1.2** The Management Company of the Fund has been licensed to undertake Asset Management Services as Non-Banking Finance Company under the NBFC Rules by SECP. The registered office of the management company is situated at 3rd Floor, MacKinnon's Building, I.I. Chundrigar Road Karachi, Pakistan.
- 1.3** The Fund is an open-end mutual fund and is listed on the Pakistan Stock Exchange (PSX). Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund at the option of the unit holder.
- 1.4** The Fund has been formed to provide reasonable rate of return consistent with reasonable concern for safety of principal amount to the unit holders, along with facility to join or leave the fund at their convenience. The management team would seek to enhance returns through active portfolio management using efficiency tools. The Fund has been categorized as an Open-End Shairah Complaint (Islamic) Income Scheme as per criteria laid down by the Securities and Exchange Commission of Pakistan for categorisation of Collective Investment Scheme (CIS).
- 1.5** Pakistan Credit Rating Agency (PACRA) has assigned asset management rating of 'AM2+' to the Management Company and the Fund respectively on August 12, 2023.
- 1.6** Title to the assets of the Fund is held in the name of Central Depository Company (CDC) of Pakistan Limited as a trustee of the Fund.
- 1.7** The Fund is registered under the Sindh Trusts Act, 2020, after the promulgation of Provincial Trust Act.

2 BASIS OF PRESENTATION

2.1 Statement of Compliance

These financial statement have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies, 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 VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules and 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 VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

2.2 Functional and presentation currency

These financial statement is presented in Pakistan rupee ('Rupees' or 'Rs.'), which is the Fund's functional and presentational currency.

2.3 Basis of measurement

These financial statements have been prepared under the historical cost basis except for certain investments which are required to be measured at fair value.

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of approved accounting standards, as applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material judgment in the next year are as follows:

2.4.1 Classification and valuation of investment

For details please refer notes 4.2.2.1 and 6 to these financial statements.

2.4.2 Impairment of investment

For details please refer note 4.2.2.2 to these financial statements.

3 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

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

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

	"Effective date (annual periods beginning on or after)"
Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 Making Materiality Judgements- Disclosure of Accounting Policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	January 01, 2023

The Company adopted the narrow-scope amendments to the International Accounting Standard (IAS) 1, Presentation of Financial Statements which have been effective for annual reporting periods beginning on or after 1 January 2023. Although the amendments did not result in any changes to accounting policy themselves, they impacted the accounting policy information disclosed in the financial statements.

Management reviewed the accounting policies and updates to the information disclosed in Note 4 Material accounting policies (2023: Significant accounting policies) in certain instances in line with the amendments and concluded that all its accounting policies are material for disclosure.

3.2 New accounting standards, amendments and 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, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	"Effective date (annual periods beginning on or after)"
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
IFRS 17 Insurance Contracts	January 01, 2026
IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)	
IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.	
IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.	
IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2026.	

4 SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

4.1 Cash and cash equivalents

Cash and cash equivalents comprise of balances with banks and short-term highly liquid investments with original maturities of three months or less.

4.2 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

4.2.1 Financial assets

Financial assets are classified in appropriate category at amortized cost, fair value through comprehensive income and fair value through profit and loss. The Management determines the classification of financial assets in appropriate category based on fund's business model, managing the financial assets and the contractual terms of cashflows.

4.2.2 Initial recognition and measurement

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

4.2.2.1 Classification**Debt Instruments****Amortized cost**

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

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

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Fair value through profit or loss

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial assets:

Debt investments at amortized cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest / markup income and impairment are recognized in income statement.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in income statement. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to income statement.

Debt investments at FVTPL

These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method and impairment are recognized in income statement.

4.2.2.2 Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

The guiding principle of the expected credit loss (ECL) model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. The amount of ECLs recognised as a loss allowance or provision depends on the extent of credit deterioration since initial recognition. Under the general approach, there are two measurement bases:

- 12-month ECLs (Stage 1), which applies to all items (from initial recognition) as long as there is no significant deterioration in credit quality.
- Lifetime ECLs (Stages 2 and 3), which applies when a significant increase in credit risk has occurred on an individual or collective basis.

The Fund's financial assets include mainly investments, deposits, other receivables, profit/mark-up receivable and bank balances.

SECP through its SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 have deferred the applicability of above impairment requirements in relation to debt securities for mutual funds. Meanwhile, asset management companies shall continue to follow the requirements of Circular 33 of 2012 dated October 24, 2012 in relation to impairment of debt securities.

4.2.2.3 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.

4.2.2.4 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.

4.2.2.5 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.

4.2.3 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.

4.3 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.

4.4 Taxation

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 the form of cash among the unit holders. Provided that, for the purpose of determining distribution of at least ninety percent of its accounting income for the year, the income distributed through bonus units shall not be taken into account.

The Fund intends to continue availing the tax exemption in future years by distributing at least ninety percent of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders every year. Accordingly, no tax liability or deferred tax has been recognised in these financial statements.

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.

4.5 Proposed distributions

Distributions declared subsequent to the reporting date are considered as non-adjusting events and are not recognised before the reporting date.

4.6 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the application received during business hours on that day. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load and provision of any duties and charges if applicable. The sales load is payable to the Management Company / Distributors as processing fee.

Units redeemed are recorded at the redemption price applicable to units for which the Management Company receives redemption application during business hours of that day. The redemption price shall be equal to NAV as of the close of the business day, less an amount as the Management Company may consider to be an appropriate provision of duties and charges as processing fee.

4.7 Element of income

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 year. Element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

4.8 Net assets value - per unit

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

4.9 Revenue recognition

- Mark-up on deposits with banks and mark-up / return on investments in debt securities are recognized using effective yield method.
- Dividend income is recognized when the right to receive dividend is established i.e. on the date of book closure of the investee company / institution declaring the dividend.
- Realized capital gains / (loss) arising on sale of investments are recognized when the risk and rewards are transferred.
- Unrealized Gains / Loss recognized on mark to market investments classified as ' financial assets at fair value through profit or loss'

5	BANK BALANCES	Note	2024 ----- Rupees in '000 -----	2023
	Current accounts		-	129
	Savings accounts	5.1 & 5.2	2,603,239	3,271,010
	Term deposit receipts		-	600,000
			<u>2,603,239</u>	<u>3,871,139</u>

5.1 These carries mark-up ranging from 19.10% to 21.15% (June 30, 2023: 6.75% to 20%) per annum.

5.2 It includes balance of Rs. 38.486 million (June 30, 2023: Rs 504.952 million) with Bank AL Habib Limited, a related party

6 INVESTMENTS

At fair value through profit

Investment in Sukuk	6.1	<u>4,541,353</u>	<u>1,218,655</u>

AL HABIB ISLAMIC INCOME FUND

6.1 Investment in Sukuk Certificates

					As at 30 June 2024				
Name of the Investee	As at July 01 2023	Purchases during the year	Sold / Matured during the year	As at June 30 2024	Carrying value	Market value	Unrealized appreciation / diminution	Market value as a percentage of net assets	Market value as a percentage of total investments
	Units				(Rupees in '000)			%	
Unquoted									
Ghani Chemicals Industries Limited (certificates of Rs. 12,500 each)	105	-	105	-	-	-	-	0.00%	0.00%
Meezan Bank Limited Sukuk (certificates of Rs. 1,000,000 each)	275	-	-	275	273,055	278,573	5,518	3.88%	6.13%
Meezan Bank Limited - TIER II Mudaraba Sukuk (certificates of Rs. 1,000,000 each)	250	-	-	250	246,316	248,212	1,896	3.46%	5.47%
Dubai Islamic Bank Sukuk (02-12-2022) (certificates of Rs. 1,000,000 each)	222	-	-	222	222,292	216,964	(5,328)	3.02%	4.78%
Gas and Oil Pakistan Limited Sukuk (certificates of Rs. 1,000,000 each)	5	-	-	5	3,253	3,116 14,963 553	(137)	0.04%	0.07%
Quoted									
GOP Ijara Sukuk 1 Year FRR (26-06-2023) (certificates of Rs. 100,000 each)	500	1,000	1,500	-	-	221,429 -	-	0.00%	0.00%
GOP Ijara Sukuk 1 Year VRR (26-06-2023) (certificates of Rs. 100,000 each)	1,250	-	1,250	-	-	-	-	0.00%	0.00%
GOP Ijara Sukuk 1 Year VRR (20-09-2023) (certificates of Rs. 100,000 each)	-	1,250	1,250	-	-	-	-	0.00%	0.00%
GOP Ijara Sukuk VRR (26-10-2022) (certificates of Rs. 100,000 each)	160	28,500	19,405	9,255	929,160	930,868	1,708	12.97%	20.50%
GOP Ijara Sukuk (29-05-2020) (certificates of Rs. 100,000 each)	55,480	-	40,000	15,480	72,806	77,207	4,401	1.08%	1.70%
GOP Ijara Sukuk 1 Year VRR (07-08-2023) (certificates of Rs. 100,000 each)	-	20,500	9,000	11,500	1,151,120	1,150,690	(430)	16.03%	25.34%
GOP Ijara Sukuk 1 Year FRR (07-08-2023) (certificates of Rs. 100,000 each)	-	750	750	-	-	-	-	0.00%	0.00%
GOP Ijara Sukuk 1 Year FRR (09-10-2023) (certificates of Rs. 100,000 each)	-	12000	12,000	-	-	- 5,246.0 365.0	-	0.00%	0.00%
GOP Ijara Sukuk 1 Year VRR (17-04-2023) (certificates of Rs. 100,000 each)	-	30,000	30,000	-	-	- 22,379.0	-	0.00%	0.00%
GOP Ijara Sukuk 1 Year VRR (24-01-2024) (certificates of Rs. 100,000 each)	-	12000	-	12,000	60,000	60,300	300	0.84%	1.33%
GOP Ijara Sukuk 1 Year VRR (04-12-2021) (certificates of Rs. 100,000 each)	-	14,040	1,240	12,800	1,277,157	1,284,352	7,195	17.90%	28.28%
GOP Ijara Sukuk 1 Year VRR (24-01-2024) (certificates of Rs. 100,000 each)	-	3,315,200	80,050	3,235,150	290,783	291,071.0	288	4.06%	6.41%
Total as at 30 June 2024					4,525,942	4,541,353	15,411		
Total as at 30 June 2023					1,216,038	1,218,655	2,619		

7	PROFIT RECEIVABLE	Note	2024 ----- Rupees in '000 -----	2023
	Receivable on			
	Sukuk certificates		221,961	36,991
	Bank deposit		36,445	37,831
	Term deposit receipts		-	12,284
	Sale of units		31,608	-
			<u>290,014</u>	<u>87,106</u>

8 ADVANCES & DEPOSITS

Advance tax	8.1	14,853	9,209
Deposits with:			
National Clearing Company of Pakistan Limited		1,000	1,000
Central Depository Company of Pakistan Limited		100	100
Mutual fund rating fee		9	-
		<u>15,962</u>	<u>10,309</u>

8.1 The income of the Fund is exempt from tax under clause 99 of Part I of the Second Schedule of the Income Tax Ordinance 2001 (ITO 2001). Further, the Fund is exempt under clause 47(B) of Part IV of Second Schedule of ITO 2001 from withholding of tax under section 150, 151 and 233 of ITO 2001. The Federal Board of Revenue through a circular "C.No.1 (43) DG (WHT)/ 2008-Vol.II- 66417-R" dated May 12, 2015, made it mandatory to obtain exemption certificates under section 159 (1) of the ITO 2001 from Commissioner Inland Revenue (CIR). However, various withholding agents have deducted advance tax under section 151 of ITO 2001.

9 PAYABLE TO AL HABIB ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY

Remuneration payable to the Management	9.1	12,851	3,009
Sindh sales tax	9.2	1,671	391
Reimbursement of CIS	9.3	441	1,846
		<u>14,963</u>	<u>5,246</u>

9.1 As per the amendments made in the NBFC Regulations, 2008 vide SRO 639 (1) / 2019 dated 20 June 2019, the Management Company shall set and disclose in the offering document the maximum rate of fee chargeable to Collective Investment Scheme within allowed expense ratio, the Management Company of the Fund is entitled to an accrued remuneration equal to an amount not exceeding 10% of gross earnings of the Fund. The Management has charged its remuneration at rate ranging from 0% to 10% of the gross earnings of the Fund, which is within the allowed expense ratio limit. The remuneration is paid to the Management Company on monthly basis in arrears.

9.2 The Sindh Sales Tax has been charged at 13% on the Management Company's remuneration during the year (June 30, 2023: 13%).

9.3 As per Regulation 60(3)(s) of NBFC Regulations, fees and expenses related to registrar services, accounting, operation and valuation services related to Collective Investment Scheme (CIS) are chargeable to the CIS.

10 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED (CDC) - TRUSTEE

Trustee fee payable	10.1	496	323
Sales tax payable on trustee remuneration	10.2	57	42
		<u>553</u>	<u>365</u>

10.1 The Trustee is entitled to a remuneration for services rendered to the Fund under the provisions of the Trust Deed and Offering Document based on the daily Net Asset Value of the Fund. The remuneration is paid to the Trustee on monthly basis in arrears. The tariff structure applicable to the Fund in respect of the Trustee fee has been revised effective from July 01, 2019, whereby the revised tariff is 0.075% of average daily net assets of the Fund.

10.2 The Sindh Sales Tax has been charged at 13% on the Trustee's remuneration charged during the year (June 30, 2023: 13%).

11	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	2024	2023
			----- Rupees in '000 -----	
	Annual fee payable	11.1	439	1251
11.1	This represents annual fee payable to Securities and Exchange Commission of Pakistan (SECP) at 0.075% (June 30, 2023 : 0.075%) of net assets in accordance with regulation 62 of the NBFC Regulations.			
12	ACCRUED EXPENSES AND OTHER LIABILITIES		2024	2023
			----- Number of Units -----	
	Auditor's remuneration		461	667
	Payable against redemption of unit		636	12,000
	Withholding tax		36,085	9,434
	Capital Gain tax		32,629	8,554
	Payable against printing charges		11	153
	Settlement charges		91	146
	Brokerage		210	495
	Dividend		185,312	-
	Payable against purchase of investment		2,079	210
	Others		-	154
			<u>257,514</u>	<u>31,813</u>
13	CONTINGENCIES AND COMMITMENTS			
	There are no contingencies and commitments as at June 30, 2024 (June 30, 2023: Nil).			
14	NUMBER OF UNITS IN ISSUE			
	Total units in issue at the beginning of the year		50,945,056	83,592,275
	Add: Units issued during the year		118,784,966	160,006,422
	Less: units redeemed during the year		(98,989,108)	(192,653,641)
	Total units in issue at the end of the year		<u>70,740,914</u>	<u>50,945,056</u>
15	PROFIT ON BANK DEPOSITS			
	Saving accounts		<u>318,890</u>	<u>387,941</u>
15.1	It represents profit on deposits with Bank AL Habib Limited, a related party amounting to Rs. 78.081 million (30 June 2023: Rs 148.538 million).			
16	AUDITORS' REMUNERATION			
	Annual audit fee		324	360
	Half yearly review fee		150	164
	Other certifications and out of pocket expenses		<u>137</u>	<u>183</u>
			<u>611</u>	<u>707</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 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute atleast 90 percent of the net accounting income other than capital gains to the unit holders. The Fund has not recorded any tax liability in respect of income relating to the current year as the management intends to distribute in cash atleast 90 percent of the Fund's accounting income for the year ending June 30, 2024 as reduced by capital gains (whether realised or unrealised) to its unit holders.

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.

18 EARNINGS PER UNIT

Earnings per unit has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating earnings per unit is not practicable.

19 FINANCIAL INSTRUMENTS BY CATEGORY

Particulars	As at June 30, 2024		
	Fair value through profit or loss	Amortised cost	Total
Rupees in '000			
Financial assets			
Bank balances	-	2,603,239	2,603,239
Investments			
GOP Ijarah Sukuks	4,541,353	-	4,541,353
Profit receivable	-	290,014	290,014
Advances and deposits	-	1,109	1,109
	<u>4,541,353</u>	<u>2,894,362</u>	<u>7,435,715</u>
Financial liabilities			
Payable to AL Habib Asset Management Limited - Management Company	-	14,963	14,963
Payable to Central Depository Company of Pakistan Limited- Trustee	-	553	553
Payable to Securities and Exchange Commission of Pakistan	-	439	439
Accrued expenses and other liabilities	-	221,429	221,429
	<u>-</u>	<u>237,384</u>	<u>237,384</u>

Particulars	As at June 30, 2023		
	Fair value through profit or loss	Amortised cost	Total
Rupees in '000			
Financial assets			
Bank balances	-	3,871,139	3,871,139
Investments			
GOP Ijarah Sukuks	1,218,655	-	1,218,655
Profit receivable	-	87,106	87,106
Advances and deposits	-	1,100	1,100
	<u>1,218,655</u>	<u>3,959,345</u>	<u>5,178,000</u>
Financial liabilities			
Payable to AL Habib Asset Management Limited - Management Company	-	5,246	5,246
Payable to Central Depository Company of Pakistan Limited- Trustee	-	365	365
Payable to Securities and Exchange Commission of Pakistan	-	1,251	1,251
Accrued expenses and other liabilities	-	22,379	22,379
	<u>-</u>	<u>29,241</u>	<u>29,241</u>

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20 TRANSACTIONS AND BALANCES WITH RELATED/ CONNECTED PERSONS

- 20.1** Related party/ Connected persons include AL Habib Asset Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, other Collective Investment Schemes managed by the Management Company, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of Fund and the directors and officers of the Management Company and the Trustee and unit holders holding Ten percent or more units of the Fund.
- 20.2** The transactions with connected persons are in the normal course of business, at contracted terms determined in accordance with the market rates.
- 20.3** Remuneration to the Management Company and the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.
- 20.4** The details of significant transactions carried out by the Fund with connected persons and balances with them at the end of reporting year are as follows:

S.No	Company Name	Relationship
1	AL Habib Asset Management Limited	Management Company
2	Bank AL Habib Limited	Parent Company of Al Habib Management Company.
3	AL Habib Capital Market Company	Subsidiary of Bank AL Habib Limited
4	AL Habib Cash Fund Fund	Managed by AL Habib Asset Management Limited
5	AL Habib Money Market Fund	Managed by AL Habib Asset Management Limited
6	AL Habib Income Fund	Managed by AL Habib Asset Management Limited
7	AL Habib Asset Allocation Fund	Managed by AL Habib Asset Management Limited
8	AL Habib Stock Fund	Managed by AL Habib Asset Management Limited
9	AL Habib Islamic Cash Fund	Managed by AL Habib Asset Management Limited
10	AL Habib Islamic Saving Fund	Managed by AL Habib Asset Management Limited
11	AL Habib Islamic Stock Fund	Managed by AL Habib Asset Management Limited
12	AL Habib Pension Fund	Managed by AL Habib Asset Management Limited
13	AL Habib Islamic Pension Fund	Managed by AL Habib Asset Management Limited
14	AL Habib Fixed Return Fund	Managed by AL Habib Asset Management Limited
15	AL Habib Islamic Munafa Fund	Managed by AL Habib Asset Management Limited
16	AL Habib Government Securities Fund	Managed by AL Habib Asset Management Limited
17	AL Habib GOKP Pension Fund	Managed by AL Habib Asset Management Limited
18	AL Habib GOKP Islamic Pension Fund	Managed by AL Habib Asset Management Limited
19	Central Depository Company	Trustee

Connected persons includes directors and officers of the above entities as at June 30, 2024 and staff retirement benefit funds of the above companies.

Details of transactions with connected persons are as follows:

	2024	2023
AL Habib Asset Management Limited - Management Company	----	---- (Rupees in '000) ----
- Management Remuneration	56,479	22,654
- Sindh Sales Tax on Management Company's Remuneration	7,342	2,945
- Expenses allocated by the Management Company	6,538	9,071
- Dividend paid	-	10,165
Central Depository Company of Pakistan Limited - Trustee		
-Trustee Remuneration	4,210	4,691
-Sindh Sales Tax on Trustee Remuneration	547	610
-CDC charges	6	-
Bank AL Habib Limited		
- Dividend paid	-	3,617
- Profit on Bank deposits	78,081	148,538

	2024	2023
	----- (Rupees in '000) -----	
Details of balances with connected persons at year end are as follows:		
Parent Company		
Bank Al Habib Limited	38,486	504,952
Profit Receivable on bank deposits	5,828	29,355
AL Habib Asset Management Limited - Management Company		
-Management Company fee payable	14,963	5,246
Central Depository Company of Pakistan Limited - Trustee		
-Remuneration payable	553	365
-Security deposit - Non interest bearing	100	100

	2024		2023	
	(Units)	(Rupees in '000)	(Units)	(Rupees in '000)
Sale / redemption of units				
Units sold to:				
Management Company				
- AL Habib Asset Management Limited	6,531,367	694,691	-	-
Other connected persons				
- Directors and spouse of the Management Company	752,182	80,313	97,729	9,897
- Key Executives of the Management Company	438,015	48,293	156,636	9,701
- Habib Insurance Company Limited	8	1	5	1
- Habib Asset Management Limited Employees Provident Fund	-	-	79,428	8,070
Unit sold to Connected Persons holding 10% or more of the unit in issue	51,704,547	5,631,560	8,731,069	887,944
Units redeemed by:				
Management Company				
- AL Habib Asset Management Limited	11,295,763	1,207,527	-	-
Other connected parties:				
- Directors and spouse of the Management Company	720,972	78,711	256,169	26,190
- Key Executives of the Management Company	410,977	45,200	159,695	9,992
- Habib Asset Management Limited Employees Provident Fund	-	-	116,721	12,052
Unit redeemed to Connected Persons holding 10% or more of the unit in issue	46,333,900	5,050,356	23,703,175	2,415,787
Units held by:				
Management Company				
- AL Habib Asset Management Limited	-	-	4,764,396	481,493
Parent Company				
- Bank AL Habib Limited	250,421	25,408	250,421	25,308
Other connected persons				
- Directors and spouse of the Management Company	3,690,932	374,482	183,380	18,532
- Key Executives of the Management Company	226,203	22,951	226,413	22,885
- Habib Insurance Company Ltd.	-	-	4	42
Units held by Connected Persons holding 10% or more of the units in issue:	21,620,283	2,193,594	36,652,665	3,704,140

21 FINANCIAL RISK MANAGEMENT

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

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

The Fund primarily invests in a portfolio of investments such as Government securities, spread transactions and in other money market instruments. These activities expose the Fund to a variety of financial risks, such as market risk, credit risk and liquidity risk.

21.1 Market risk

Market risk is a 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 on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises of three types of risk; currency risk, interest rate risk and other price risk. The fund is exposed to interest rate risk only.

21.1.1 Interest rate risk

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

a) Sensitivity analysis of variable rate

The Fund is exposed to cash flow interest rate risk for balances in certain savings accounts, the interest rates on which range between 19.10% to 21.15% per annum, and against investments in Sukuks, the interest rate on which range between 19.86% to 23.71% respectively.

In case of 100 basis points increase / decrease in interest rates on June 30, 2024, with all other variables held constant, the net income for the year and the net assets would have been higher / lower by Rs. 33.501 million (June 30, 2023: Rs. 44.397 million).

b) Sensitivity analysis of fixed rate

The Fund's investment in GOP Ijara Sukuk and Term Finance Certificates exposes it to fair value interest rate risk.

In case of 100 basis points increase / decrease in interest rates on June 30, 2023, with all other variables held constant, the net income for the year and the net assets would have been higher / lower by Rs. 45.41 million.. (June 30, 2023: 12.19 million).

The composition of the Fund's investment portfolio and rates announced by Financial Market Association of Pakistan is expected to change over time. Therefore, the sensitivity analysis prepared as of June 30, 2023 is not necessarily indicative of the effect on the Fund's net assets of future movements in interest rates.

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

Particulars	As at June 30, 2024					Total
	Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and upto one year	More than one year		
On-balance sheet financial instruments	%	Rupees in '000				
Financial assets						
Bank balances	19.10 - 21.15	2,603,239	-	-	-	2,603,239
Investments						
GOP Ijarah Sukuks	19.86 - 23.71	-	-	4,541,353	-	4,541,353
Profit receivable		-	-	-	290,014	290,014
Advances and deposits		-	-	-	1,109	1,109
Sub total		2,603,239	-	4,541,353	291,123	7,435,715
Financial liabilities						
Payable to AL Habib Asset Management Limited - Management Company		-	-	-	14,963	14,963
Payable to Central Depository Company of Pakistan Limited- Trustee		-	-	-	553	553
Payable to Securities and Exchange Commission of Pakistan		-	-	-	439	439
Accrued expenses and other liabilities		-	-	-	221,429	221,429
Sub total		-	-	-	237,384	237,384
On-balance sheet gap (a)		2,603,239	-	4,541,353	53,739	7,198,331
Off-balance sheet financial instruments		-	-	-	-	14,963.00
Off-balance sheet gap (b)		-	-	-	-	553.00
Total interest rate sensitivity gap (a) + (b)		2,603,239	-	4,541,353	53,739	7,198,331
Cumulative interest rate sensitivity gap		2,603,239	-	4,541,353		221,429

21.2 Credit risk

Credit risk represents the risk of a loss if the counter parties fail to perform as contracted. The Fund's credit risk is primarily attributable to investment in debt securities such as Sukuks and Bank balances. Bank balances are maintained with balance with a reasonably high credit rating. The risk of default is considered minimal due to inherent systematic measures taken therein.

21.2.1 The analysis below summarises the credit rating quality of the Fund's financial assets as at June 30, 2024 and June 30, 2023:

Name of Banks	Balances held as at June 30, 2024	Latest available published rating as at June 30, 2024	Rating agency

----- Rupees in '000 -----

Balances with banks by rating category

Bank Islami Limited	575	AA-	PACRA
Sindh Bank Limited	100	AA-	VIS
MCB Bank Limited	1,177	AAA	PACRA
Bank Al Habib Limited	25,205	AAA	PACRA
National Bank Of Pakistan	10	AAA	PACRA
Dubai Islamic Bank Limited	100	A-1+	VIS
Habib Bank Limited	854	A-1+	VIS
Albaraka Bank Limited	173	A+	VIS
Faysal Bank Limited	5,055	AA	PACRA
Allied Bank Limited	2,555,979	AAA	PACRA
Bank Al Habib Limited	13,281	AAA	PACRA
MCB Islamic Bank Limited	60	A+	PACRA
MCB Islamic Bank Limited	45	A+	PACRA
Meezan Bank Limited	532	AAA	VIS
Bank Alfalah Islamic Limited	10	AAA	PACRA
Habib Metro Bank Limited	6	AA+	PACRA
Askari Bank Limited	77	AA+	PACRA
	<u>2,603,239</u>		

AL HABIB ISLAMIC INCOME FUND

Name of Banks	Balances held by the Fund as at June 30, 2023	Latest available published rating as at June 30, 2023	Rating agency
----- Rupees in '000 -----			
Balances with banks by rating category			
Bank Islami Pakistan Limited	413	AA-	PACRA
Sindh Bank Limited	16	AA-	VIS
MCB Bank Limited	66	AAA	PACRA
Bank Al Habib Limited	504,952	AAA	PACRA
Bank Al Habib Limited	504,952	AAA	PACRA
National Bank Of Pakistan	10	A-1+	VIS
Dubai Islamic Bank	439	A-1+	VIS
Habib Bank Limited	879	A+	VIS
Albaraka Bank Limited	2	AA	PACRA
Faysal Bank Limited	751,028	AAA	PACRA
Allied Bank Limited	2,009,875	AAA	PACRA
Bank Al Habib Limited	129	A+	PACRA
MCB Islamic Bank Limited	27	A+	PACRA
Meezan Bank Limited	100	AAA	VIS
Bank Alfalah Islamic Limited	10	AAA	PACRA
Habib Metro Bank Limited	10	AA+	PACRA
Askari Bank Limited	3,182	AA+	PACRA
	<u>3,776,091</u>		

21.2.2 The analysis below summarizes the credit quality of the Fund's credit exposure:

	2024	2023
Rating by rating category	----- (Percentage) -----	
AA-	0.02%	0.01%
AAA	99.73%	99.86%
A-1+	0.03%	0.01%
A+	0.01%	0.02%
AA	0.19%	0.00%
AA+	0.00%	0.08%
	<u>100.00%</u>	<u>100.00%</u>

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is mainly concentrated in Gop Ijara sukkuks and bank balances, while the remaining transactions are entered into with diverse credit-worthy counterparties, thereby mitigating any significant concentration of credit risk to counterparties. At the reporting date the fund is not exposed to a concentration of credit risk.

21.3 Liquidity risk

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

In order to manage the Fund's overall liquidity, the Fund also has the ability to withhold daily redemption requests in excess of 10% of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below 10% of the units then in issue. However, no such instances were witnessed by the Fund during the current year (June 30, 2023: 10%).

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

Particulars	As at June 30, 2024			
	Upto three months	More than three months and upto one year	More than one year	Total
Rupees in '000				
Financial liabilities				
Payable to AL Habib Asset Management Limited - Management Company	14,963	-	-	14,963
Payable to Central Depository Company of Pakistan Limited- Trustee	553	-	-	553
Payable to Securities and Exchange Commission of Pakistan	439	-	-	439
Accrued expenses and other liabilities	257,514	-	-	257,514
	273,469	-	-	273,469

Particulars	As at June 30, 2023			
	Upto three months	More than three months and upto one year	More than one year	Total
Rupees in '000				
Financial liabilities				
Payable to the Management Company	5,246	-	-	5,246
Payable to the Trustee	365	-	-	365
Payable to Securities and Exchange Commission of Pakistan	1,251	-	-	1,251
Accrued expenses and other liabilities	31,813	-	-	31,813
	38,675	-	-	38,675

22 UNITS HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by the net assets attributable to unit holders / redeemable units. The amount of net assets attributable to unit holders can change significantly on a daily basis as the Fund is subject to daily issuance and redemptions at the discretion of unit holders. These unit holders of the Fund are entitled to distributions and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the statement of movement in unit holders' fund. Unit holders fund risk management is carried out by the Management Company through following steps:

- Monitors the level of daily issuance and redemptions relative to the liquid assets and adjusts the amount of distributions the Fund pays to the unit holders;
- Redeems and issues units in accordance with the constitutive documents of the Fund. This includes the Fund's ability to restrict redemptions; and
- The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management Company critically track the movement of 'Assets under Management'. The Board of Directors is updated regarding key performance indicators, e.g. yield and movement of NAV and total Fund size at the end of each quarter.

The Fund has maintained and complied with the requirements of minimum fund size during the current year.

23 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

AL HABIB ISLAMIC INCOME FUND

As per the requirements of IFRS 7 (Financial Instruments: Disclosures) and IFRS 13 (Fair Value Measurement), 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:

- Level 1 Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities traded.
- Level 2 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 3 Fair value measurements using inputs for assets or liability that are not based on observable market data (i.e. unobservable inputs).

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

	Carrying amount				Fair value				
	At fair value through profit and loss	Amortised cost	Other financial liabilities	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
June 30, 2024	----- (Rupees in '000) -----								
Financial assets - measured at fair value									
GOP Ijarah Sukuk	4,541,353	-	-	-	4,541,353	-	4,541,353	-	4,541,353
	4,541,353		-	-	4,541,353	-	4,541,353	-	4,541,353

	Carrying amount				Fair value				
	At fair value through profit and loss	Amortised cost	Other financial liabilities	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
June 30, 2023	----- (Rupees in '000) -----								
Financial assets - measured at fair value									
GOP Ijarah Sukuk	1,218,655				1,218,655	-	1,218,655	-	1,218,655
	1,218,655	-	-	-	1,218,655	-	1,218,655	-	1,218,655

23.1 Valuation techniques

For level 2 investments at fair value through profit or loss - investment in respect of GOP Ijarah Sukuks, Fund uses the rates which are derived from PKISRV rates at reporting date per certificate multiplied by the number of certificates held as at year end.

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

23.3 Transfers during the year

No transfers were made between various levels of fair value hierarchy during the year.

24 PATTERN OF UNITHOLDING

Unit holding pattern of the fund is as follows:

Category	----- As at June 30, 2024 -----			Percentage
	No. of unit holders	Number of units held	Investment amount	
Rupees in '000				
Individuals	569	41,420,339	4,142,034	58.55%
Associated company	1	250,421	25,042	0.35%
Insurance companies	3	3,081,163	308,116	4.36%
Retirement Funds	6	451,280	45,128	0.64%
Other Corporate	25	25,537,709	2,553,771	36.10%
	604	70,740,912	7,074,091	100.00%

Category	----- As at June 30, 2023 -----			Percentage
	No. of unit holders	Number of units held	Investment amount	
Rupees in '000				
Individuals	677	4,620,589	519,712	82.42%
Retirement Funds	7	253,616	28,526	4.52%
Trust	3	101,425	11,408	1.81%
Other Corporate	3	630,676	70,937	11.25%
	690	5,606,306	630,583	100.00%

25 BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID

2024 **2023**
(Percentage) (Percentage)

Broker names

Contiental Exchange (Pvt) Limited	37.00%	11.00%
Optimus Markets (Pvt) Limited	26.00%	0.00%
Invest One Markets Limited	10.00%	12.00%
Next Capital	1.00%	63.00%
JS Global Capital Limited	22.00%	0.00%
Arif Habib Limited	4.00%	10.00%
Al Habib Capital(Pvt) Limited	0.00%	4.00%
BMA Capital Management Limited	0.00%	0.00%
	100.00%	100.00%

26 PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER

Details of members of the Investment Committee of the Fund as on June 30, 2024 are as follows:

S. no.	Name	Designation	Qualification	Experience in years
1	Mr. Kashif Rafi	Chief Executive Officer	MBA - IBA	23
		Cief Operating Officer		
2	Mr. Zahid Hussain Vasnani	& Company Secretary	CA- Affiliate	24
3	Mr. Abdul Rehman	Chief Investment Officer	MBA & CFA	13
4	Mr. Ahmed Abbas	Fund Manager	MBA	16
5	Mr. Talha A.Siddiqui	Fund Manager	MA in Economics	11
6	Mr. Umar Bin Hassan	Manager Risk & Research	MS - IBA	6

AL HABIB ISLAMIC INCOME FUND

26.1 Mr. Ahmed Abbas is also Fund Manager of AL Habib Cash Fund, AL Islamic Cash Fund, AL Habib Income Fund, AL Habib Islamic Savings Funds, AL Habib Islamic Income Fund, AL Habib Fixed Return Fund & AL Habib Islamic Munafa Fund.

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

Four meetings of the Board of Directors were held on August 17, 2023 and October 19, 2023 , January 25, 2024, April 18, 2024 respectively. Information in respect of the attendance by the Directors in the meetings is given below:

S.No.	Particular	Number of meetings			Meeting not attended
		Held	Attended	Leave granted	
Name of Director					
1	Mr. Abbas D.Habib	4	3	1	99th Meeting
2	Mr. Mansoor Ali Khan	4	4	-	-
3	Mr. Saeed Allawala	4	4	-	-
4	Ms. Zarine Aziz	4	1	3	99th, 100th and 101st Meeting
5	Mr. Imran Azim	4	3	1	100th Meeting
6	Mr. Kashif Rafi	4	4	0	-

28 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 June 30, 2023 is 1.46% (June 30, 2023: 0.69%) which includes 0.22% (June 30, 2023: 0.08%) representing Government levy and SECP fee.

29 CORRESPONDING FIGURES

Corresponding figures have also been rearranged and reclassified, wherever necessary, for better presentation. However, there has been no material reclassification to report.

30 GENERAL

30.1 Figures have been rounded off to the nearest thousand Rupees, unless otherwise stated.

31 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 01, 2024 by the Board of Directors of the Management Company.

**For AL Habib Asset Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

ANNUAL FUND MANAGER REPORT FINANCIAL YEAR 2024

Fund Objective

The primary objective of AHIF is to provide competitive risk adjusted returns to its investors by investing in a diversified portfolio of long, medium- and short-term Shariah Compliant debt instruments while taking into account liquidity considerations.

Fund Objective Achieved:

The Fund has achieved its stated objective.

Strategies and Policies Employed during the period under review:

The AHIF maintained strategy to get exposure in broadly diversified portfolio of high quality shariah complaint fixed and floater rate instrument. Such investments include Shariah Complaint Government securities (GOP Ijarah Sukuk), Banks Deposits/Placements and Corporate Sukuks.

Performance of the fund with benchmark

The Fund outperformed it's benchmark by 1191 bps as it posted YTD return of 21.78% as against the benchmark of 9.87%.

Fund Description

Fund Type & Category	Open ended - Shariah Compliant Income Scheme	External Auditors	BDO Ebrahim & Co. Chartered Accountants
Launch Date	January 23, 2017	Management Fee	Up to 10% of the gross earnings of the Scheme
Benchmark	Average of the six months profit rates of three Islamic Banks/ licensed Islamic Banking window of conventional banks having long term credit of A or higher, as selected by MUFAP	Sales Load	3.00% (Management has the discretion to reduce or waive load on any transaction)
Annual Return	21.78%	Minimum Investment	Initial investment of Rs. 5,000 Subsequently Rs. 1,000 per transaction
Benchmark	9.87%	Dealing Days/Timings	Monday to Friday 9:00 am to 4:30 pm
Net Assets	Rs. 7.177 billion (June 30, 2024)	Fund Stability Rating	AA(f) by PACRA
NAV per unit	Rs. 100.4577 per unit (June 30, 2024)	AMC Rating	"AM2+" by PACRA
Pricing Mechanism	Forward Pricing	Trustee	Central Depository Company of Pakistan Limited.
Risk Profile	Medium (Principal at medium risk)		

Market Review:

During FY24, Pakistan's money market witnessed significant improvements, driven by enhanced macroeconomic conditions. The most notable development was the substantial drop in headline inflation, which decreased from a peak of 29.4% in June 2023 to 12.6% by June 2024. This sharp decline in inflation created room for the State Bank of Pakistan (SBP) to adopt a more accommodative monetary policy stance. In response, the SBP reduced the policy rate by 150 basis points, bringing it down to 20.5% from the previous high of 22%. This was a strategic move, reflecting stabilizing macroeconomic indicators and an improved inflation outlook.

Key among these indicators was the narrowing of Pakistan's current account deficit, which fell dramatically from PKR 3.27 trillion in FY23 to PKR 0.68 trillion in FY24. This development, coupled with better fiscal management, played a crucial role in stabilizing

AL HABIB ISLAMIC INCOME FUND

the exchange rate. The Pakistani rupee (PKR) traded within a narrow range of 274.5 to 281 PKR per USD during the year. Another notable factor is, while the SBP helped manage currency depreciation risks, it did not aim to keep the exchange rate fixed at any pre-determined level. Moreover, Pakistan recorded a Current Account deficit of 62 USD Million in the second quarter of 2024. Current Account in Pakistan averaged at -799.26 USD Million from 1976 until 2024.

The SBP's interventions in the money market included substantial injections of liquidity through Open Market Operations (OMO), the SBP injected a total of PKR 11.9 trillion in June 2024 as compared to 7.99 trillion in same period last year.

Overall, FY24 marked a year of positive shifts for Pakistan's money market, characterized by lower inflation, stable interest rates, and improved external balances. These developments indicate a favourable outlook for FY25, with expectations of continued monetary easing and enhanced market stability.

PKRV Rates			
Tenor	As at June 30, 2024	As at June 30, 2023	Change (Bps)
3 Months	19.97	22.65	-268
6 Months	19.91	22.87	-296
12 Months	18.62	22.93	-431
3 Years	16.65	19.47	-282
5 Years	15.37	16.08	-71

PKRV Rates		
Date	Policy Rate	Change (Bps)
11-Jun-24	20.5	150
27-Jun-23	22	-

Asset Allocation of Fund (as a % of total assets)

Particulars	30-Jun-24	30-Jun-23
Cash	34.94%	63.06%
GoP Ijarah Sukuk	50.93%	8.99%
Corporate Sukuk	10.03%	14.50%
TDR	-	11.57%
Others	4.1	1.88%

Unit Holding Pattern

Size of Unit Holding (Units)	# of Unit Holders
1-1000	283
1001-5000	65
5001-10000	38
10001-50000	91
50001-100000	39
100001-500000	32
500001-1000000	3
1000001-5000000	6
10000001-100000000	2
Grand Total	559

Income Distribution

AHIIF made a total distribution of Rs. 20.5467 during FY24 in the form of dividend, the details of which is as follows;

Payout Date	Cum NAV Rs.	Ex-NAV Rs.	Distribution Rs.
Dec 16, 2023	111.3825	101.0606	10.3219
Jun 22, 2024	111.2854	101.0606	10.2248

During the period under question:

There has been no significant change in the state of affairs of the Fund. Al Habib Islamic Income Fund does not have any soft commission arrangement with any broker in the industry.

Sales and Redemptions of Units

During the period, 118,800,213 units valued Rs. 12.899 billion were sold, while 99,004,355 units valued Rs. 11.220 billion were redeemed, resulting in to a net redemption of 19,795,858 units valued Rs. 1.678 billion.

Unit Holder Pattern

For the breakdown of unit holding by size as on June 30, 2024, please refer to note 24 of the Annual Accounts 2024.

Fund Performance at a Glance

	2024
Net Assets as at June 30 (Rs. in billion)	7.177
NAV per unit as at June 30 (Rs.)	100.4577
Distribution during the year ended June 30 (Rs.)	20.5467
Annual Return	21.78%

AL HABIB ISLAMIC STOCK FUND
Annual Report
For the year ended June 30, 2024

FUND'S INFORMATION

Management Company

AL Habib Asset Management Limited

Board of Directors of the Management Company

Mr. Abbas D. Habib	Chairman
Mr. Mansoor Ali	Director
Mr. Imran Azim	Director
Ms. Zarine Aziz	Director
Mr. Saeed Allawala	Director
Mr. Kashif Rafi	Chief Executive Officer

Chief Financial Officer

Mr. Abbas Qurban

Company Secretary & Chief Operating Officer

Mr. Zahid Hussain Vasnani

Audit Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali	Member
Mr. Imran Azim	Member

Human Resource Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali	Member
Ms. Zarine Aziz	Member
Mr. Kashif Rafi	Member

Auditors

BDO Ebrahim & Co.
Lakson Square Building No. 1, 9th Floor,
Block C Sarwar Shaheed Rd, Civil Lines,
Karachi, Karachi City, Sindh 74200

Legal Advisor

Mohsin Tayebaly & Co.
Barristers & Advocates,
2nd Floor, DIME Centre, BC-4,
Block 9, Kehkashan, Clifton, Karachi.

Trustee

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block 'B', S.M.C.H.S.,
Main Shahra-e-Faisal, Karachi.

Rating

AM2++ Management Company Quality
Rating Assigned by PACRA.

Bankers to the Fund

Bank AL Habib Limited
Bank Islami Pakistan Limited
MCB Bank Limited
National Bank of Pakistan Limited

Registered Office: 3rd Floor, Mackinnon's Building, I.I. Chundrigar Road, Karachi.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S. Main Shakra-e-Faisal
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

AL HABIB ISLAMIC STOCK FUND

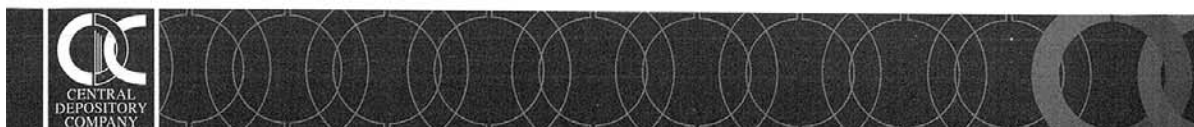
Report of the Trustee pursuant to Regulation 41(h) and Clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of AL Habib Islamic Stock Fund (the Fund) are of the opinion that AL Habib Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2024 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) 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.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 27, 2024



REVIEW REPORT OF THE SHARIAH ADVISOR

As a Shariah Advisor of the **AL Habib Islamic Stock Fund (AHISF)**, I am issuing this report. The scope of the report is to express an opinion on the Shariah compliance of the fund's activities.

It is the responsibility of the management of aforesaid fund to establish and maintain a system of internal control to ensure compliance with Shariah guidelines. My responsibility is to express an opinion, based on my review of the representation made by the management, to the extent where such compliance can be objectively verified.

A review is limited primarily to inquire to the Management Company's personnel and review of various documents prepared by the management company to comply with prescribed criteria. In the light of the above, I hereby certify that:

- I reviewed and approved the modes of investment of AHISF in the light of the Shariah guidelines.
- All the provisions of the scheme and investments made on account of AHISF by Management Company are Shariah Compliant and in accordance with the criteria established.
- On the basis of information provided by the Management Company, all the operations of AHISF for the period from July 01, 2023 to June 30, 2024 have been in compliance with Shariah principles.



Dr. Mufti Ismatullah Hamdullah
Shariah Advisor

Date: June 30, 2024



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INDEPENDENT ASSURANCE REPORT TO THE UNITHOLDERS ON THE STATEMENT OF COMPLIANCE WITH THE SHARIAH PRINCIPLES

Scope of our Work

We have performed an independent assurance engagement of Al Habib Islamic Stock Fund (the Fund), to express an opinion on the annexed Statement of Compliance with the Shariah Principles (the Statement) for the period ended June 30, 2024. Our engagement was carried out as required under Trust Deed and Shariah Principles of the Fund.

Applicable Criteria

The criteria for the assurance engagement against which the underlying statement (the subject matter) is assessed comprises of compliance with the Shariah Principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor (criteria). Therefore, the underlying subject matter may not be suitable for another purpose. Our engagement was carried out as required under Trust Deed and Shariah Principles of the Fund.

Management Company's responsibility

Management Company (Al Habib Asset Management Limited) of the Fund is responsible for the preparation and fair presentation of the Statement (the subject matter) and for compliance with the Shariah Principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor (criteria). This responsibility includes designing, implementing and maintaining internal control to ensure that operations of the Fund and the investments made by the Fund are in compliance with the Shariah Principles.

Our Independence and Quality Control

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. The firms apply International Standard on Quality Management (ISQM) 1 "Quality Management for Firms That Perform Audits and Reviews of Financial Statements, And Other Assurance and Related Services Engagements" and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibility of independent assurance providers

Our responsibility is to express our conclusion on the Statement based on our independent assurance engagement, performed in accordance with the International Standards on Assurance Engagement (ISAE 3000) (Revised) 'Assurance Engagements other than Audits or Reviews of Historical Financial Information'. This standard requires that we plan and perform the engagement to obtain reasonable assurance whether the Statement reflects the status of the Fund's compliance with the Shariah Principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor and is free from material misstatement.

The procedures selected depend on our judgment, including the assessment of the risks of material non-compliance with the Shariah Principles whether due to fraud or error. In making those risk assessments, we have considered internal controls relevant to the Fund's compliance with the principles in order to design procedures that are appropriate in the circumstances, for gathering sufficient appropriate evidence to determine that the Fund was not materially non-compliant with the principles. Our engagement was not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

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BDO Ebrahim & Co. Chartered Accountants

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The procedures performed included:

- Checking compliance of specified guidelines issued by the Shariah Advisor relating to charity, maintaining bank accounts and for making investments of the Fund; and
- Checking that the Shariah Advisor has certified that the operations of the Fund and investments made by the Fund during the period ended June 30, 2024 are in compliance with the Shariah Principles and where required, purification of income from non-compliant sources has been made in consultation with the Shariah Advisor.

Conclusion

In our opinion, the Statement, in all material respects, presents fairly the status of the Fund's compliance with the Shariah principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor for the period ended June 30, 2024.

KARACHI

DATED: SEPTEMBER 30, 2024


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INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF AL HABIB ISLAMIC STOCK FUND

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Al Habib Islamic Stock Fund ("the Fund"), which comprise the statement of assets and liabilities as at June 30, 2024, and the income statement, statement of comprehensive income, statement of cash flows and statement of movement in unit holders' fund for the year ended June 30, 2024, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at June 30, 2024, and its financial performance and its cash flows for the year June 30, 2024 in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for opinion

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

Key Audit Matters

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

Following are the Key audit matters:

S.NO	Key audit matter(s)	How the matter was addressed in our audit
1.	Existence and valuation of investments As disclosed in note 6 to the financial statements of the Fund for the year June 30, 2024, the Fund has investments classified as "Fair value through profit or loss" amounting to Rs.1,110.512 million representing 95.86% of the net assets value of the Fund.	Our audit procedures included the following: • We evaluated the design and implementation of key controls of investment and tested controls over acquisition, disposals and year end valuation of investments portfolio.



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S.NO	Key audit matter(s)	How the matter was addressed in our audit
	As these investments represent a significant element of the statement of assets and liabilities, a discrepancy in the valuation or existence of investments could cause the NAV to be materially misstated which would also impact the Fund's reported performance as the valuation of investments is the main driver of movements in the performance of the Fund. In view of the significance of these investments in relation to the total assets and the NAV of the Fund, we have considered the existence and valuation of such investments as a key audit matter.	- We performed substantive audit procedures on year-end balance of investment portfolio including review of custodian's statement, and related reconciliations and re-performance of debt instruments valuations on the basis of prices the Mutual Fund Association of Pakistan (MUFAP) as at June 30, 2024 and matching the valuation of investment with that appearing in the financial statements. - We assessed the Fund's compliance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) in relation to the concentration of investments and exposure limits prescribed in such Regulations and reviewed the adequacy of disclosures as may be applicable in situations of non-compliance.

Information other than the financial statements and auditor's report thereon

The Management Company is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management Company and its Board of Directors

The Management Company ("Al Habib Asset Management Limited") of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and accounting and reporting 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.



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

The Management Company is responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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



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We also provide the Board of Directors of the Management Company 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 the Board of Directors of the Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current year 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.

Report on other legal and regulatory requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in accordance with the relevant provisions of the Trust Deed, NBFC Rules and NBFC Regulations.

Other matter

The financial statements of the Fund for the year ended June 30, 2023 were audited by another firm of Chartered Accountants, who vide their report dated September 28, 2023 issued an unqualified opinion thereon.

The engagement partner on the audit resulting in this independent auditor's report is Tariq Feroz Khan.

KARACHI

DATED: August 30, 2024

UDIN: AR202410166Xc6eNgw72

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CHARTERED ACCOUNTANTS

STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2024

		2024	2023
	Note	----- (Rupees in '000) -----	
ASSETS			
Bank balances	5	56,776	45,617
Investments	6	1,110,512	239,431
Dividend and profit receivable	7	719	766
Receivable against issuance of units		2,340	12,000
Receivable against sale of investment		70,422	-
Advances and deposits	8	1,792	3,658
Total assets		1,242,561	301,472
LIABILITIES			
Payable to AL Habib Asset Management Limited - Management Company	9	2,232	12
Provision for Federal Excise Duty on remuneration of the Management Company	10	1,478	1,478
Payable to Central Depository Company of Pakistan Limited - Trustee	11	198	55
Payable to Securities and Exchange Commission of Pakistan	12	91	56
Accrued expenses and other liabilities	13	80,155	1,513
Total liabilities		84,154	3,114
NET ASSETS		1,158,407	298,358
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		1,158,407	298,358
CONTINGENCIES AND COMMITMENTS	14		
		----- (Number of units) -----	
Number of units in issue	15	11,564,148	4,003,314
		----- (Rupees) -----	
Net assets value per unit		100.17	74.53

The annexed notes 1 to 32 form an integral part of these financial statements.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2024

INCOME	Note	2024 ---- (Rupees in '000) ----	2023 ---- (Rupees in '000) ----
Profit on bank deposits	16	5,398	7,429
Dividend income		42,597	22,739
Return on margin deposit with National Clearing Company of Pakistan Limited		-	84
Net gain / (loss) on investments classified at fair value through profit or loss			
- Net realised gain / (loss) sale of investments		155,812	(228)
- Unrealised appreciation / (diminution) on re-measurement of investments classified at 'fair value through profit or loss' - net		171,472	(21,092)
		<u>327,284</u>	<u>(21,320)</u>
Total income / (loss)		375,279	8,932
EXPENSES			
Remuneration of Al Habib Asset Management Limited - Management Company		9,832	2,901
Sindh Sales Tax on Management Company's remuneration		1,278	377
Expenses allocated by the Management Company		55	-
Remuneration of Central Depository Company of Pakistan Limited - Trustee		1,094	564
Sindh Sales Tax on Trustee's Remuneration		142	73
Annual fee to the Securities and Exchange Commission of Pakistan		515	56
Brokerage expense		4,302	875
Settlement and bank charges		380	356
Annual listing fee		25	28
Auditors' remuneration	17	533	591
Printing charges		64	65
Charity expense		828	527
Total expenses		19,048	6,413
Net income for the year before taxation		356,231	2,519
Taxation	18	-	-
Net income for the year after taxation		356,231	2,519
Allocation of net income for the year after taxation			
Net income for the year after taxation		356,231	2,519
Income already paid on units redeemed		(329,733)	(166)
		<u>26,498</u>	<u>2,353</u>
Accounting income available for distribution:			
- Relating to capital gains		155,812	-
- Excluding capital (loss) / gains		(129,314)	2,353
		<u>26,498</u>	<u>2,353</u>

The annexed notes 1 to 32 form an integral part of these financial statements.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

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

	2024	2023
	---- (Rupees in '000) ----	
Net income for the year after taxation	356,231	2,519
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>356,231</u>	<u>2,519</u>

The annexed notes 1 to 32 form an integral part of these financial statements.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	2024			2023		
	Capital Value	Undistributed income / (loss)	Total	Capital Value	Undistributed income / (loss)	Total
	(Rupees in '000)					
Net assets at beginning of the year	356,014	(57,656)	298,358	360,433	(57,688)	302,745
Issuance of 26,747,846 units (2023: 397,227 units)						
- Capital value	1,993,517	-	1,993,517	29,597	-	29,597
- Element of income	1,415,624	-	1,415,624	311	-	311
Total proceeds on issuance of units	3,409,141	-	3,409,141	29,908	-	29,908
Redemption of 19,187,012 units (2023: 456,841 units)						
- Capital value	(1,430,008)	-	(1,430,008)	(34,039)	-	(34,039)
- Element of income	(726,047)	(329,733)	(1,055,780)	(80)	(166)	(246)
Total payments on redemption of units	(2,156,055)	(329,733)	(2,485,788)	(34,119)	(166)	(34,285)
Total comprehensive income for the year	-	356,231	356,231	-	2,519	2,519
Distribution during the year	(406,081)	(13,455)	(419,536)	(208)	(2,321)	(2,529)
Net assets at end of the year	1,203,019	(44,613)	1,158,406	356,014	(57,656)	298,358
Accumulated loss brought forward						
- Realised loss		(36,564)			(37,625)	
- Unrealised loss		(21,092)			(20,063)	
		(57,656)			(57,688)	
Accounting income available for distribution						
- Relating to capital gain		155,812			-	
- Excluding capital (loss) / gain		(129,314)			2,353	
		26,498			2,353	
Net loss for the year after taxation		-			-	
Distribution during the year		(13,455)			(2,321)	
Accumulated loss carried forward		(44,613)			(55,335)	
Accumulated loss carried forward comprises of:						
- Realised (loss)		(216,085)			(36,564)	
- Unrealised gain / (loss)		171,472			(21,092)	
		(44,613)			(57,656)	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the year		74.53			74.51	
Net assets value per unit at end of the year		100.17			74.53	

The annexed notes 1 to 32 form an integral part of these financial statements.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
	---- (Rupees in '000) ----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year before taxation	356,231	2,519
Adjustments:		
Unrealised (appreciation) / diminution on re-measurement of investments classified at 'fair value through profit or loss' - net	(171,472)	21,092
	184,759	23,611
Working capital changes		
(Increase) / decrease in assets		
Investments	(699,609)	(50,713)
Dividend and profit receivable	47	360
Receivable against sale of units	9,660	(11,952)
Receivable against sale of investment	(70,422)	24,675
Advances and deposits	1,866	2,023
	(758,458)	(35,607)
Increase/ (decrease) in liabilities		
Payable to AL Habib Asset Management Limited - Management Company	2,220	(695)
Payable to Central Depository Company of Pakistan Limited - Trustee	143	(12)
Payable to Securities and Exchange Commission of Pakistan	35	(9)
Payable against Purchase of investment	-	-
Accrued expenses and other liabilities	78,642	157
	81,040	(559)
Net cash used in operating activities	(492,659)	(12,555)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	3,409,141	29,908
Payments made on redemption of units	(2,485,788)	(34,285)
Dividend paid during the year	(419,535)	(2,529)
Net cash generated from / (used in) financing activities	503,818	(6,906)
Net increase / (decrease) in cash and cash equivalents during the year	11,159	(19,461)
Cash and cash equivalents at beginning of the year	45,617	65,078
Cash and cash equivalents at end of the year	56,776	45,617

The annexed notes 1 to 32 form an integral part of these financial statements.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

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

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** First Habib Islamic Stock Fund (the "Fund") was established under a Trust Deed between AL Habib Asset Management Limited (HAML) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on November 24, 2011 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on November 03, 2011 under Rule 67 of the Non-Banking Finance Companies (Establishment and Regulation) Rules 2003 (NBFC Rules). The Fund revised its Trust Deed (the Deed) dated December 06, 2016 under the Trusts Act, 1882 entered into and between AL Habib Asset Management Limited (Wakeel), the Management Company, and Central Depository Company of Pakistan Limited, the Trustee. The Trust Deed (revised) was approved by SECP on November 24, 2016.
- 1.2** The Management Company of the Fund has been licensed to undertake Asset Management Services as Non Banking Finance Company under the NBFC Rules by the SECP. The registered office of the Management Company is situated at 3rd floor, Mackinnon's Building, I.I Chundrigar Road, Karachi, Pakistan.
- 1.3** The Fund has been categorized as an Open-End Asset Allocation Scheme as per the criteria laid down by the Securities and Exchange Commission of Pakistan for categorisation of Collective Investment Schemes (CIS) and is listed on the Pakistan Stock Exchange Limited (PSX). Units are offered for public subscription on a continuous basis. Units are transferable and can be redeemed by surrendering them to the Fund at the option of the unit holder. Title to the assets of the Fund is held in the name of Central Depository Company (CDC) of Pakistan Limited as a Trustee of the Fund.
- 1.4** The investment objective of the fund is to seek long-term capital growth by investing primarily in a Shariah Compliant diversified pool of equities and equity related instruments. The management team shall ensure the active implementation of prudent investment practices, the highest professional standards and compliance of applicable laws.
- 1.5** Pakistan Credit Rating Agency (PACRA) has assigned asset management rating of 'AM2++' to the Management Company and the Fund respectively on August 12, 2023.
- 1.6** The trust deed is registered under the Sindh Act 2020, after the promulgation of Provincial Trust Act.

2. BASIS OF PREPARATION

2.1 Statement of compliance

- 2.1.1** These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules and the NBFC Regulations differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for the investments which are stated at fair value.

2.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupees, which is the Fund's functional and presentation currency. All amount have been rounded to the nearest thousand rupees, unless stated otherwise.

2.4 Critical accounting estimates and judgement

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

Judgments made by management in the application of approved accounting standards, as applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material judgment in the next year are as follows:

Classification and measurement of financial assets and financial liabilities

For details please refer notes 4.2.1.1 and 6 to these financial statements.

Impairment of financial assets

For details please refer notes 4.2.2 to these financial statements.

3 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS**3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2024**

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

	"Effective date (annual years beginning on or after)"
Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 Making Materiality Judgements- Disclosure of Accounting Policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	January 01, 2023

The Company adopted the narrow-scope amendments to the International Accounting Standard (IAS) 1, Presentation of Financial Statements which have been effective for annual reporting years beginning on or after 1 January 2023. Although the amendments did not result in any changes to accounting policy themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting the Company to provide useful entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and updates to the information disclosed in Note 4 Material accounting policies (2023: Significant accounting policies) in certain instances in line with the amendments and concluded that all its accounting policies are material for disclosure.

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

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

	"Effective date (annual years beginning on or after)"
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
IFRS 17 Insurance Contracts	January 01, 2026
IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).	
IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.	
IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.	
IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual years beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2026.	

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

4.1 Cash and cash equivalents

Cash and cash equivalents comprise of balances with banks and short-term highly liquid investments with original maturities of three months or less.

4.2 Financial instruments

4.2.1 Financial assets

Financial assets are classified into appropriate categories at amortized cost and at fair value through profit or loss. The management determines the classification of financial assets into categories based on fund's business model for managing the financial and the contractual terms of the cash flows.

4.2.1.1 Classification

4.2.1.1.1 Equity Instruments

On initial recognition of an equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis. An equity instrument held for trading purposes or in which FVOCI election is not taken is classified as measured at FVTPL. Given the objectives of the Fund, all investments have been classified as FVTPL.

4.2.1.1.2 Debt Instruments

Amortized cost

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

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

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Fair value through profit or loss

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Subsequent, the financial measured at:

Debt investments at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest / markup income, foreign exchange gains and losses and impairment are recognised in income statement.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in income statement. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to income statement.

Debt investments at FVTPL

These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in income statement.

Equity instruments at FVOCI

Upon initial recognition, the Fund occasionally elects to classify irrevocably some of its equity investments as equity instruments at FVOCI when they meet the definition of Equity under IAS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis. The Fund has not used this classification for its investment portfolio.

These assets are subsequently measured at their fair values. Gain/loss on remeasurement are recognised in other comprehensive income and are never recycled to profit. Dividends are recognised in income statement when the right of the payment has been established, except when the Fund benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

Equity investments at FVTPL

These assets are subsequently measured at fair value. Dividends are recognised as income in income statement unless the dividend clearly represents a recovery of part of the cost of the investment.

4.2.1.2 Regular way purchase and sale of financial asset

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.

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 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 Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

The guiding principle of the expected credit loss (ECL) model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. The amount of ECLs recognised as a loss allowance or provision depends on the extent of credit deterioration since initial recognition. Under the general approach, there are two measurement bases:

- 12-month ECLs (Stage 1), which applies to all items (from initial recognition) as long as there is no significant deterioration in credit quality.
- Lifetime ECLs (Stages 2 and 3), which applies when a significant increase in credit risk has occurred on an individual or collective basis.

The Fund's financial assets include mainly bank balances, investments and other receivables.

4.2.3 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.

4.2.4 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 realise the assets and settle the liabilities simultaneously.

4.3 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.

4.4 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 (90%) of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders.

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.

4.5 Proposed distributions

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

4.6 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that day. The offer price represents the net assets value per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours of that day. The redemption price represents the net assets value per unit as of the close of the business day less any back-end load (if applicable), any duties, taxes, charges on redemption and any provision for transaction costs, if applicable. Redemption of units are recorded on acceptance of application for redemption.

4.7 Net assets value per unit

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

4.8 Revenue recognition

- Realised capital gains / (losses) arising on sale of investments are included in the income statement on the date at which the transaction takes place.
- Mark-up / profit / return on Government securities, bank profits and investment in debt securities are recognized 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 in the period in which they arise.
- Dividend income from equity securities is recognised when the right to receive the dividend is established.

4.9 Transactions with related parties / connected persons

Transactions with related parties / connected persons are based at arm's length at normal commercial rates on the same terms and conditions as applicable to third party transactions.

Remuneration to the Management Company and the Trustee is determined in accordance with the provision of NBFC Rules, NBFC Regulations and the Trust Deed respectively.

5. BANK BALANCES	Note	2024	2023
		---- (Rupees in '000) ----	
Cash at bank			
In current accounts	5.1 &	50,360	13,965
In savings accounts	5.2	6,416	31,652
		<u>56,776</u>	<u>45,617</u>

5.1 These carries profit rates ranging from 20.50% to 21.50% (June 30, 2023: 6.7% to 20.0%) per annum.

5.2. This includes a balance of Rs. 6.22 million (June 30, 2023: Rs. 26.59 million) with Bank AL Habib Limited, a related party.

6. INVESTMENTS

Financial assets at fair value through profit or loss			
Listed equity securities	6.1	<u>1,110,512</u>	<u>239,431</u>

AL HABIB ISLAMIC STOCK FUND

Name of the Investee	Note	As at July 01, 2023	Purchased during the year	Sold during the year	As at June 30, 2024	Carrying value as at June 30, 2024	Market value as at June 30, 2024	Unrealised appreciation / (diminution)	Market Value as a percentage of:		Face value of investments as a percentage of the paid up capital of the investee company
									Net Assets	Total Investment	
----- (Number of shares) ----- ----- (Rupees in '000) ----- ----- (%) -----											
Commercial Banks											
Bank Islami Pakistan limited	6.1.1	300,000	4,704,000	1,404,000	3,600,000	81,973	80,136	(1,837)	6.92%	7.22%	0.00%
Faysal Bank Limited		235,000	1,654,529	764,529	1,125,000	46,812	58,995	12,183	5.09%	5.31%	0.15%
Meezan Bank Limited		313,800	1,010,200	644,000	680,000	129,919	162,785	32,866	14.05%	14.66%	4.01%
		848,800	7,368,729	2,812,529	5,405,000	258,704	301,916	43,212			
Chemicals											
Biafo Industries Ltd.		-	45,400	10,000	35,400	3,582	3,611	29	0.31%	0.33%	1.77%
Dynea Pakistan limited		12,000	-	-	12,000	1,512	2,706	1,194	0.23%	0.24%	0.32%
Engro Polymer & Chemicals Limited		30,000	150,000	180,000	-	-	-	-	0.00%	0.00%	0.00%
Lotte Chemical Pakistan Ltd.		-	240,000	240,000	-	-	-	-	0.00%	0.00%	0.00%
		42,000	435,400	430,000	47,400	5,094	6,317	1,223			
Fertilizers											
Engro Fertilizers Limited		230,000	430,000	390,000	270,000	30,178	44,879	14,701	3.87%	4.04%	0.00%
Fauji Fertilizer Bin Qasim Ltd		-	1,580,000	545,000	1,035,000	32,982	36,711	3,729	3.17%	3.31%	0.11%
Fauji Fertilizer Company Limited		-	17,000	17,000	-	-	-	-	0.00%	0.00%	0.00%
Engro Corporation Limited		70,000	234,000	151,000	153,000	48,459	50,905	2,446	4.39%	4.58%	0.04%
		300,000	2,261,000	1,103,000	1,458,000	111,619	132,495	20,876			
Cement											
Attock Cement Pakistan Limited		53,000	160,870	105,870	108,000	10,575	10,491	(84)	0.91%	0.94%	0.12%
Bestway Cement Limited		28,000	10,000	15,000	23,000	3,379	5,158	1,779	0.45%	0.46%	0.11%
Cherat Cement Company Limited		68,000	177,991	82,000	163,991	25,224	26,752	1,528	2.31%	2.41%	0.17%
Fauji Cement Company Limited		563,750	1,750,000	813,750	1,500,000	33,620	34,365	745	2.97%	3.09%	0.22%
Gharibwal Cement Limited		144,500	50,000	75,500	119,000	1,880	3,687	1,807	0.32%	0.33%	3.23%
Kohat Cement Company Limited		33,500	58,666	47,882	44,284	8,492	11,090	2,598	0.96%	1.00%	0.90%
Lucky Cement Limited		17,500	81,500	54,000	45,000	37,153	40,803	3,650	3.52%	3.67%	0.01%
Maple Leaf Cement Factory Limited		450,000	1,036,000	856,000	630,000	22,348	23,940	1,592	2.07%	2.16%	3.49%
Pioneer Cement Limited		65,000	240,000	115,000	190,000	27,819	32,044	4,225	2.77%	2.89%	1.99%
		1,423,250	3,565,027	2,165,002	2,823,275	170,490	188,330	17,840			
Power generation and distribution											
Engro Powergen Qadirpur Limited	6.1.1	-	512,000	100,000	412,000	13,319	11,577	(1,742)	1.00%	1.04%	0.13%
The Hub Power Company Limited		40,000	760,000	225,000	575,000	76,726	93,771	17,045	8.09%	8.44%	0.05%
Kot Addu Power Company.		-	130,000	130,000	-	-	-	-	0.00%	0.00%	0.00%
		40,000	1,402,000	455,000	987,000	90,045	105,348	15,303			
SYNTHETIC AND RAYON											
Image Pakistan Ltd.		-	110,000	110,000	-	-	-	-	0.00%	0.00%	0.00%
		-	110,000	110,000	-	-	-	-			
MISCELLANEOUS											
Pakistan Aluminium Beverage Cans Ltd.		-	315,000	215,000	100,000	6,826	7,385	559	0.64%	0.67%	0.00%
TPL Properties Ltd.		-	550,000	550,000	-	-	-	-	0.00%	0.00%	0.00%
		-	865,000	765,000	100,000	6,826	7,385	559			
Engineering											
Mughal Iron & Steel Industries Limited		109,000	12,674	121,674	-	-	-	-	0.00%	0.00%	0.00%
		109,000	12,674	121,674	-	-	-	-			
Automobile Assemblers											
Sazgar Engineering Works.		-	355,000	240,000	115,000	44,016	95,733	51,717	8.26%	8.62%	0.64%
		-	355,000	240,000	115,000	44,016	95,733	51,717			
Automobile Parts & Accessories											
Atlas Battery Ltd.		-	59,400	59,400	-	-	-	-	0.00%	0.00%	0.00%
Baluchistan Wheels Ltd.		-	50,000	32,000	18,000	2,414	2,340	(74)	0.20%	0.21%	1.55%
Exide Pakistan Limited		-	45,000	-	45,000	23,902	26,519	2,617	2.29%	2.39%	8.32%
		-	154,400	91,400	63,000	26,316	28,859	2,543			

AL HABIB ISLAMIC STOCK FUND

Name of the Investee	Note	As at July 01, 2023	Purchased during the year	Sold during the year	As at June 30, 2024	Carrying value as at June 30, 2024	Market value as at June 30, 2024	Unrealised appreciation / (diminution)	Market Value as a percentage of:		Face value of investments as a percentage of the paid up capital of the investee company
									Net Assets	Total Investment	
----- (Number of shares) ----- (Rupees in '000) ----- (%) -----											
Paper and Board											
Century Paper & Board Mills Limited		50,886	-	-	-	-	-	-	0.00%	0.00%	0.00%
		50,886									
Oil and gas exploration companies											
Mari Petroleum Company Limited		7,600	31,100	10,700	28,000	63,700	75,946	12,246	6.56%	6.84%	0.03%
Oil & Gas Development Company Limited		110,000	795,000	905,000	-	-	-	-	0.00%	0.00%	0.00%
Pakistan Oilfields Limited		50,000		50,000	-	-	-	-	0.00%	0.00%	0.00%
Pakistan Petroleum Limited	6.1.1	163,000	1,377,000	640,000	900,000	102,181	105,399	3,218	9.10%	9.49%	0.08%
		330,600	2,203,100	1,605,700	928,000	165,881	181,345	15,464			
Oil and gas marketing companies											
Attock Petroleum Limited		14,000	36,503	25,503	25,000	9,966	9,656	(310)	0.83%	0.87%	0.04%
Pakistan State Oil Company Limited		10,000	110,000	120,000	-	-	-	-	0.00%	0.00%	0.00%
Sui Northern Gas Pipeline Limited		60,000	700,000	510,000	250,000	16,457	15,868	(589)	1.37%	1.43%	0.04%
		84,000	846,503	655,503	275,000	26,423	25,524	(899)			
Refinery											
Attock Refinery Ltd.			45,000	45,000	-	-	-	-	0.00%	0.00%	0.00%
		-	45,000	45,000	-	-	-	-			
TEXTILE COMPOSITE											
Interloop Limited		75,000	230,000	205,000	100,000	6,304	7,083	779	0.61%	0.64%	0.00%
Towellers Limited.		-	61,000	40,200	20,800	3,249	2,936	(313)	0.25%	0.26%	1.22%
Kohinoor Textile Mills Limited		50,000	-	50,000	-	-	-	-	0.00%	0.00%	0.00%
		125,000	291,000	295,200	120,800	9,553	10,019	466			
Pharmaceutical											
Abbott Laboratories		7,000	4,000	7,000	4,000	1,997	2,932	935	0.25%	0.26%	0.00%
Highnoon Laboratories Limited		6,325	23,000	14,325	15,000	8,162	10,704	2,542	0.92%	0.96%	1.32%
		13,325	27,000	21,325	19,000	10,159	13,636	3,477			
Cable And Electrical Goods											
Fast Cables Limited		-	569,065	-	569,065	13,914	13,606	(308)	1.17%	1.23%	0.00%
		-	569,065	-	569,065	13,914	13,606	(308)			
Food & Personal Care Products											
At-Tahur Limited		100,100	-	100,100	-	-	-	-	0.00%	0.00%	0.00%
		100,100	-	100,100	-	-	-	-			
Glass & Ceramics											
Shabbir Tiles & Ceramics Limited		93,000	-	93,000	-	-	-	-	0.00%	0.00%	0.00%
Ghani Glass Ltd.			135,000	135,000	-	-	-	-	0.00%	0.00%	0.00%
Tariq Glass Industries Limited		81,003	141,481	222,484	-	-	-	-	0.00%	0.00%	0.00%
		174,003	276,481	450,484	-	-	-	-			
Technology and Communications											
Air Link Communication		113,875	60,000	173,875	-	-	-	-	0.00%	0.00%	0.00%
Avanceon Limited		83,750	65,000	148,750	-	-	-	-	0.00%	0.00%	0.00%
Octopus Digital Limited		46,000	-	46,000	-	-	-	-	0.00%	0.00%	0.00%
System Limited		27,200	68,000	95,200	-	-	-	-	0.00%	0.00%	0.00%
		270,825	193,000	463,825	-	-	-	-			
Total equity securities as at June 30, 2024		3,911,789	20,980,379	11,981,628	12,910,540	939,040	1,110,512	171,472			
Total equity securities as at June 30, 2023		3,494,190	4,501,986	4,084,387	3,911,789	260,521	239,431	(21,090)			

- 6.1.1** Following shares were pledged with National Clearing Company of Pakistan Limited (NCCPL) as collateral against exposure margin and mark to market losses.

	2024	2023
	(Number of Shares)	
Bank Islami Pakistan Limited	-	300,000
The Hub Power Company Limited	50,000	-
Pakistan Petroleum limited	2,31	2,310
Meezan Bank Limited	190,000	90,000
	<u>242,310</u>	<u>392,310</u>

7	DIVIDEND AND PROFIT RECEIVABLE	Note	2024	2023
			----- (Rupees in '000) -----	
	Profit receivable on saving accounts		569	616
	Dividend receivable		150	150
			<u>719</u>	<u>766</u>

- 7.1** This includes an amount receivable from Bank Al Habib Limited (a related party) amounting to Rs. 0.55 million (2023: 0.34 million).

8 ADVANCES AND DEPOSITS

Advance tax	8.1	692	100
Cash Margin to National Clearing company of Pakistan Limited		-	1,000
Security deposit with:			
National Clearing Company of Pakistan Limited		1,000	2,051
Central Depository Company of Pakistan Limited		100	507
		<u>1,792</u>	<u>3,658</u>

- 8.1** The income of the Fund is exempt from tax under clause 99 of Part I of the Second Schedule of the Income Tax Ordinance 2001 (ITO 2001). Further, the Fund is exempt under clause 47(B) of Part IV of Second Schedule of ITO 2001 from withholding of tax under section 150, 150A, 151 and 233 of ITO 2001. The Federal Board of Revenue ("FBR") through a circular "C.No.1 (43) DG (WHT)/ 2008-Vol.II- 66417-R" dated May 12, 2015 made it mandatory to obtain exemption certificates under section 159 (1) of the ITO 2001 from Commissioner Inland Revenue (CIR). For the advance tax withheld under section 151 of ITO 2001 in prior years, the management has applied to the FBR for refund and is confident that the same will be refunded in due course.

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On 28 January 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Fund together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit received on bank deposits by the Fund has been shown as advance tax as at 30 June 2024 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

9. PAYABLE TO AL HABIB ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY

Remuneration payable to the Management Company	9.1	1,894	-
Sindh Sales Tax payable on Management Company's remuneration	9.2	246	-
Reimbursement to Collective Investment Scheme	9.3	92	12
		<u>2,232</u>	<u>12</u>

AL HABIB ISLAMIC STOCK FUND

- 9.1** As per the amendments made in the NBFC Regulations, 2008 vide SRO 639 (I) 2019 dated 20 June 2019, the Management Company has set and disclosed in the offering document the maximum rate of fee chargeable to Collective Investment Scheme within allowed expense ratio, the Management Company of the Fund is entitled to an accrued remuneration equal to an amount not exceeding 10% of average net assets of the Fund. The Management has charged its remuneration at rate ranging from 0% to 10% of the average net assets of the Fund, which is within the allowed expense ratio limit. The remuneration is paid to the Management Company on monthly basis in arrears.
- 9.2** Sindh Sales Tax has been charged at 13% (June 30, 2023: 13%) on the Management Company's remuneration during the period.
- 9.3** In accordance with Regulation 60(3)(s) of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme.

10. PROVISION FOR FEDERAL EXCISE DUTY ON REMUNERATION OF THE

MANAGEMENT COMPANY

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 been 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 Fund Association of Pakistan (MUFAP) with the Honorable Sindh High Court (SHC) on 04 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, the tax authorities subsequently filed appeal against the decision of the SHC in the Supreme Court of Pakistan (SCP), which is pending for 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 provincial sales tax. Therefore, in the current year, provision for FED has not been recorded.

However, since the appeal is pending in the Supreme Court of Pakistan, the Fund, as a matter of abundant caution, is carrying provision for FED for the years from 13 June 2013 to 30 June 2016 aggregating to Rs. 1.478 million. Had the provision not been made, NAV per unit of the Fund as at 30 June 2024 would have been higher by Rs. 0.13 (30 June 2023: Rs. 0.37) per unit.

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

Note	2024	
	----- (Rupees in '000) -----	
Trustee remuneration	11.1	176 -
Sales tax payable on trustee remuneration		22 -
		<u>198</u> <u>12</u>

- 11.1** The Trustee is entitled to a remuneration for services rendered to the Fund under the provisions of the trust deed based on the daily net asset value of the Fund. The remuneration of the Trustee has been calculated as per following applicable tariff:

Average net assets (Rs. in million)	Tariff
Upto Rs. 1,000	0.2% per annum of net asset value.
Rs. 1,000 and above	Rs. 2 million plus 0.10% per annum of net assets on amount exceeding Rs. 1,000 million.

- 11.2** The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% (2023: 13%) on the remuneration of Trustee through Sindh Sales Tax on Services Act, 2011.

12. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Annual fee payable	<u>91</u>	<u>56</u>

- 12.1** This represents annual fee payable to Securities and Exchange Commission of Pakistan (SECP) at 0.095% of net assets in accordance with regulation 62 of the NBFC Regulations and pursuant to S.R.O 685(I) 2019, dated June 28, 2019.

13. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	2024	2023
		-----Rupees in 000-----	
Auditor's remuneration		954	562
Printing charges		145	111
Charity payable	13.1	776	321
Withholding tax		33,292	413
Others		44,988	106
		<u>80,155</u>	<u>1,513</u>

13.1 The Shariah Advisor of the Fund has certified an amount of Rs. 0.83 million (2023 : Rs. 0.53) against dividend income, as Shariah non-compliant income during the year, which has accordingly been marked to charity.

14. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at June 30, 2024 (30 June 2023: Nil).

15. NUMBER OF UNITS IN ISSUE	2024	2023
	----- Number of units -----	
Total units in issue at the beginning of the year	4,003,314	4,062,928
Add: Units issued during the year	26,747,846	397,227
Less: Units redeemed during the year	(19,187,012)	(456,841)
Total units in issue at the end of the year	<u>11,564,148</u>	<u>4,003,314</u>

16. PROFIT ON BANK DEPOSITS

Saving accounts	16.1	<u>5,398</u>	<u>7,429</u>

16.1 This includes a balance of Rs. 5.22 million (June 30, 2023: Rs. 4.4 million) with Bank AL Habib Limited (a related party), carrying profit rate of 21.50% (June 30, 2023: 20.00%) per annum.

17. AUDITORS' REMUNERATION

Annual audit fee	259	290
Fee for half yearly review	130	131
Shariah Compliance Fee	105	120
Other certifications and out of pocket expenses	39	50
	<u>533</u>	<u>591</u>

18. TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unit holders. The Fund has not recorded any tax liability in respect of income relating to the current year as the management intends to distribute in cash atleast 90 percent of the Fund's accounting income for the year ending June 30, 2024 as reduced by capital gains (whether realised or unrealised) to its unit holders.

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.

19. EARNINGS PER UNIT

Earnings per unit has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating earnings per unit is not practicable.

AL HABIB ISLAMIC STOCK FUND

20. FINANCIAL INSTRUMENTS BY CATEGORY

Particulars	As at June 30, 2024		
	Fair value	Amortized cost	Total
----- Rupees in '000 -----			
Financial assets			
Bank balances	-	56,776	56,776
Investments	1,110,512	-	1,110,512
Dividend and profit receivable	-	719	719
Receivable against sale of units	-	2,340	2,340
Advances and Deposits	-	1,792	1,792
	<u>1,110,512</u>	<u>61,627</u>	<u>1,172,139</u>
Financial liabilities			
Payable to AL Habib Asset Management Limited - Management Company	-	2,232	2,232
Payable to Central Depository Company of Pakistan Limited - Trustee	-	198	198
Payable to Securities and Exchange Commission of Pakistan	-	91	91
Payable against Purchase of investment	-	-	-
Accrued expenses and other liabilities	-	80,155	80,155
	<u>-</u>	<u>82,676</u>	<u>82,676</u>

Particulars	As at June 30, 2023		
	Fair value	Amortized cost	Total
----- Rupees in '000 -----			
Financial assets			
Bank balances	-	45,617	45,617
Investments	239,431	-	239,431
Dividend and profit receivable	-	766	766
Receivable against sale of units	-	12,000	12,000
Advances and deposits	-	3,658	3,658
	<u>239,431</u>	<u>62,041</u>	<u>301,472</u>
Financial liabilities			
Payable to AL Habib Asset Management Limited - Management Company	-	12	12
Payable to Central Depository Company of Pakistan Limited - Trustee	-	55	55
Payable to Securities and Exchange Commission of Pakistan	-	56	56
Payable against purchase of investment	-	-	-
Accrued expenses and other liabilities	-	1,513	1,513
	<u>-</u>	<u>1,636</u>	<u>1,636</u>

S.No Company Name

Relationship

1	AL Habib Asset Management Limited	Management Company
2	Bank AL Habib Limited	Parent Company of Al Habib Management Company.
3	AL Habib Capital Market Company	Subsidiary of Bank AL Habib Limited
4	AL Habib Cash Fund Fund	Managed by AL Habib Asset Management Limited
5	AL Habib Money Market Fund	Managed by AL Habib Asset Management Limited
6	AL Habib Income Fund	Managed by AL Habib Asset Management Limited
7	AL Habib Asset Allocation Fund	Managed by AL Habib Asset Management Limited
8	AL Habib Stock Fund	Managed by AL Habib Asset Management Limited
9	AL Habib Islamic Cash Fund	Managed by AL Habib Asset Management Limited
10	AL Habib Islamic Saving Fund	Managed by AL Habib Asset Management Limited
11	AL Habib Islamic Stock Fund	Managed by AL Habib Asset Management Limited
12	AL Habib Pension Fund	Managed by AL Habib Asset Management Limited
13	AL Habib Islamic Pension Fund	Managed by AL Habib Asset Management Limited
14	AL Habib Fixed Return Fund	Managed by AL Habib Asset Management Limited
15	AL Habib Islamic Munafa Fund	Managed by AL Habib Asset Management Limited
16	AL Habib Government Securities Fund	Managed by AL Habib Asset Management Limited
17	AL Habib GOKP Pension Fund	Managed by AL Habib Asset Management Limited
18	AL Habib GOKP Islamic Pension Fund	Managed by AL Habib Asset Management Limited
19	Central Depository Company	Trustee

Related parties include directors and officers of the above entities as at June 30, 2024 and staff retirement benefit funds of the above related parties.

The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with regulatory requirements and as agreed between the parties.

21.1 Details of the transactions with connected persons / related parties are as follows:

	2024	2023
	---- (Rupees in '000) ----	
AL Habib Asset Management Limited		
Management Company's Remuneration	9,832	2,901
Sindh Sales Tax on Management Company's remuneration	1,278	377
Expenses allocated by the Management Company	55	-
AL Habib Capital Markets (Private) Limited		
Brokerage	626	144
Central Depository Company of Pakistan Limited		
Remuneration of Trustee	1,094	564
Sindh Sales Tax on Trustee's remuneration	142	73
Bank AL Habib Limited - Parent Company of AL Habib Asset Management Company		
Profit on bank balances	5,233	4,418
Dividend Income	4,801	64

Details of the balances with connected persons / related parties as at year end are as follows:

Bank AL Habib Limited - Parent Company of AL Habib Asset Management Company		
Bank balance	50,360	26,595
Bank Profit receivable	550	456
AL Habib Asset Management Limited		
Payable to Management Company (inclusive of Sindh Sales tax)	2,232	12
Federal excise duty on Management Fee payable	1,478	1,478
AL Habib Capital Markets (Private) Limited		
Brokerage payable	11,796	26
Central Depository Company of Pakistan Limited		
Remuneration payable (inclusive of Sindh Sales Tax)	603	55
Security deposit - non interest bearing	100	100

21.2 Sale / redemption of units during the year

	2024		2023	
Units sold to:	(Units)	(Rupees in '000)	(Units)	(Rupees in '000)
Management Company				
- AL Habib Asset Management Limited	2,070,192	240,137	295,813	22,186
Directors & Their Relatives of the Management Company				
- Directors of the Management Company	7,945,320	1,095,863	23,122	2,027
Key Management Executives	58,324	6,423	25	2,222
Other connected person				
- Habib Insurance company limited - Employee Provident Fund	1	0.08	-	-

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Units redeemed by:	2024		2023	
	(Units)	(Rupees in '000)	(Units)	(Rupees in '000)
Management Company				
- AL Habib Asset Management Limited	2,247,861	254,561	161,610	12,049
Directors & their relatives of the Management Company	2,654,319	277,812	9,528	720
Key Management Executives	56,836	5,777	3,557	268
Other connected person				
- Habib Insurance company limited - Employee Provident Fund	-	-	16,950	1,261
21.3 Units held by:				
	(Units)	(Rupees in '000)	(Units)	(Rupees in '000)
Management Company				
- AL Habib Asset Management Limited	117,578	11,778	295,247	22,004
Parent of AL Habib Asset Management Limited				
- Bank AL Habib Limited	100,929	10,110	100,929	7,522
Directors & their relative of the Management Company	8,500,670	851,512	3,209,669	239,210
Key Management Executives & their relatives of Directors	5,002	501	3,514	262
Other connected person				
- Habib Insurance company limited - Employee Provident Fund	3	0.30	2	0.123
Connected party holding 10% or more of the units in issue):	6,500,037	651,109	-	-

22. FINANCIAL RISK MANAGEMENT

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

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

The Fund primarily invests in a portfolio of Islamic equity securities. These activities are exposed to a variety of financial risks: market risks, credit risks and liquidity risks.

22.1. Market risk

Market risk is the risk that the fair value or 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.

Market risk comprises of three types of risk: currency risk, interest rate risk and price risk. The Fund is not exposed to interest rate risk and price risk.

22.1.1 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) Sensitivity analysis of variable rate

The Fund is exposed to cash flow interest rate risk for balances in certain savings account, the interest rates on which range between 20.50% to 21.50% per annum.

In case of 100 basis points increase / (decrease) in interest rates on June 30, 2024 with all other variable held constant, the net income for the year and the net assets would have been higher / lower by Re. 3.381 million (2023: Re. 0.456 million)

b) Sensitivity analysis of fixed rate

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. Yield / Interest rate sensitivity position for financial instrument is as follows:

		----- As at June 30, 2024 -----				
Particulars		Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
	Effective yield / interest rate	Upto three months	More than three months and upto one year	More than one year		
		%	----- Rupees in '000 -----			
On-balance sheet financial instruments						
Financial assets						
Bank balances	20.50 - 21.50	56,776	-	-	-	56,776
Investments						
Listed equity securities		-	-	-	1,110,512	1,110,512
Dividend and profit receivable		-	-	-	22,107	22,107
Receivable against sale of units		-	-	-	2,340	2,340
Advances and deposits		-	-	-	1,100	1,100
Sub total		56,776	-	-	1,136,059	1,122,063
Financial liabilities						
Payable to the Management Company		-	-	-	2,232	2,232
Payable to the Trustee		-	-	-	198	198
Payable to the SECP		-	-	-	91	91
Accrued expenses and other liabilities		-	-	-	46,853	46,853
Sub total		-	-	-	49,384	49,384
On-balance sheet gap (a)		56,776	-	-	1,065,287	1,122,063
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		56,776	-	-	1,065,287	1,122,063
Cumulative interest rate sensitivity gap		56,776	-	-		

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		----- As at June 30, 2023 -----				
Particulars		Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
	Effective yield / interest rate	Upto three months	More than three months and upto one year	More than one year		

----- Rupees in '000 -----

On-balance sheet financial instruments

Financial assets

Bank balances	6.70 - 20.00	45,617	-	-	-	45,617
Investments						
Listed equity securities		-	-	-	239,431	239,431
Dividend and profit receivable		-	-	-	766	766
Receivable against sale of investments - net		-	-	-	12,000	12,000
Advances and deposits		-	-	-	3,558	3,558
Sub total		45,617	-	-	255,755	301,372

Financial liabilities

Payable to the Management Company		-	-	-	12	12
Payable to the Trustee		-	-	-	55	55
Payable to the SECP		-	-	-	56	56
Payable against Purchase of investment		-	-	-	-	-
Accrued expenses and other liabilities		-	-	-	1,100	1,100
Sub total		-	-	-	1,223	1,223

On-balance sheet gap (a)		45,617	-	-	254,532	300,149
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		45,617	-	-	254,532	300,149
Cumulative interest rate sensitivity gap		45,617	-	-	-	-

2024 2023
---- (Rupees in '000) ----

Investments	55,526	11,972
Income Statement	55,526	11,972

22.2 Credit risk

Credit risk represents the risk of a loss if the counter parties fail to perform as contracted. The Fund's credit risk is primarily attributable bank balances and credit exposure arising as a result of profit receivable from banks and dividend receivable on equity securities.

22.2.1 The analysis below summarises the credit quality of the Fund's bank balances as at June 30, 2024 and June 30, 2023:

Bank	Balances held by the Fund as at June 30,	Latest available published rating as at June 30, 2024	Rating agency

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

Balances with banks by rating category

Habib Bank Limited	21,388	AAA	VIS
Bank Al Habib Limited	35,253	AAA	PACRA
MCB Bank Limited	124	AAA	PACRA
Meezan Bank Limited	11	AAA	VIS
	<u>56,776</u>		

Bank	Balances held by the Fund as at June 30,	Latest available published rating as at June 30, 2023	Rating agency

(Rupees in '000')

Balances with banks by rating category

Habib Bank Limited	12,079	AAA	VIS
Bank Al Habib Limited	26,594	AAA	PACRA
Bank Islami Pakistan Limited	6,864	AA-	PACRA
MCB Bank Limited	10	AAA	PACRA
Dubai Islamic Bank Limited	60	AA	VIS
Meezan Bank Limited	10	AAA	VIS
	<u>45,617</u>		

22.2.2 The analysis below summarizes the credit quality of the Fund's credit exposure:

	2024	2023
Rating by rating category	(Percentage)	
AAA	99.98	84.82
AA	0.02	0.13
AA-	-	15.05

Concentration of credit risk

Concentration of credit risk exists when change in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is mainly concentrated in bank balances while the remaining transactions are entered into with diverse credit-worthy counterparties thereby mitigating any significant concentration of credit risk to counterparties other than the Government. The Fund is not exposed to a concentration of credit risk.

22.3 Liquidity risk

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

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

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

Particulars	As at June 30, 2024			
	Upto three months	More than three months and upto one year	More than one year	Total
(Rupees in '000)				
Financial liabilities				
Payable to Management Company	2,232	-	-	2,232
Provision for Federal Excise Duty	1,478	-	-	1,478
Payable to Trustee	198	-	-	198
Payable to Securities and Exchange Commission of Pakistan (SECP)	91	-	-	91
Accrued expenses and other liabilities	80,155	-	-	80,155
	<u>84,154</u>	<u>-</u>	<u>-</u>	<u>84,154</u>

Particulars	As at June 30, 2023			
	Upto three months	More than three months and upto one year	More than one year	Total
Rupees in '000				
Financial liabilities				
Payable to Management Company	12	-	-	12
Provision for Federal Excise Duty	1,478	-	-	1,478
Payable to Trustee	55	-	-	55
Payable to Securities and Exchange Commission of Pakistan (SECP)	56	-	-	56
Payable against Purchase of investment	-	-	-	-
Accrued expenses and other liabilities	1,513	-	-	1,513
	3,114	-	-	3,114

23 UNITS HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by the net assets attributable to unit holders / redeemable units. The amount of net assets attributable to unit holders can change significantly on a daily basis as the Fund is subject to daily issuance and redemptions at the discretion of unit holders. These unit holders of the Fund are entitled to distributions and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the statement of movement in unit holders' fund. Unit holders fund risk management is carried out by the Management Company through following steps:

- Monitors the level of daily issuance and redemptions relative to the liquid assets and adjusts the amount of distributions the Fund pays to the unit holders;
- Redeems and issues units in accordance with the constitutive documents of the Fund. This includes the Fund's ability to restrict redemptions; and
- The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management Company critically track the movement of 'Assets under Management'. The Board of Directors is updated regarding key performance indicators, e.g. yield and movement of NAV and total Fund size at the end of each quarter.

The Fund has maintained and complied with the requirements of minimum fund size during the current year.

24 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 amount 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 i.e. listed equity shares are based on the quoted market prices at the close of trading on the reporting 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.

As per the requirements of IFRS 13 (Fair Value Measurement), 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 :

Particulars	2024						
	Carrying amount			Fair value			
	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total

Note ----- Rupees in '000' -----

Financial assets measured at fair value

Listed equity securities	24.1	1,110,512	-	1,110,512	1,110,512	-	-	1,110,512

Particulars	2023						
	Carrying amount			Fair value			
	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total

Note ----- Rupees in '000' -----

Financial assets measured at fair value

Listed equity securities	24.1	239,431	-	239,431	239,431	-	-	239,431

24.1 Valuation techniques

For level 1 investments at fair value through profit or loss - Investment in respect of equity securities, the Fund uses daily quotation rates which are taken from Pakistan Stock Exchange Limited at the reporting date.

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

24.3 Transfers during the year

No transfer were made between various levels of fair value hierarchy during the year.

25 BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID

Broker name		2024 (Percentage)	2023 (Percentage)
1	AL Habib Capital Markets (Private) Limited	16.46%	19.00%
2	AKD Securities Limited	16.45%	0.00%
3	Optimus Capital Management (Pvt.) Limited	13.54%	10.00%
4	DJM Securities Limited	11.99%	13.00%
5	Arif Habib Limited	8.30%	8.00%
6	KTRade Securities Limited	8.11%	0.00%
7	JS Global Capital Limited	7.40%	0.00%
8	Topline Securities (Pvt.) Limited	6.44%	8.00%
9	Next Capital Limited	4.97%	11.00%
10	BMA Capital (Pvt.) Limited	3.55%	13.00%
11	Ismail Iqbal Securities (Pvt.) Limited	1.88%	5.00%
12	Habib Metropolitan Financial Services	1.29%	10.00%
13	Taurus Securities Limited	0.00%	3.00%
		100%	100%

AL HABIB ISLAMIC STOCK FUND

26 PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER

Details of members of the Investment Committee of the Fund as on June 30, 2024 are as follow:

Name	Designation	Qualification	Experience in years
Mr. Kashif Rafi	Chief Executive Officer	MBA - IBA	23 years
Mr. Zahid Hussain Vasnani	Chief Operating Officer & Company Secretary	CA- Affiliate	24 years
Mr. Abdul Rehman	CIO	MBA & CFA	13 years
Mr. Ahmed Abbas	Fund Manager	MBA	16 years
Mr. Talha A.Siddiqui	Fund Manager	MA in Economics	11 years
Mr. Umar Bin Hassan	Manager Risk & Research	MS - IBA	6 years

27 PATTERN OF UNITHOLDING

Pattern of unit holding at June 30, 2024 is as follows:

Category	-----As at June 30, 2024-----			
	No. of unit holders	Number of units held	Investment amount	Percentage of total
Individuals	-	-	-	0.00%
Associated Companies and Directors	1	100,929	10,093,909	0.87%
Retirement Funds	1	2	200	0.00%
Insurance companies	2	978,222	97,831,982	8.46%
Other Corporate	3	217,517	21,753,875	1.88%
Other	143	10,267,478	1,026,850,475	88.79%
	150	11,564,148	1,156,530,441	100%

Pattern of unit holding at June 30, 2023 is as follows:

Category	-----As at June 30, 2023-----			
	No. of unit holders	Number of units held	Investment amount	Percentage of total
Individuals	87	109,993	8,198	2.75%
Associated companies and directors	8	3,609,364	268,997	90.16%
Others	6	283,957	21,163	7.09%
	101	4,003,314	298,358	100%

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

Four meetings of the Board of Directors were held on August 17, 2023 and October 19, 2023, January 25, 2024, April 18, 2024 respectively. Information in respect of the attendance by the Directors in the meetings is given below:

S.No.	Particular	Number of meetings			Meeting not attended
		Held	Attended	Leave granted	
1	Mr. Abbas D.Habib	4	3	1	99th Meeting
2	Mr. Mansoor Ali Khan	4	4	-	-
3	Mr. Saeed Allawala	4	4	-	-
4	Ms. Zarine Aziz	4	1	3	99th, 100th and 101st Meeting
5	Mr. Imran Azim	4	3	1	100th Meeting
6	Mr. Kashif Rafi	4	4	0	-

29. TOTAL EXPENSE RATIO

Securities and Exchange Commission of Pakistan (SECP) vide directive no. SCD/PRDD/Direction/18/2016 dated July 20, 2016, requires that collective Investment Scheme (CIS) shall disclose Total Expense Ratio (TER) in the yearic financial statements of CIS/ the fund. TER of the Fund for the year ended June 30, 2024 is 3.46% which includes 0.44% representing Government levy and SECP fee. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an equity scheme.

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

31.1 Figures have been rounded off to the nearest thousand Rupees unless otherwise stated.

32. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **August 01, 2024** by the Board of Directors of the Management Company.

**For AL Habib Asset Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

ANNUAL FUND MANAGER REPORT FINANCIAL YEAR 2024

Fund Objective:

The investment objective of AHISF is to seek long-term capital growth by investing primarily in a Shariah Compliant diversified pool of equities and equity related instruments. The management team shall ensure the active implementation of prudent investment practices, the highest professional standards and compliance of applicable laws.

Fund Objective Achieved:

The Fund has achieved its stated objective.

Strategies and Policies Employed during the period under review:

AHISF primarily invests in Shariah compliant equity securities listed on Pakistan Stock Exchange. The selection criterion for these securities is based upon hybrid investment approach with companies having sound financial history back by strong fundamentals. The residual funds are placed with Commercial Banks in order to maintain liquidity requirements of the fund.

Performance of the fund with benchmark

The Fund outperformed its benchmark by 1965 bps as it posted YTD return of 98.34% as against the benchmark of 78.70%.

Fund Description

Fund Type & Category	Open Ended - Shariah Compliant Equity Scheme	External Auditors	BDO Ebrahim & Co. Chartered Accountants
Launch Date	April 01, 2017	Management Fee	2% per annum of average daily net assets.
Benchmark	KMI-30 Index	Sales Load	2% front-end-load (Management has the discretion to reduce or waive load on any transaction)
Annual Return	98.34%	Minimum Investment	Initial investment of Rs. 5,000 Subsequently Rs. 1,000 per transaction
Benchmark	78.70%	Dealing Days/Timings	Monday to Thursday 9:00 am to 3:30 pm Friday 9:00 am to 4:30 pm
Net Assets	Rs. 1.160 billion (June 30, 2024)	AMC Rating	"AM2+" by PACRA
NAV per unit	Rs. 100.1722 per unit (June 30, 2024)	Trustee	Central Depository Company of Pakistan Limited.
Pricing Mechanism	Forward Pricing	Risk Profile	High (Principal at High Risk)

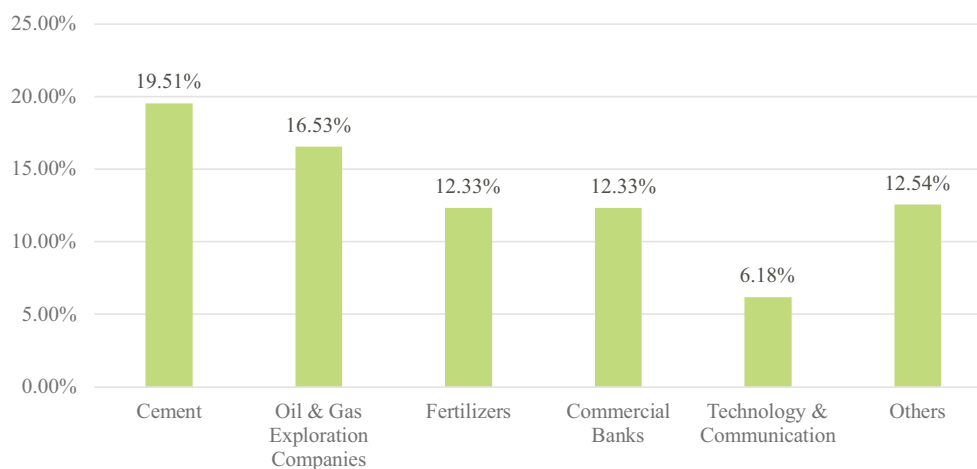
Market Review:

During FY24, Pakistan's economy showed encouraging signs of recovery despite global uncertainties. GDP grew by 2.38% YoY, primarily driven by a strong agricultural sector and gradual improvement in industrial output. Macroeconomic variables also improved, with the current account deficit narrowing significantly to PKR 0.68 trillion from PKR 3.27 trillion in the previous year. This was the result of enhanced remittance flows through official channels and controlled imports, which contributed to the stability of the PKR exchange rate. Inflation saw a sharp decline, falling to 12.6% in June 2024 from 29.4% in June 2023. In response, the SBP reduced the policy rate by 150 bps to 20.5%. The yield curve inversion in the secondary market indicated expectations of further rate cuts in FY25. On the equity front, the KSE 100 index reached a new high, crossing the 80,000-point mark, making it the region's best-performing market. With attractive valuations and the likelihood of securing a long-term IMF program, which would bolster macroeconomic stability, the equity market is set for continued growth in FY25.

Asset Allocation of Fund (as a % of total assets)

Particulars	30-Jun-24	30-Jun-23
Cash	22.92%	15.13%
Equity	75.30%	79.42%
Others	1.78%	5.45%

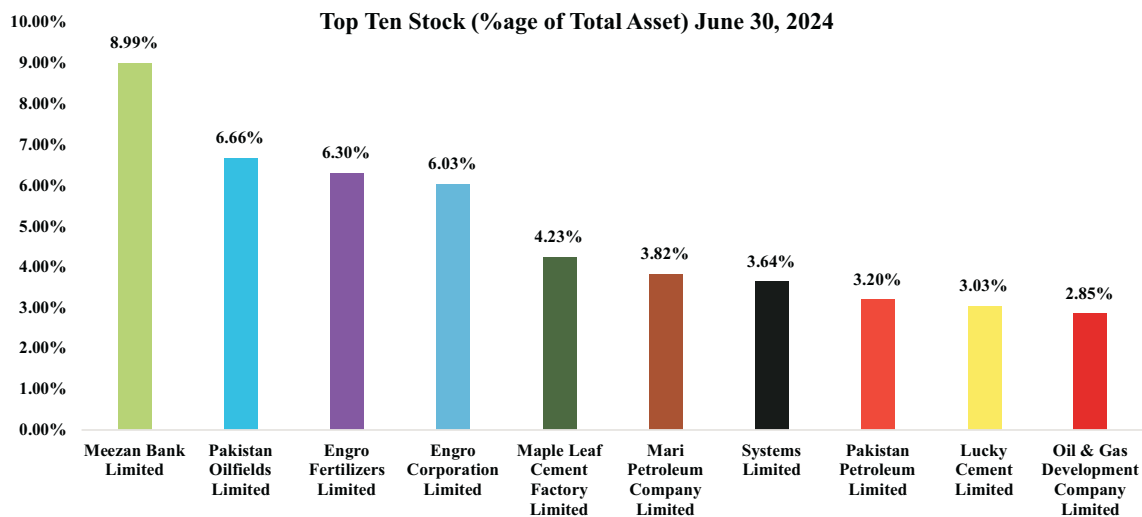
Sector Allocation (%age of Total Assets) June 30, 2024



Unit Holding Pattern

Size of Unit Holding (Units)	# of Unit Holders
1-1000	88
1001-5000	15
5001-10000	7
10001-50000	15
50001-100000	4
100001-500000	6
500001-1000000	4
1000001-5000000	3
Grand Total	142

Top Ten Stock (%age of Total Asset) June 30, 2024



AL HABIB ISLAMIC STOCK FUND

Income Distribution

AHISF made a total distribution of Rs.47.5663 during FY24 in the form of dividend, the details of which is as follows;

Month	Cum NAV Rs.	Ex-NAV Rs.	Distribution Rs.
Jun-24	75.1501	100	47.5663

During the period under question:

There has been no significant change in the state of affairs of the Fund. Al Habib Islamic Stock Fund does not have any soft commission arrangement with any broker in the industry.

Sales and Redemptions of Units

During the year, 26,753,368 units valued Rs. 3.410 billion were sold, while 19,192,544 units valued Rs. 2.457 billion were redeemed, resulting in to a net sale of 7,560,824 units valued Rs. 0.9531 billion during the year.

Unit Holders Pattern

For the breakdown of unit holding by size as on June 30, 2024, please refer to note 27 of the Annual Accounts 2024.

Fund Performance at a Glance

	2024
Net Assets as at June 30 (Rs. in million)	1160
NAV per unit as at June 30 (Rs.)	100.1722
Distribution during the year ended June 30 (Rs.)	47.5663
Annual Return	98.34%

AL HABIB ISLAMIC SAVINGS FUND
Annual Report
For the year ended June 30, 2024

FUND'S INFORMATION**Management Company**

AL Habib Asset Management Limited

Board of Directors of the Management Company

Mr. Abbas D. Habib	Chairman
Mr. Mansoor Ali	Director
Mr. Imran Azim	Director
Ms. Zarin Aziz	Director
Mr. Saeed Allawala	Director
Mr. Kashif Rafi	Chief Executive Officer

Chief Financial Officer

Mr. Abbas Qurban

Company Secretary & Chief Operating Officer

Mr. Zahid Hussain Vasnani

Audit Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali	Member
Mr. Imran Azim	Member

Human Resource Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali	Member
Ms. Zarin Aziz	Member
Mr. Kashif Rafi	Member

Auditors

BDO Ebrahim & Co.
Lakson Square Building No. 1, 9th Floor,
Block C Sarwar Shaheed Rd, Civil Lines,
Karachi, Karachi City, Sindh 74200

Legal Advisor

Mohsin Tayebaly & Co.
Barristers & Advocates,
2nd Floor, DIME Centre, BC-4,
Block 9, Kehkashan, Clifton, Karachi.

Trustee

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block 'B', S.M.C.H.S.,
Main Shahra-e-Faisal, Karachi.

Rating

AA(f) Fund Stability Rating, Rating by PACRA
AM2++ Management Company Quality
Rating Assigned by PACRA.

Bankers to the Fund

Bank AL Habib Limited
Bank Islami Pakistan Limited
Al Baraka Bank Pakistan Limited
Allied Bank Limited

Registered Office: 3rd Floor, Mackinnon's Building, I.I. Chundrigar Road, Karachi.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S. Main Shakra-e-Faisal
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



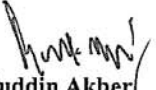
TRUSTEE REPORT TO THE UNIT HOLDERS

AL HABIB ISLAMIC SAVINGS FUND

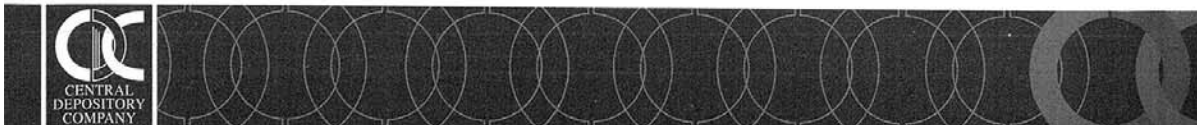
Report of the Trustee pursuant to Regulation 41(h) and Clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of AL Habib Islamic Savings Fund (the Fund) are of the opinion that AL Habib Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2024 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) 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.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 27, 2024



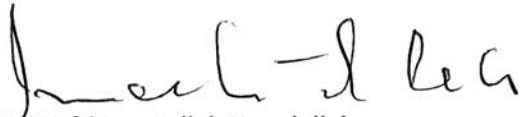
REVIEW REPORT OF THE SHARIAH ADVISOR

As a Shariah Advisor of the **AL Habib Islamic Savings Fund (AHISAVF)**, I am issuing this report. The scope of the report is to express an opinion on the Shariah compliance of the fund's activities.

It is the responsibility of the management of aforesaid fund to establish and maintain a system of internal control to ensure compliance with Shariah guidelines. My responsibility is to express an opinion, based on my review of the representation made by the management, to the extent where such compliance can be objectively verified.

A review is limited primarily to inquire to the Management Company's personnel and review of various documents prepared by the management company to comply with prescribed criteria. In the light of the above, I hereby certify that:

- I have reviewed and approved the modes of investment of AHISAVF in the light of the Shariah guidelines.
- All the provisions of the scheme and investments made on account of AHISAVF by Management Company are Shariah Compliant and in accordance with the criteria established.
- On the basis of information provided by the Management Company, all the operations of AHISAVF for the period from July 01, 2023 to June 30, 2024 have been in compliance with Shariah principles.



Dr. Mufti Ismatullah Hamdullah
Shariah Advisor

Date: June 30, 2024



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INDEPENDENT ASSURANCE REPORT TO THE UNITHOLDERS ON THE STATEMENT OF COMPLIANCE WITH THE SHARIAH PRINCIPLES

Scope of our Work

We have performed an independent assurance engagement of Al Habib Islamic Savings Fund (the Fund), to express an opinion on the annexed Statement of Compliance with the Shariah Principles (the Statement) for the period ended June 30, 2024. Our engagement was carried out as required under Trust Deed and Shariah Principles of the Fund.

Applicable Criteria

The criteria for the assurance engagement against which the underlying statement (the subject matter) is assessed comprises of compliance with the Shariah Principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor (criteria). Therefore, the underlying subject matter may not be suitable for another purpose. Our engagement was carried out as required under Trust Deed and Shariah Principles of the Fund.

Management Company's responsibility

Management Company (Al Habib Asset Management Limited) of the Fund is responsible for the preparation and fair presentation of the Statement (the subject matter) and for compliance with the Shariah Principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor (criteria). This responsibility includes designing, implementing and maintaining internal control to ensure that operations of the Fund and the investments made by the Fund are in compliance with the Shariah Principles.

Our Independence and Quality Control

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. The firms apply International Standard on Quality Management (ISQM) 1 "Quality Management for Firms That Perform Audits and Reviews of Financial Statements, And Other Assurance and Related Services Engagements" and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibility of independent assurance providers

Our responsibility is to express our conclusion on the Statement based on our independent assurance engagement, performed in accordance with the International Standards on Assurance Engagement (ISAE 3000) (Revised) 'Assurance Engagements other than Audits or Reviews of Historical Financial Information'. This standard requires that we plan and perform the engagement to obtain reasonable assurance whether the Statement reflects the status of the Fund's compliance with the Shariah Principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor and is free from material misstatement.

The procedures selected depend on our judgment, including the assessment of the risks of material non-compliance with the Shariah Principles whether due to fraud or error. In making those risk assessments, we have considered internal controls relevant to the Fund's compliance with the principles in order to design procedures that are appropriate in the circumstances, for gathering sufficient appropriate evidence to determine that the Fund was not materially non-compliant with the principles. Our engagement was not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

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BDO Ebrahim & Co. Chartered Accountants

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The procedures performed included:

- Checking compliance of specified guidelines issued by the Shariah Advisor relating to charity, maintaining bank accounts and for making investments of the Fund; and
- Checking that the Shariah Advisor has certified that the operations of the Fund and investments made by the Fund during the period ended June 30, 2024 are in compliance with the Shariah Principles and where required, purification of income from non-compliant sources has been made in consultation with the Shariah Advisor.

Conclusion

In our opinion, the Statement, in all material respects, presents fairly the status of the Fund's compliance with the Shariah principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor for the period ended June 30, 2024.

KARACHI

DATED: SEPTEMBER 30, 2024


BDO EBRAHIM & CO
CHARTERED ACCOUNTANTS



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INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF AL HABIB ISLAMIC SAVING FUND

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Al Habib Islamic Saving Fund ("the Fund"), which comprise the statement of assets and liabilities as at June 30, 2024, and the income statement, statement of comprehensive income, statement of cash flows and statement of movement in unit holders' fund for the year ended June 30, 2024, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at June 30, 2024, and its financial performance and its cash flows for the year June 30, 2024 in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for opinion

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

Key Audit Matters

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

Following are the Key audit matters:

S.NO	Key audit matter(s)	How the matter was addressed in our audit
1.	Existence and valuation of investments As disclosed in note 6 to the financial statements of the Fund for the year June 30, 2024, the Fund has investments classified as "Fair value through profit or loss" amounting to Rs. 10,300.893 million representing 74% of the net assets value of the Fund.	Our audit procedures included the following: We evaluated the design and implementation of key controls of Investment and tested controls over acquisition, disposals and year end valuation of investments portfolio.

BDO Ebrahim & Co. Chartered Accountants

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S.NO	Key audit matter(s)	How the matter was addressed in our audit
	As these investments represent a significant element of the statement of assets and liabilities, a discrepancy in the valuation or existence of investments could cause the NAV to be materially misstated which would also impact the Fund's reported performance as the valuation of investments is the main driver of movements in the performance of the Fund. In view of the significance of these investments in relation to the total assets and the NAV of the Fund, we have considered the existence and valuation of such investments as a key audit matter.	- We performed substantive audit procedures on year-end balance of investment portfolio including review of custodian's statement, and related reconciliations and re-performance of debt instruments valuations on the basis of prices the Mutual Fund Association of Pakistan (MUFAP) as at June 30, 2024 and matching the valuation of investment with that appearing in the financial statements. - We assessed the Fund's compliance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) in relation to the concentration of investments and exposure limits prescribed in such Regulations and reviewed the adequacy of disclosures as may be applicable in situations of non-compliance.

Information other than the financial statements and auditor's report thereon

The Management Company is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management Company and its Board of Directors

The Management Company ("Al Habib Asset Management Limited") of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and accounting and reporting 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.



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

The Management Company is responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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



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We also provide the Board of Directors of the Management Company 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 the Board of Directors of the Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current year 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.

Report on other legal and regulatory requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in accordance with the relevant provisions of the Trust Deed, NBFC Rules and NBFC Regulations.

Other matter

The financial statements of the Fund for the year ended June 30, 2023 were audited by another firm of Chartered Accountants, who vide their report dated September 28, 2023 issued an unqualified opinion thereon.

The engagement partner on the audit resulting in this independent auditor's report is Tariq Feroz Khan.

KARACHI

DATED: August 30, 2024

UDIN: AR202410166EOv0NjByR

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2024

	Note	2024	2023
		----- Rupees in '000 -----	
ASSETS			
Bank balances	5	2,655,397	3,374,402
Investments	6	10,300,893	988,454
Profit receivable	7	513,434	158,222
Advances, deposits, and other receivables	8	274	242
Receivable against sale of units		611,517	-
Preliminary expenses and flotation costs	9	523	593
TOTAL ASSETS		14,082,038	4,521,913
LIABILITIES			
Payable to AL Habib Asset Management Limited - Management Company	10	31,253	4,571
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee	11	935	390
Payable to Securities and Exchange Commission of Pakistan (SECP)	12	827	701
Accrued expenses and other liabilities	13	67,749	108,891
TOTAL LIABILITIES		100,764	114,553
NET ASSETS		13,981,274	4,407,360
UNIT HOLDERS' FUND (AS PER THE STATEMENT ATTACHED)		13,981,274	4,407,360
CONTINGENCIES AND COMMITMENTS	14		
		----- Number of units -----	
Number of units in issue		139,257,936	43,890,230
		----- Rupees -----	
Net asset value per unit		100.40	100.42

The annexed notes 1 to 22 form an integral part of these financial statements.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 ----- Rupees in '000 -----	2023
Income			
Profit on bank deposits	15	638,540	309,119
Profit on term deposits receipts		3,528	37,923
Income from government securities		1,689,192	190,441
		<u>2,331,260</u>	<u>537,483</u>
Net gain on investments classified at 'fair value through profit or loss			
- Gain on sale of Sukuk Certificates		76,574	17,236
- Net unrealised gain on revaluation of investments		32,001	3,145
		<u>108,575</u>	<u>20,381</u>
		<u>2,439,835</u>	<u>557,864</u>
Expenses			
Remuneration of AL Habib Asset Management Limited - Management Company	10	103,551	23,462
Sindh sales tax on Management Company's remuneration	10.2	13,462	3,050
Expense allocated by the Management Company	10.3	7,955	4,889
Remuneration of Central Depository Company of Pakistan Limited - Trustee	11	8,753	2,590
Sindh sales tax on trustee remuneration	11.2	1,138	337
Annual fee to Securities and Exchange Commission of Pakistan	12	8,753	701
Amortization of preliminary expenses and floatation costs	9	70	70
Auditors' remuneration	16	417	567
Listing fee		25	25
Settlement & bank charges		53	14
Other expenses		992	190
		<u>145,169</u>	<u>35,895</u>
Net income for the year before taxation		2,294,666	521,969
Taxation	17	-	-
Net income for the year after taxation		<u>2,294,666</u>	<u>521,969</u>
Allocation of net income for the year			
Net income for the year		2,294,666	521,969
Income already paid on redemption of units		(1,077,354)	(123,536)
		<u>1,217,312</u>	<u>398,433</u>
Accounting income available for distribution			
Relating to capital gains		108,575	20,381
Excluding capital gains		1,108,737	378,052
		<u>1,217,312</u>	<u>398,433</u>
Earnings per unit	18		

The annexed notes 1 to 22 form an integral part of these financial statements.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

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

	2024	2023
	----- Rupees in '000 -----	
Net income for the year	2,294,666	521,969
Other comprehensive income	-	-
Total comprehensive income for the year	<u>2,294,666</u>	<u>521,969</u>

The annexed notes 1 to 22 form an integral part of these financial statements.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	June 30, 2024			June 30, 2023		
	Capital Value	Undistributed income	Net Asset	Capital Value	Undistributed income	Net Asset
	----- Rupees in '000 -----					
Net assets at the beginning of the year	4,388,960	18,400	4,407,360	3,342,273	-	3,342,273
Issuance of 1,840,278,603 units (June 30, 2023: 171,711,193)						
Capital value (at net asset value per unit at the beginning of the year)	184,029,075	-	184,029,075	17,171,119	-	17,171,119
Element of income	1,374,303	-	1,374,303	165,679	-	165,679
Total proceeds on issuance of units	185,403,378	-	185,403,378	17,336,798	-	17,336,798
Redemption of 1,744,888,415 units (June 30, 2023: 161,243,695 units)						
Capital value (at net asset value per unit at the beginning of the year)	(174,491,093)	-	(174,491,093)	(16,124,370)	-	(16,124,370)
Element of income / (loss)	(145,061)	(1,077,354)	(1,222,415)	(23,377)	(123,536)	(146,913)
Total payments on redemption of units	(174,636,154)	(1,077,354)	(175,713,508)	(16,147,747)	(123,536)	(16,271,283)
Total comprehensive income for the year	-	2,294,666	2,294,666	-	521,969	521,969
Cash distribution for the year ended June 30, 2024:						
Rs. 22.11 per unit (June 30, 2023: 14.64)	(1,269,016)	(1,141,606)	(2,410,622)	(142,364)	(380,033)	(522,397)
	(1,269,016)	1,153,060	(115,956)	(142,364)	141,936	(428)
Net assets at the end of the year	13,887,168	94,106	13,981,274	4,388,960	18,400	4,407,360
Accumulated loss brought forward						
Realised gain		15,255			-	
Unrealised gain		3,145			-	
		18,400			-	
Accounting income available for distribution						
Relating to capital gains		108,575			20,381	
Excluding capital gains		1,108,737			378,052	
		1,217,312			398,433	
Distribution for the year:						
Rs. 22.11 per unit (June 30, 2023: 14.64)		(1,141,606)			(380,033)	
Undistributed income carried forward		94,106			18,400	
Undistributed income carried forward comprises of:						
Realised income		94,106			15,255	
Unrealised income		-			3,145	
		94,106			18,400	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the year		100.42			100.00	
Net assets value per unit at end of the year		100.40			100.42	

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
	----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year before taxation	2,294,666	521,969
Adjustments for:		
Net unrealised gain on revaluation of investments	(32,001)	(3,145)
	2,262,665	518,824
Increase in assets		
Investments	(9,280,438)	(985,309)
Profit receivable	(355,212)	(124,748)
Advances, deposits, and other receivables	(32)	(133)
Receivable against sale of units	(611,517)	-
Preliminary expenses and flotation costs	70	70
	(10,247,129)	(1,110,120)
(Decrease) / increase in liabilities		
Payable to AL Habib Asset Management Limited - Management Company	26,682	3,324
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee	545	212
Payable to Securities and Exchange Commission of Pakistan (SECP)	126	550
Accrued expenses and other liabilities	(41,142)	107,272
	(13,789)	111,358
Net cash used in operating activities	(7,998,253)	(479,938)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of units	185,403,378	17,336,798
Payments against redemption of units	(175,713,508)	(16,271,283)
Dividend paid during the year	(2,410,622)	(522,397)
Net cash generated from financing activities	7,279,248	543,118
Net (decrease) / increase in cash and cash equivalents	(719,005)	63,180
Cash and cash equivalents at the beginning of the year	3,374,402	3,311,222
Cash and cash equivalents at the end of the year	2,655,397	3,374,402

The annexed notes 1 to 22 form an integral part of these financial statements.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** AL Habib Islamic Savings Fund ("the Fund") was established under a Trust Deed executed between AL Habib Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter No. SCD/AMCW/AHISF/161/2021 dated November 29, 2021 and the Trust deed was executed on September 27, 2021.
- 1.2** The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on August 24, 2021, the above mentioned Trust Deed has been registered under the Sindh Trust Act.
- 1.3** The Management Company of the Fund has been registered as Non-Banking Finance Company (NBFC) under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (NBFC Rules) and has obtained the requisite licence from the SECP to undertake Asset Management Services. The registered office of the Management Company is situated at 3rd floor, MacKinnon's Building, I.I. Chundrigar Road, Karachi, Pakistan.
- 1.4** The Fund is an open-ended shariah compliant income fund and is listed on Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at the initial price of Rs. 100 per unit which was only for one day that began at the start of the banking hours and end at the close of the banking hours on December 20, 2021. Thereafter, the units are offered to the public for subscription on a continuous basis and are transferrable and redeemable by surrendering them to the Fund at the option of the unit holder.
- 1.5** The Fund has been categorized as an open ended shariah compliant income scheme as per the criteria laid down by the SECP for categorisation of open-end Collective Investment Schemes (CISs).
- 1.6** The core objective of the Fund is to provide competitive risk adjusted return to its investors by investing in a diversified portfolio of long, medium and short term shariah compliant debt instrument while taking into account liquidity considerations.
- 1.7** PACRA Credit Rating Company has assigned a management quality rating of 'AM2++'(Stable Outlook) to the Management Company and assigned stability rating of AA(f) to the Fund as at August 12, 2023 and September 1, 2023, respectively.
- 1.8** Title to the assets of the Fund is held in the name of Central Depository Company (CDC) of Pakistan Limited as a trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017; and
- The NBFC Rules, Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the 'NBFC Regulations') and requirements of the Trust Deed.

Where the provisions of and directives issued under the Companies Act, 2017, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of approved accounting standards, as applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material judgment in the next year are as follows:

2.4.1 Classification and measurement of financial assets and financial liabilities

For details please refer notes 4.2.1.1 and 6 to these financial statements.

2.4.2 Impairment of financial assets

For details please refer notes 4.2.2 to these financial statements.

3 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

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

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

	"Effective date (annual periods beginning on or after)"
Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 Making Materiality Judgements- Disclosure of Accounting Policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	January 01, 2023

The Company adopted the narrow-scope amendments to the International Accounting Standard (IAS) 1, Presentation of Financial Statements which have been effective for annual reporting periods beginning on or after 1 January 2023. Although the amendments did not result in any changes to accounting policy themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting the Company to provide useful entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and updates to the information disclosed in Note 4 Material accounting policies (2023: Significant accounting policies) in certain instances in line with the amendments and concluded that all its accounting policies are material for disclosure.

3.2 New accounting standards, amendments and 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, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	"Effective date (annual periods beginning on or after)"
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
IFRS 17 Insurance Contracts	January 01, 2026
IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).	
IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.	
IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.	
IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2026.	

4 MATERIAL ACCOUNTING POLICY INFORMATION

The principal accounting policies applied in the preparation of these financial statements are set out below.

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.

4.2 Financial instruments**4.2.1 Financial assets**

Financial assets are classified into appropriate categories at amortized cost and at fair value through profit or loss. The management determines the classification of financial assets into categories based on fund's business model for managing the financial and the contractual terms of the cash flows.

4.2.1.1 Classification**4.2.1.1.1 Debt Instruments****Amortized cost**

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

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

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Fair value through profit or loss

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Subsequent, the financial measured at:

Debt investments at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest / markup income, foreign exchange gains and losses and impairment are recognised in income statement.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in income statement. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to income statement.

Debt investments at FVTPL

These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in income statement.

4.2.1.2 Regular way purchase and sale of financial asset

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 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 Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

The guiding principle of the expected credit loss (ECL) model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. The amount of ECLs recognised as a loss allowance or provision depends on the extent of credit deterioration since initial recognition. Under the general approach, there are two measurement bases:

- 12-month ECLs (Stage 1), which applies to all items (from initial recognition) as long as there is no significant deterioration in credit quality.

- Lifetime ECLs (Stages 2 and 3), which applies when a significant increase in credit risk has occurred on an individual or collective basis.

The Fund's financial assets include mainly bank balances, investments and other receivables.

4.2.3 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.

4.2.4 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 realise the assets and settle the liabilities simultaneously.

4.3 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.

4.4 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 (90%) of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders.

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.

4.5 Proposed distributions

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

4.6 Issuance and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that day. The offer price represents the net assets value per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, inapplicable.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours of that day. The redemption price represents the net assets value per unit as of the close of the business day less any back-end load (if applicable), any duties, taxes, charges on redemption and any provision for transaction costs, if applicable. Redemption of units is recorded on acceptance of application for redemption.

4.7 Element of income

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

4.8 Net asset value per unit

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

4.9 Revenue recognition

- Realised capital gains / (losses) arising on sale of investments are included in the income statement on the date at which the transaction takes place.

- Mark-up / profit / Government securities, return on investment in debt securities are recognized 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 in the year in which they arise.

4.10 Transactions with related parties / connected persons

Transactions with related parties / connected persons are based at arm's length at normal commercial rates on the same terms and conditions as applicable to third party transactions.

Remuneration to the Management Company and the Trustee is determined in accordance with the provision of NBFC Rules, NBFC Regulations and the Trust Deed respectively.

5	BANK BALANCES	Note	2024	2023
			---- (Rupees in '000) ----	
	Saving accounts	5.1	2,655,397	2,974,402
	Term deposit receipt		-	400,000
			<u>2,655,397</u>	<u>3,374,402</u>

5.1 These carries profit rates ranging from 19.5% to 21.10% (June 30, 2023: 18% to 20.50%) per annum.

5.2 This includes balance of Rs. 2,496 million (June 30, 2023: Rs 1,864 million) held with Bank AL Habib Limited, a related party.

6 INVESTMENTS

At fair value through profit or loss:

Government Ijarah Sukuks (GOP Ijarah Sukuks)	6.1	<u>10,300,893</u>	<u>988,454.0</u>

6.1 Government Ijarah Sukuks (GOP Ijarah Sukuks)

Name of the Investee Funds	As at July 01, 2023	Purchases made during the year	Sales / matured during the year	As at June 30, 2024	Carrying value as at June 30, 2024	Market value as at June 30, 2024	Unrealised appreciation / (diminution) on re-measurment of investment	Market value as a percentage of net assets	Market value as a percentage of total investments
	-----Number of units-----				-----Rupees in '000-----			-----(%)-----	
GOP IJARA SUKUK - 1 YEAR VRR (17-04-2023)	2,130	53,750	55,880	-	-	-	-	0.00%	0.00%
GOP IJARA SUKUK - 1 YEAR VRR (22-05-2023)	5,000	600	5,600	-	-	-	-	0.00%	0.00%
GOP IJARA SUKUK - 5 YEAR VRR (26-10-2022)	-	38,050	12,140	25,910	2,590,688	2,606,028	15,340	18.64%	25.30%
GOP IJARA SUKUK - 1 YEAR FRR (07-08-2023)	-	3,750	1,990	1,760	176,002	176,053	51	1.26%	1.71%
GOP IJARA SUKUK - 1 YEAR FRR (09-10-2023)	-	38,000	-	38,000	3,813,697	3,825,080	11,383	27.36%	37.13%
GOP IJARA SUKUK - 1 YEAR VRR (04-12-2023)	-	11,000	2,960	8,040	802,203	806,734	4,531	5.77%	7.83%
GOP IJARA SUKUK - 1 YEAR FRR (26-06-2023)	1,500	1,500	3,000	-	-	-	-	0.00%	0.00%
GOP IJARA SUKUK - 1 YEAR VRR (07-08-2023)	-	58,816	43,500	15,316	1,531,278	1,532,519	1,241	10.96%	14.88%
GOP IJARA SUKUK - 1 YEAR VRR (20-09-2023)	-	6,575	-	6,575	657,500	657,237	(263)	4.70%	6.38%
GOP IJARA SUKUK - 1 YEAR VRR (26-06-2023)	1,250	20,160	21,410	-	-	-	-	0.00%	0.00%
GOP IJARA SUKUK - 3 YEAR VRR (04-12-2023)	-	8,600	1,615	6,985	697,524	697,243	(281)	4.99%	6.77%
Total as at June 30, 2024					10,268,892	10,300,894	32,002		
Total as at June 30, 2023					985,309	988,454	3,145		

AL HABIB ISLAMIC SAVINGS FUND

	Note	2024	2023
		-----Rupees in '000-----	
7 PROFIT RECEIVABLE			
Profit receivable on:			
Savings accounts		16,936	57,789
Term deposit receipt		-	7,791
Profit on GOP Ijarah sukuk		496,498	92,642
		<u>513,434</u>	<u>158,222</u>

8 ADVANCES, DEPOSITS AND OTHER RECEIVABLES

Advance tax	8.1	36	34
Security deposit with Central Depository Company of Pakistan Limited		100	100
Mutual fund rating fee		138	108
		<u>274</u>	<u>242</u>

- 8.1** The income of the Fund is exempt from tax under clause 99 of Part I of the Second Schedule of the Income Tax Ordinance 2001 (ITO 2001). Further, the Fund is exempt under clause 47(B) of Part IV of Second Schedule of ITO 2001 from withholding of tax under section 150, 151 and 233 of ITO 2001.

The Federal Board of Revenue through a circular "C.No.1 (43) DG (WHT)/ 2008-Vol.II- 66417-R" dated May 12, 2015, made it mandatory to obtain exemption certificates under section 159 (1) of the ITO 2001 from Commissioner Inland Revenue (CIR). However, various withholding agents have deducted advance tax under section 151 of ITO 2001. The Management Company is confident that the same shall be refunded after filing refund application.

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On 28 January 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Fund together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit received on bank deposits by the Fund has been shown as advance tax as at June 30, 2024 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

9 PRELIMINARY EXPENSES AND FLOATATION COSTS

Opening balance	9.1	593	663
Less: Amortization for the year		(70)	(70)
Closing balance		<u>523</u>	<u>593</u>

10. PAYABLE TO AL HABIB ASSET MANAGEMENT LIMITED-MANAGEMENT COMPANY

Remuneration payable to the Management Company	10.1	22,084	1,316
Sindh Sales Tax on Management Company's remuneration	10.2	2,871	174
Allocation of expenses related to registrar services,	10.3	6,298	3,080
		<u>31,253</u>	<u>4,570</u>

- 10.1** As per the amendments made in the NBFC Regulations, 2008 vide SRO 639 (1) / 2019 dated 20 June 2019, the Management Company shall set and disclose in the offering document the maximum rate of fee chargeable to Collective Investment Scheme within allowed expense ratio, the Management Company of the Fund is entitled to an accrued remuneration equal to an amount not exceeding 10% of gross earnings of the Fund. The Management has charged its remuneration at rate ranging from 0% to 10% (June 30, 2023: 0% to 10%) of the gross earnings of the Fund, which is within the allowed expense ratio limit. The remuneration is paid to the Management Company on monthly basis in arrears.

10.2 The Sindh Government has levied Sindh Sales Tax at the rate of 13% (June 30, 2023: 13%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.

10.3 In accordance with the provisions of the NBFC Regulations amended vide S.R.O 1160(I) / 2015 dated 25 November 2015, the Management Company is entitled for reimbursement of fee and expenses in relation to registrar services, accounting, operation and valuation services related to Collective Investment Scheme (CIS).

During the year, Management Company has charged Rs. 7.955 million (June 30, 2023: Rs. 4.889 million) to the Fund.

11 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	2024	2023
		-----Rupees in '000-----	
Remuneration payable to the Trustee	11.1	827	345
Sindh Sales Tax payable on remuneration of the Trustee	11.2	108	45
		<u>935</u>	<u>390</u>

11.1 The Trustee is entitled to a remuneration for services rendered to the Fund under the provisions of the Trust Deed based on the daily net asset value of the Fund. The remuneration of the Trustee is fixed at 0.075% (June 30, 2023: 0.075%) per annum of net assets.

11.2 The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% (June 30, 2023: 13%) on the Trustee fee through the Sindh Sales Tax on Services Act, 2011.

12 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)

Annual fee payable	827	701
	<u>827</u>	<u>701</u>

12.1 This represents annual fee payable to Securities and Exchange Commission of Pakistan (SECP) at 0.075% of net assets in accordance with regulation 62 of the NBFC Regulations and pursuant to S.R.O 685(I) 2019, dated June 28, 2019.

13 ACCURED EXPENSES AND OTHER LIABILITIES

Auditors' remuneration	457	543
Preliminary expenses and floatation costs	585	585
Initial deposits for opening of bank accounts	-	50
Withholding tax	55,273	10,703
Brokers payable	827	49
Others	10,607	96,961
	<u>67,749</u>	<u>108,891</u>

14 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at the reporting date. (June 30, 2023: Nil)

15 PROFIT ON BANK DEPOSITS

Savings Accounts	<u>638,540</u>	<u>309,119</u>

15.1 This includes profit on bank deposits with Bank AL Habib Limited, a related party (ultimate parent) of Rs. 125.38 million (June 30, 2023: Rs. 101.069 million).

	2024	2023
	---- Rupees in '000 ----	
16 AUDITOR'S REMUNERATION		
Audit fee	189	215
Out of pocket expenses	28	53
Half yearly review fee	95	189
Shariah Compliance fee	105	110
	<u>417</u>	<u>567</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 its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed to the unit holders. The Fund is also exempt from section 113 (minimum tax) provision under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

18 EARNINGS PER UNIT

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

19 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Connected persons / related parties include:

S.No	Company Name	Relationship
1	AL Habib Asset Management Limited	Management Company
2	Bank Al Habib Limited	Parent Company of AL Habib Asset Management Limited
3	Al Habib Capital Market (Private) Limited	Subsidiary of Bank Al Habib Limited
4	AL Habib Income Fund	Managed by AL Habib Asset Management Limited
5	AL Habib Islamic Income Fund	Managed by AL Habib Asset Management Limited
6	AL Habib Stock Fund	Managed by AL Habib Asset Management Limited
7	AL Habib Islamic Stock Fund	Managed by AL Habib Asset Management Limited
8	AL Habib Pension Fund	Managed by AL Habib Asset Management Limited
9	AL Habib Islamic Pension Fund	Managed by AL Habib Asset Management Limited
10	AL Habib Cash Fund	Managed by AL Habib Asset Management Limited
11	AL Habib Islamic Cash Fund	Managed by AL Habib Asset Management Limited
12	AL Habib GOKP Pension Fund	Managed by AL Habib Asset Management Limited
13	AL Habib GOKP Islamic Pension Fund	Managed by AL Habib Asset Management Limited
14	AL Habib Asset Allocation Fund	Managed by AL Habib Asset Management Limited
15	AL Habib Money Market Fund	Managed by AL Habib Asset Management Limited
16	AL Habib Fixed Return Fund	Managed by AL Habib Asset Management Limited
17	AL Habib Islamic Munafa Fund	Managed by AL Habib Asset Management Limited
18	AL Habib Government Securities Fund	Managed by AL Habib Asset Management Limited
19	Central depository Company of Pakistan	Trustee

Related parties includes directors and officers of the above entities as at June 30, 2024 and staff retirement benefit funds of the above companies.

The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with regulatory requirements and as agreed between the parties.

Details of the transactions with connected persons are as follows:

	2024	2023
	-----Rupees in '000-----	
19.1 Transactions during the year		
AL Habib Asset Management Limited Management Company		
Remuneration of the Management company	103,551	23,462
Sindh sales tax on remuneration of Management Company	13,462	3,050
Allocation of expenses / (reversal) related to registrar services, accounting, operation and valuation services	7,955	4,889
Issuance of 49,091,870 units (2023: 13,283,582)	4,959,067	1,335,904
Redemption of 26,524,336 units (2023: 13,284,232)	2,662,484	1,334,077
Dividend paid	47,041	15,292
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	8,753	2,590
Sindh sales tax on remuneration of the Trustee	1,138	337
Bank Al Habib Limited		
Bank charges	43	11.5
Profit on bank deposits	125,376	101,069
Dividend paid	18,628	15,362
Directors and their relatives of the Management Company		
Issuance of 18,515,440 units (2023: 442,875 units)	1,858,929	44,707
Redemption of 18,929,067 units (2023: 30,271 units)	1,898,397	3,047
Details of balances with connected persons at period end are as follows:		
AL Habib Asset Management Limited - Management Company		
- Management Fee payable (Inclusive of Sindh sales tax)	24,955	1,490
- Formation cost payable	585	585
- Initial deposit payable	-	50
Bank AL Habib Limited		
- Bank balance	2,496,102	1,846,400
- Profit receivable	2,843	2,188
Central Depository Company of Pakistan Limited - Trustee		
- Remuneration payable (Inclusive of Sindh sales tax)	935	390
19.1 Transactions during half year / period		
Key Management Executives		
Issuance of 1,290,192 units (2023: 31,351 units)	130,303	3,166
Redemption of 1,258,415 units (2023: 4,776 units)	126,888	480
Connected party holding 10% or more of the units in issue: 3,807,996 units (2023: 24,324,751 units)		
	382,317	2,508,794
Balances outstanding as at year end		
AL Habib Asset Management Limited Management Company		
Remuneration payable to the Management company	22,084	1316
Sindh sales tax payable on remuneration of Management Company	2,871	174
Allocation of expenses related to registrar services, accounting, operation and valuation services	6,298	3,080
Formation cost payable to AMC	585	585
Bank Al Habib Limited		
Bank Balance	2,496,102	1,864,000
Profit receivable	2,843	2,189
Held of 1000,000 units (2023: 960,246 units)	100,400	103,411

	2024	2023
	-----Rupees in '000-----	
Central Depository Company Of Pakistan Limited - Trustee		
Trustee Fee Payable	827	345
Sindh Sales Tax Payable On Remuneration Of The Trustee	108	45
Security Deposit - Non Interest Bearing	100	100
Directors And Their Relatives Of The Management Company		
Held of 559,174 units(2023: 412,604 units)	56,141	41,660
Key Management Executives		
Units held: 100,000 units(2023: 26,575 units)	10,040	2,686
Connected party holding 10% or more of the units in issue:		
Held of 13,288,066 units (2023: 20,043,582 units)	1,334,122	2,012,732

20. FINANCIAL RISK MANAGEMENT

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

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

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

20.1 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.

Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

20.1.1 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 is not exposed to currency risk.

20.1.2 Interest rate risk

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

a) Sensitivity analysis for variable rate instruments

As at the reporting date, the fund holds variable profit based investment and bank balances exposing the fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in interest rates at period end with all other variables held constant, the net income for the year and the net assets of the Fund would have been higher / lower by Rs. 89.38 million (June 30, 2023: Rs. 42.12 million)

b) Sensitivity analysis for fixed rate instruments

As at the reporting date, the fund holds fixed profit based investment exposing the fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in interest rates at period end with all other variables held constant, the net income for the year and the net assets of the Fund would have been higher / lower by Rs. 39.76 million (June 30, 2023: Rs. 1.5 million).

In case of 100 basis points increase in interest rates on June 30, 2023, with all other variables held constant, the net income for the period and the net assets Debt Sub-Fund and Money Marker Sub-Fund would have been lower / higher by Rs 0.328 million and Rs 0.354 million respectively.

c) Fair value interest rate risk

Yield / Interest rate sensitivity position for financial instrument is as follows:

Particulars	June 30, 2024					Total
	Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and upto one year	More than one year		
	%	Rupees in '000				
On-balance sheet financial instruments						
Financial assets						
Bank balances and term deposit receipts	19.5- 21.50	2,655,397	-	-	-	2,655,397
Investments	22.4	-	-	10,300,893	-	10,300,893
Profit receivable		-	-	-	513,434	513,434
Advances, deposits, prepayments and other receivables		-	-	-	611,617	611,617
Preliminary expenses and flotation costs		-	-	-	523	523
Sub total		2,655,397	-	10,300,893	1,125,051	14,081,864
Financial liabilities						
Payable to the Management Company		-	-	-	31,253	31,253
Payable to the Trustee		-	-	-	935	935
Payable to the SECP		-	-	-	827	827
Accrued expenses and other liabilities		-	-	-	12,476	12,476
Sub total		-	-	-	45,491	45,491
On-balance sheet gap (a)		2,655,397	-	10,300,893	1,079,560	14,036,373
Off-balance sheet financial instruments						
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		2,655,397	-	10,300,893	1,079,560	14,035,850
Cumulative interest rate sensitivity gap		2,655,397	-	10,300,893		

Particulars	June 30, 2023					Total
	Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and upto one year	More than one year		
	%	Rupees in '000				
On-balance sheet financial instruments						
Financial assets						
Bank balances and term deposit receipts	18%-20.50%	3,374,402	-	-	-	3,374,402
Investments	20% - 22%	-	-	988,454	-	988,454
Profit receivable		-	-	-	158,222	158,222
Advances, deposits, prepayments and other receivables		-	-	-	100	100
Sub total		3,374,402	-	988,454	158,322	4,521,178
Financial liabilities						
Payable to the Management Company		-	-	-	4,571	4,571
Payable to the Trustee		-	-	-	390	390
Payable to the SECP		-	-	-	701	701
Accrued expenses and other liabilities		-	-	-	98,188	98,188
Sub total		-	-	-	103,850	103,850
On-balance sheet gap (a)		3,374,402	-	988,454	54,473	4,417,329
Off-balance sheet financial instruments						
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		3,374,402	-	988,454	54,473	4,417,329
Cumulative interest rate sensitivity gap		3,374,402	-	988,454		

20.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because 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.

20.2 Credit risk

Credit risk represents the risk of a loss if the counter parties fail to perform as contracted. The Fund's credit risk is primarily attributable to investment in debt securities such as GOP Ijara Sukuks and Bank balances. Bank balances are maintained with balance with a reasonably high credit rating. The risk of default is considered minimal due to inherent systematic measures taken therein.

20.2.1 The analysis below summarises the credit rating quality of the Fund's financial assets as at June 30, 2024:

Name of Banks	Balances as at June 30, 2024	Latest available published rating as at June 30, 2024	Rating agency
----- Rupees in 000 -----			
Balances with banks by rating category			
Bank Al Habib Limited	2,497,107	A1+	PACRA
Allied Bank Limited	61,200	A1+	PACRA
Meezan Bank Limited	81,892	A1+	VIS
Bank Islami Pakistan	237	A1	PACRA
Al Baraka Bank Limited	54	A1	PACRA
Bank Alfalah Islamic	370	A1+	PACRA
Askari Commercial Bank Ltd	31	A1+	PACRA
Faysal Bank Ltd	14,180	A1+	PACRA
Dubai Islami Bank	310	A1+	VIS
Habib Metropolitan Bank	16	A1+	PACRA
	<u>2,655,397</u>		
Investments by rating category			
GOP Ijara Sukuks	<u>10,300,893</u>	AAA	VIS
Total	<u>12,956,290</u>		

The analysis below summarizes the credit quality of the Fund's credit exposure:

Rating by rating category	2024 ----- % -----
A1+	99.99%
A1	0.01%

Concentration of credit risk

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

20.3 Liquidity risk

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

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

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

In order to manage the Fund's overall liquidity, the Fund also has the ability to withhold daily redemption requests in excess of 10% of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below 10% of the units then in issue. However, no such instances were witnessed by the Fund during the current year (June 30, 2023: None).

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.

Particulars	June 30, 2024			
	Upto three months	More than three months and upto one year	More than one year	Total
----- Rupees in '000 -----				
Financial liabilities				
Payable to AL Habib Asset Management Limited - Management Company	31,253	-	-	31,253
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee	935	-	-	935
Payable to Securities and Exchange Commission of Pakistan (SECP)	827	-	-	827
Accrued expenses and other liabilities	12,476	-	-	12,476
	45,491	-	-	45,491

Particulars	June 30, 2023			
	Upto three months	More than three months and upto one year	More than one year	Total
----- Rupees in '000 -----				
Financial liabilities				
Payable to AL Habib Asset Management Limited - Management Company	4,571	-	-	4,571
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee	390	-	-	390
Payable to Securities and Exchange Commission of Pakistan (SECP)	701	-	-	701
Accrued expenses and other liabilities	98,188	-	-	98,188
	103,850	-	-	103,850

21 UNITHOLDERS' FUND RISK MANAGEMENT

The unitholders' fund is represented by the net assets attributable to unitholders / redeemable units. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily issuance and redemptions at the discretion of unit holders. These unitholders of the Fund are entitled to distributions and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the statement of movement in unitholders' fund. Unitholders fund risk management is carried out by the Management Company through following steps.

- Monitors the level of daily issuance and redemptions relative to the liquid assets and adjusts the amount of distributions the Fund pays to the unitholders;
- Redeems and issues units in accordance with the constitutive documents of the Fund. This includes the Fund's ability to restrict redemptions; and
- The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management Company critically track the movement of 'Assets under Management'. The Board of Directors is updated regarding key performance indicators, e.g. yield and movement of NAV and total Fund size at the end of each quarter.

The Fund has maintained and complied with the requirements of minimum fund size during the current year.

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 amount and the fair value estimates.

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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.

As per the requirements of IFRS 7 (Financial Instruments: Disclosures) and IFRS 13 (Fair Value Measurement), 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 table below analyse financial instruments measured at the end of the reporting year by the level in the fair value hierarchy into which the fair value measurement is categorised:

	June 30, 2024			
	Fair value			
	Level 1	Level 2	Level 3	Total
Investments at fair value through profit or loss	----- (Rupees in '000) -----			
Debt Sub-Fund				
GoP Ijarah Sukuk Certificates	-	10,300,893	-	10,300,893
	-	10,300,893	-	10,300,893

	June 30, 2023			
	Fair value			
	Level 1	Level 2	Level 3	Total
Investments at fair value through profit or loss	----- (Rupees in '000) -----			
Debt Sub-Fund				
GoP Ijarah Sukuk Certificates	-	988,454	-	988,454
	-	988,454	-	988,454

22.1 Valuation techniques

For level 2 investments at fair value through profit or loss - investment in GoP Ijarah Sukuks, Fund uses PKISRV rates which are derived PKISRV rates at reporting date per certificate multiplied by the number of certificates held as at period end and for the investment in respect of GoP Ijarah Sukuks, Fund uses the rates prescribed by MUFAP.

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

22.3 Transfers during the year

No transfer were made between various levels of fair value hierarchy during the year.

23 PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER

S. no.	Name	Designation	Qualification	Experience in years
1	Mr. Kashif Rafi	Chief Executive Officer	MBA - IBA	23
2	Mr. Zahid Hussain Vasanani	Chief Operating Officer & Company Secretary	CA- Affiliate	24
3	Mr. Abdul Rehman	CIO	MBA & CFA	13
4	Mr. Ahmed Abbas	Fund Manager	MBA	16
5	Mr. Talha A.Siddiqui	Fund Manager	MA in Economics	11
6	Mr. Umar Bin Hassan	Manager Risk & Research	MS - IBA	6

24 PATTERN OF UNITHOLDING

Category	----- As at June 30, 2024 -----			
	No. of unit holders	Number of units held	Investment amount	Percentage
Rupees in '000				
Aop / Partnership / Sole Prop.	1	559,175	55,923,141	3.97%
Commercial Banks	1	100,000	10,001,010	0.71%
Corporates	1	1,719,758	171,993,191	12.21%
Individuals	180	9,121,625	912,254,583	64.75%
Insurance Companies	2	1,416,084	141,622,735	10.05%
Provident-Pension Fund- Others	1	964,606	96,470,326	6.85%
Welfare/Social Organizations	1	65,944	6,595,042	0.47%
	187	13,947,192	1,408,807,220	

25 ATTENDANCE AT MEETINGS OF THE BOARD OF DIRECTORS

Four meetings of the Board of Directors were held on August 17, 2023 and October 19, 2023, January 25, 2024, April 18, 2024 respectively. Information in respect of the attendance by the Directors in the meetings is given below:

S.No.	Particular	Number of meetings			Meeting not attended
		Held	Attended	Leave granted	
Name of Director					
1	Mr. Abbas D.Habib	4	3	1	99th Meeting
2	Mr. Mansoor Ali Khan	4	4	-	-
3	Mr. Saeed Allawala	4	4	-	-
4	Ms. Zarine Aziz	4	1	3	99th, 100th and 101st Meeting
5	Mr. Imran Azim	4	3	1	100th Meeting
6	Mr. Kashif Rafi	4	4	-	-

26 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 for the fund for period ended June 30, 2024 is 1.26% (June 30, 2023: 1.04%) which includes 0.20% (June 30, 2023: 0.12%) representing Government levy and SECP fee.

27 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.

28 GENERAL

28.1 Figures have been rounded off to the nearest thousand rupees, unless otherwise stated.

29 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 01, 2024 by the Board of Directors of the Management Company.

**For AL Habib Asset Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

ANNUAL FUND MANAGER REPORT FINANCIAL YEAR 2024

Fund Objective

The investment objective of AHISAVF is to provide competitive risk adjusted returns to its investors by investing in a diversified portfolio of long, medium- and short-term Shariah Compliant debt instruments while taking into account liquidity considerations.

Fund Objective Achieved:

The Fund has achieved its stated objective.

Strategies and Policies Employed during the period under review:

The AHISAVF maintained strategy to get exposure in broadly diversified portfolio of high quality shariah complaint fixed and floater rate instrument. Such investments include Shariah Complaint Government securities (GOP Ijarah Sukuk), Banks Deposits/Placements and Corporate Sukuks.

Performance of the fund with benchmark

The Fund outperformed it's benchmark by 1209 bps as it posted YTD return of 21.96% as against the benchmark of 9.87%.

Fund Description

Fund Type & Category	Open ended - Shariah Compliant Income Scheme	External Auditors	BDO Ebrahim & Co. Chartered Accountants
Launch Date	December 20, 2021	Management Fee	Up to 10% of the gross earnings of the Scheme
Benchmark	Average of the six months profit rates of three Islamic Banks/ licensed Islamic Banking window of conventional banks having long term credit of A or higher, as selected by MUFAP	Sales Load	3.00% (Management has the discretion to reduce or waive load on any transaction)
Annual Return	21.96%	Minimum Investment	Initial investment of Rs. 5,000 Subsequently Rs. 1,000 per transaction
Benchmark	9.87%	Dealing Days/Timings	Monday to Friday 9:00 am to 4:30 pm
Net Assets	Rs. 13.981 billion (June 30, 2024)	Fund Stability Rating	AA(f) by PACRA
NAV per unit	Rs. 100.3984 per unit (June 30, 2024)	AMC Rating	"AM2+" by PACRA
Pricing Mechanism	Backward Pricing	Trustee	Central Depository Company of Pakistan Limited.
Risk Profile	Medium (Principal at medium risk)		

Market Review:

During FY24, Pakistan's money market witnessed significant improvements, driven by enhanced macroeconomic conditions. The most notable development was the substantial drop in headline inflation, which decreased from a peak of 29.4% in June 2023 to 12.6% by June 2024. This sharp decline in inflation created room for the State Bank of Pakistan (SBP) to adopt a more accommodative monetary policy stance. In response, the SBP reduced the policy rate by 150 basis points, bringing it down to 20.5% from the previous high of 22%. This was a strategic move, reflecting stabilizing macroeconomic indicators and an improved inflation outlook.

Key among these indicators was the narrowing of Pakistan's current account deficit, which fell dramatically from PKR 3.27 trillion in FY23 to PKR 0.68 trillion in FY24. This development, coupled with better fiscal management, played a crucial role in stabilizing the exchange rate. The Pakistani rupee (PKR) traded within a narrow range of 274.5 to 281 PKR per USD during the year. Another notable factor is, while the SBP helped manage currency depreciation risks, it did not aim to keep the exchange rate fixed at any

AL HABIB ISLAMIC SAVINGS FUND

pre-determined level. Moreover, Pakistan recorded a Current Account deficit of 62 USD Million in the second quarter of 2024. Current Account in Pakistan averaged at -799.26 USD Million from 1976 until 2024.

The SBP's interventions in the money market included substantial injections of liquidity through Open Market Operations (OMO), the SBP injected a total of PKR 11.9 trillion in June 2024 as compared to 7.99 trillion in same period last year.

Overall, FY24 marked a year of positive shifts for Pakistan's money market, characterized by lower inflation, stable interest rates, and improved external balances. These developments indicate a favourable outlook for FY25, with expectations of continued monetary easing and enhanced market stability.

PKRV Rates			
Tenor	As at June 30, 2024	As at June 30, 2023	Change (Bps)
3 Months	19.97	22.65	-268
6 Months	19.91	22.87	-296
12 Months	18.62	22.93	-431
3 Years	16.65	19.47	-282
5 Years	15.37	16.08	-71

PKRV Rates		
Date	Policy Rate	Change (Bps)
11-Jun-24	20.5	150
27-Jun-23	22	-

Asset Allocation of Fund (as a % of total assets)

Particulars	30-Jun-24	30-Jun-23
Cash	18.86%	64.00%
TDR	-	8.97%
GOP Ijara Sukuk	73.15%	21.70%
Others	7.99%	5.33%

Unit Holders Pattern

Size of Unit Holding (Units)	# of Unit Holders
1-1000	94
1001-5000	43
5001-10000	25
10001-50000	79
50001-100000	60
100001-500000	79
500001-1000000	24
1000001-5000000	19
5000001-10000000	3
10000001-100000000	3
Grand Total	429

Income Distribution

AHISAVF made a total distribution of Rs. 20.1133 during FY24 in the form of dividend. EX-NAV of the fund after each dividend becomes Rs. 100

Payout Date	Cum NAV Rs.	Ex-NAV Rs.	Distribution Rs.
Jul 23, 2023	101.4851	100	1.4851
Oct 09, 2023	104.5259	100	4.5259
Nov 02, 2023	101.4174	100	1.4174
Nov 13, 2023	100.6686	100	0.6686
Nov 20, 2023	100.5098	100	0.5098
Nov 27, 2023	100.4996	100	0.4996
Dec 04, 2023	100.3867	100	0.3867
Dec 11, 2023	100.4386	100	0.4386
Dec 18, 2023	100.4099	100	0.4099
Dec 25, 2023	100.3699	100	0.3699
Jan 01, 2024	100.3503	100	0.3503
Jan 08, 2024	100.3822	100	0.3822
Jan 15, 2024	100.3796	100	0.3796
Jan 22, 2024	100.3845	100	0.3845
Jan 30, 2024	100.54	100	0.54
Feb 05, 2024	100.2432	100	0.2432
Feb 19, 2024	100.7215	100	0.7215
Feb 26, 2024	100.1691	100	0.1691
Mar 04, 2024	100.3835	100	0.3835
Apr 01, 2024	101.422	100	1.422
Apr 22, 2024	101.0392	100	1.0392
May 06, 2024	100.7411	100	0.7411
Jun 23, 2024	102.6456	100	2.6456

During the period under question:

There has been no significant change in the state of affairs of the Fund. Al Habib Islamic Savings Fund does not have any soft commission arrangement with any broker in the industry.

Sales and Redemptions of Units

During the period, 1,840,555,027 units valued Rs. 185.474 billion were sold while 1,745,437,728 units valued Rs. 175.839 billion were redeemed resulting in to a net sale of 95,117,299 units valued Rs. 9.635 billion.

Unit Holder Pattern

For the breakdown of unit holding by size as on June 30, 2024, please refer to note 22 of the Annual Accounts 2024.

Fund Performance at a Glance

	2024
Net Assets as at June 30 (Rs. in billion)	17.984
NAV per unit as at June 30 (Rs.)	100.00
Distribution during the year ended June 30 (Rs.)	19.4553
Annual Return	21.34%

AL HABIB FIXED RETURN FUND
Annual Report
For the year ended June 30, 2024

FUND'S INFORMATION

Management Company

AL Habib Asset Management Limited

Board of Directors of the Management Company

Mr. Abbas D. Habib	Chairman
Mr. Mansoor Ali	Director
Mr. Imran Azim	Director
Ms. Zarine Aziz	Director
Mr. Saeed Allawala	Director
Mr. Kashif Rafi	Chief Executive Officer

Chief Financial Officer

Mr. Abbas Qurban

Company Secretary & Chief Operating Officer

Mr. Zahid Hussain Vasnani

Audit Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali	Member
Mr. Imran Azim	Member

Human Resource Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali	Member
Ms. Zarine Aziz	Member
Mr. Kashif Rafi	Member

Auditors

BDO Ebrahim & Co.
Lakson Square Building No. 1, 9th Floor,
Block C Sarwar Shaheed Rd, Civil Lines,
Karachi, Karachi City, Sindh 74200

Legal Advisor

Mohsin Tayebaly & Co.
Barristers & Advocates,
2nd Floor, DIME Centre, BC-4,
Block 9, Kehkashan, Clifton, Karachi.

Trustee

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block 'B', S.M.C.H.S.,

Rating

AM2++ Management Company Quality
Rating Assigned by PACRA.

Main Shahra-e-Faisal, Karachi.

Bankers to the Fund

Bank AL Habib Limited
Allied Bank Limited
Habib Bank Limited

Registered Office: 3rd Floor, Mackinnon's Building, I.I. Chundrigar Road, Karachi.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S. Main Shakra-e-Faisal
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcPakistan.com
Email: info@cdcpak.com



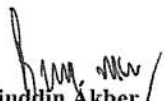
TRUSTEE REPORT TO THE UNIT HOLDERS

AL HABIB FIXED RETURN FUND

Report of the Trustee pursuant to Regulation 41(h) and Clause 8 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 AL Habib Fixed Return Fund (the Fund) are of the opinion that AL Habib Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2024 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) 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.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 27, 2024





Tel: +92 21 3568 3030
Fax: +92 21 3568 4239
www.bdo.com.pk

2nd Floor, Block-C
Lakson Square, Building No.1
Sarwar Shaheed Road
Karachi-74200
Pakistan

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF AL HABIB FIXED RETURN FUND

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Al Habib Fixed Return Fund ("the Fund"), which comprise the statement of assets and liabilities as at June 30, 2024, and the income statement, statement of comprehensive income, statement of cash flows and statement of movement in unit holders' fund for the year ended June 30, 2024, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at June 30, 2024, and its financial performance and its cash flows for the year June 30, 2024 in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for opinion

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

Key Audit Matters

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

Following are the Key audit matters:

S.NO	Key audit matter(s)	How the matter was addressed in our audit
1.	Existence and valuation of investments As disclosed in note 6 to the financial statements of the Fund for the year June 30, 2024, the Fund has investments classified as "Fair value through profit or loss" amounting to Rs. 6,283.244 million representing 87% of the net assets value of the Fund.	Our audit procedures included the following: We evaluated the design and implementation of key controls of Investment and tested controls over acquisition, disposals and year end valuation of investments portfolio.



S.NO	Key audit matter(s)	How the matter was addressed in our audit
	As these investments represent a significant element of the statement of assets and liabilities, a discrepancy in the valuation or existence of investments could cause the NAV to be materially misstated which would also impact the Fund's reported performance as the valuation of investments is the main driver of movements in the performance of the Fund. In view of the significance of these investments in relation to the total assets and the NAV of the Fund, we have considered the existence and valuation of such investments as a key audit matter.	- We performed substantive audit procedures on year-end balance of investment portfolio including review of custodian's statement, and related reconciliations and re-performance of debt instruments valuations on the basis of prices the Mutual Fund Association of Pakistan (MUFAP) as at June 30, 2024 and matching the valuation of investment with that appearing in the financial statements. - We assessed the Fund's compliance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) in relation to the concentration of investments and exposure limits prescribed in such Regulations and reviewed the adequacy of disclosures as may be applicable in situations of non-compliance.

Information other than the financial statements and auditor's report thereon

The Management Company is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management Company and its Board of Directors

The Management Company ("Al Habib Asset Management Limited") of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and accounting and reporting 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.



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

The Management Company is responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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



We also provide the Board of Directors of the Management Company 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 the Board of Directors of the Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current year 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.

Report on other legal and regulatory requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in accordance with the relevant provisions of the Trust Deed, NBFC Rules and NBFC Regulations.

The engagement partner on the audit resulting in this independent auditor's report is Tariq Feroz Khan.

KARACHI

DATED: August 30, 2024

UDIN: AR202410166vYClYtfJb

 BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2024

June 30, 2024													
	AH-FRF Plan 1	AH-FRF Plan 2	AH-FRF Plan 3	AH-FRF Plan 4	AH-FRF Plan 5	AH-FRF Plan 6	AH-FRF Plan 7	AH-FRF Plan 8	AH-FRF Plan 9	AH-FRF Plan 10	AH-FRF Plan 11	AH-FRF Plan 13	TOTAL
Note	Rupees in '000												
ASSETS													
5	-	-	1,713	4,100	798	1,029,903	268	9,073	-	353	4,085	50	1,050,343
6	-	-	-	-	-	-	-	3,216	1,464,666	521,351	3,233,202	1,060,809	6,283,244
	-	-	1,282	1,019	40	4,074	-	920	1	10	524	23	7,893
TOTAL ASSETS	-	-	2,995	5,119	838	1,033,977	268	13,209	1,464,667	521,714	3,237,811	1,060,882	7,341,480
LIABILITIES													
7	-	-	2,467	1,790	642	7,025	215	1,441	2,588	765	3,215	682	20,830
8	-	-	165	90	2	264	6	94	114	26	189	47	997
9	-	-	58	9	-	162	1	118	89	32	227	63	759
	-	-	-	-	-	-	46	-	-	-	-	-	46
	-	-	305	3,231	194	33,077	-	8,559	23,046	6,867	29,874	12	105,165
TOTAL LIABILITIES	-	-	2,995	5,119	838	40,528	268	10,212	25,837	7,690	33,505	804	127,796
NET ASSETS													
	-	-	-	-	-	993,449	-	2,997	1,438,831	514,023	3,204,306	1,060,078	7,213,684
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)													
	-	-	-	1	-	993,449	-	2,997	1,438,831	514,023	3,204,306	1,060,078	7,213,684
CONTINGENCIES AND COMMITMENTS													
11	(Number of units)												
	-	-	-	-	-	9,933,701	-	29,841	14,374,404	5,135,344	32,007,925	10,589,300	72,070,515
Number of units in issue													
12	-	-	-	-	-	100.01	-	100.43	100.10	100.10	100.11	100.11	
Net assets value per unit													

The annexed notes 1 to 26 form an integral part of this financial information.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2023

June 30, 2023						
	AH-FRF Plan 1	AH-FRF Plan 2	AH-FRF Plan 3	AH-FRF Plan 4	AH-FRF Plan 5	AH-FRF Plan 6
	Rupees in '000					
ASSETS						
Bank balances	11,614	4,433	1,112	912	743	875
Investments	-	-	1,054,833	667,942	744,126	1,106,239
Profit receivable	1,801	1,457	774	573	180	2,266
TOTAL ASSETS	13,415	5,890	1,056,719	669,427	745,049	1,109,380
LIABILITIES						
Payable to AL Habib Asset Management Limited - Management Company	6,234	2,426	2,411	509	-	-
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee	243	67	105	1	16	19
Payable to Securities and Exchange Commission of Pakistan (SECP)	78	6	28	-	5	6
Accrued expenses and other liabilities	6,860	3,391	3,507	445	295	-
TOTAL LIABILITIES	13,415	5,890	6,051	955	316	25
NET ASSETS	-	-	1,050,668	668,472	744,733	1,109,355
UNIT HOLDERS' FUND (AS PER THE STATEMENT ATTACHED)	-	-	1,050,668	668,472	744,733	1,109,355
CONTINGENCIES AND COMMITMENTS						
	(Number of units)					
Number of units in issue	-	-	10,487,748	6,684,717	7,447,340	11,084,277
	(Rupees)					
Net asset value per unit	-	-	100.18	100.00	100.00	100.08

The annexed notes 1 to 26 form an integral part of this financial information.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2024

	For the period from March 15, 2023 to June 02, 2023	For the period from March 14, 2023 to June 02, 2023	For the period from July 01, 2023 to September 22, 2023	For the period from July 01, 2023 to January 03, 2024	For the period from July 13, 2023 to June 30, 2024	For the period from August 06, 2023 to June 30, 2024	For the period from December 05, 2023 to June 30, 2024	For the period from January 02, 2024 to June 30, 2024	For the period from March 15, 2024 to June 30, 2024	For the period from April 03, 2024 to June 30, 2024			
	AH-FRF Plan 1	AH-FRF Plan 2	AH-FRF Plan 3	AH-FRF Plan 4	AH-FRF Plan 5	AH-FRF Plan 6	AH-FRF Plan 7	AH-FRF Plan 8	AH-FRF Plan 9	AH-FRF Plan 10	AH-FRF Plan 11	AH-FRF Plan 13	Total
Rupees in '000													
Income													
Profit on bank deposits	-	-	508	1,430	10,043	3,537	767	1,625	1,221	582	3,132	630	23,475
Other income	-	-	-	1	-	-	-	-	18	-	473	-	492
Income from government securities	-	-	7,443	30,899	74,625	247,902	36,791	42,517	154,347	52,336	219,214	51,211	917,275
	-	-	7,951	32,330	84,668	251,439	37,558	44,142	155,386	52,908	222,819	51,841	941,242
Realised gain on sale of investments - net	-	-	365	486	5,497	3,300	-	10,729	(6,384)	(602)	(618)	-	12,773
Unrealised (diminution) / appreciation on re-measurement of investments classified at 'fair value through profit or loss' - net	-	-	-	-	(2,748)	-	-	11	-	(2,195)	(236)	546	(4,622)
	-	-	8,316	32,816	87,417	254,739	37,558	54,882	149,202	50,111	221,965	52,387	949,393
Expenses													
Remuneration of AL Habib Asset Management Limited - Management Company	-	-	50	1,390	4,360	11,180	1,489	2,745	5,320	1,261	5,173	1,523	34,491
Sindh Sales Tax on Management Company's remuneration	-	-	6	181	567	1,453	194	357	692	164	673	198	4,485
Expense allocated by Management Company	-	-	38	50	431	1,173	218	339	373	417	185	249	3,473
Marketing and selling expense	-	-	-	-	-	-	-	-	-	-	-	-	-
Remuneration of Central Depository Company of Pakistan Limited (CDC) - Trustee	-	-	53	89	218	726	92	124	420	142	590	135	2,589
Sindh Sales Tax on Trustee's remuneration	-	-	7	12	28	94	12	16	52	19	77	13	330
Annual fee to the Securities and Exchange Commission of Pakistan (SECP)	-	-	57	93	298	915	126	174	579	194	805	184	3,425
Brokerage expense	-	-	-	13	-	-	-	4	45	-	33	-	95
Auditor's remuneration	-	-	-	-	65	41	-	32	32	-	-	-	170
Printing charges	-	-	-	-	7	2	-	8	4	1	2	-	24
Settlement and bank charges	-	-	-	-	6	9	6	6	4	6	2	7	46
	-	-	211	1,828	5,980	15,593	2,137	3,805	7,521	2,204	7,540	2,309	49,128
Net income for the year before taxation	-	-	8,105	30,988	81,437	239,146	35,421	51,077	141,681	47,907	214,425	50,078	900,265
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-
Net income for the year after taxation	-	-	8,105	30,988	81,437	239,146	35,421	51,077	141,681	47,907	214,425	50,078	900,265
Allocation of net income for the year:													
Net income for the year after taxation	-	-	8,105	30,988	81,437	239,146	35,421	51,077	141,681	47,907	214,425	50,078	900,265
Income already paid on redemption of units	-	-	(9,674)	(32,875)	(69,717)	(58,075)	(32,932)	(50,530)	(354)	(3,466)	(36,309)	-	(284,258)
	-	-	(1,569)	(1,887)	11,720	181,071	2,489	547	141,327	44,441	178,116	50,078	616,007
Accounting income available for distribution:													
- Relating to capital gains	-	-	-	-	(2,748)	-	-	11	-	(2,195)	(236)	546	(4,622)
- Excluding capital gains	-	-	(1,569)	(1,887)	14,468	181,071	2,489	536	141,327	46,636	178,352	49,532	620,629
	-	-	(1,569)	(1,887)	11,720	181,071	2,489	547	141,327	44,441	178,116	50,078	616,007

The annexed notes 1 to 26 form an integral part of this financial information.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2023

	For the period from March 15, 2023 to June 02, 2023	For the period from March 28, 2023 to June 16, 2023	For the period from May 02, 2023 to June 30, 2023	For the period from June 15, 2023 to June 30, 2023	For the period from June 15, 2023 to June 30, 2023	For the period from June 15, 2023 to June 30, 2023
AH-ERF Plan 1	AH-ERF Plan 2	AH-ERF Plan 3	AH-ERF Plan 4	AH-ERF Plan 5	AH-ERF Plan 6	Total
(Rupees in '000)						
Income						
Profit on bank deposits	1,801	1,457	774	573	180	2,266
Income from government securities	80,570	27,804	37,854	3,350	4,556	6,217
	82,371	29,261	38,628	3,923	4,736	8,483
	(1)	13	27	-	-	(90)
						(50)
	-	-	(363)	(503)	(2,749)	(8,795)
	82,370	29,274	38,292	3,420	1,987	(402)
						(12,410)
						154,940
Expenses						
Remuneration of AL Habib Asset Management Limited - Management Company	4,538	1,762	2,132	300	-	-
Sindh Sales Tax on Management Company's remuneration	589	229	277	39	-	-
Expense Allocated by Management Company	1,105	434	-	169	-	-
Remuneration of Central Depository Company of Pakistan Limited (CDC) - Trustee	215	59	93	1	14	17
Sindh Sales Tax on Trustee's remuneration	27	8	12	-	2	2
Annual fee to the Securities and Exchange Commission of Pakistan (SECP)	78	6	28	-	5	6
Brokerage expense	-	36	11	10	-	-
Settlement and bank charges	6	7	3	-	-	-
Auditor's remuneration	87	-	-	-	-	-
						87
	6,645	2,541	2,555	519	21	25
	75,725	26,733	35,736	2,901	1,967	(427)
	-	-	-	-	-	-
						-
	75,725	26,733	35,736	2,902	1,967	(427)
						142,632
Net income for the period before taxation						
Taxation						
	75,725	26,733	35,736	2,902	1,967	(427)
						142,636
Net income for the period after taxation						
Allocation of net income for the period after taxation						
Net income for the period	75,725	26,733	35,736	2,902	1,967	(427)
Income already paid on units redeemed	(59,640)	(13,224)	(32,438)	-	-	-
	16,085	13,509	3,298	2,902	1,967	(427)
						37,333
Accounting income available for distribution:						
- Relating to capital gains	1	-	27	(503)	(2,749)	(8,795)
- Excluding capital gains	16,084	13,509	3,298	3,405	4,716	8,368
	16,085	13,509	3,325	2,902	1,967	(427)
						37,361

Note

Income

Profit on bank deposits

Income from government securities

Realised gain on sale of investments - net

Unrealised diminution on re-measurement of investments classified at 'fair value through profit or loss' - net

Expenses

Remuneration of AL Habib Asset Management Limited - Management Company

Sindh Sales Tax on Management Company's remuneration

Expense Allocated by Management Company

Remuneration of Central Depository Company of Pakistan Limited (CDC) - Trustee

Sindh Sales Tax on Trustee's remuneration

Annual fee to the Securities and Exchange Commission of Pakistan (SECP)

Brokerage expense

Settlement and bank charges

Auditor's remuneration

15

Total expenses

Net income for the period before taxation

Taxation

16

Net income for the period after taxation

Allocation of net income for the period after taxation

Net income for the period

Income already paid on units redeemed

Accounting income available for distribution:

- Relating to capital gains

- Excluding capital gains

The annexed notes 1 to 26 form an integral part of this financial information.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

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

	For the period												
	For the period from March 15, 2023 to June 02, 2023	For the period from March 28, 2023 to June 16, 2023	For the period from July 01, 2023 to September 22, 2023	For the period from July 01, 2023 to January 03, 2024	For the period from July 01, 2023 to June 30, 2024	For the period from July 13, 2023 to June 30, 2024	For the period from August 08, 2023 to June 30, 2024	For the period from December 05, 2023 to June 30, 2024	For the period from January 02, 2024 to June 30, 2024	For the period from March 15, 2024 to June 30, 2024	For the period from April 03, 2024 to June 30, 2024		
	AH-FRF Plan 1	AH-FRF Plan 2	AH-FRF Plan 3	AH-FRF Plan 4	AH-FRF Plan 5	AH-FRF Plan 6	AH-FRF Plan 7	AH-FRF Plan 8	AH-FRF Plan 9	AH-FRF Plan 10	AH-FRF Plan 11	AH-FRF Plan 13	Total
Net income for the year after taxation	-	-	8,105	30,988	81,437	239,146	35,421	51,077	141,681	47,907	214,425	50,078	850,187
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	8,105	30,988	81,437	239,146	35,421	51,077	141,681	47,907	214,425	50,078	850,187

The annexed notes 1 to 26 form an integral part of this financial information.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

	For the period from March 15, 2023 to June 02, 2023	For the period from March 28, 2023 to June 16, 2023	For the period from May 02, 2023 to June 30, 2023	For the period from June 15, 2023 to June 30, 2023	For the period from June 15, 2023 to June 30, 2023	For the period from June 15, 2023 to June 30, 2023	Total
	AH-FRF Plan 1	AH-FRF Plan 2	AH-FRF Plan 3	AH-FRF Plan 4	AH-FRF Plan 5	AH-FRF Plan 6	
----- (Rupees in '000) -----							
Net income for the period after taxation	75,725	26,733	35,736	2,902	1,967	(427)	142,636
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period	75,725	26,733	35,736	2,902	1,967	(427)	142,636

The annexed notes 1 to 26 form an integral part of this financial information.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	For the period from March 15, 2023 to June 02, 2023			For the period from March 26, 2023 to June 16, 2023			For the period from July 01, 2023 to July 14, 2023			For the period from July 01, 2023 to September 22, 2023			For the period from July 01, 2023 to January 03, 2024			For the period from July 01, 2023 to June 30, 2024			For the period from July 13, 2023 to June 30, 2024		
	AH-FRF Plan 1			AH-FRF Plan 2			AH-FRF Plan 3			AH-FRF Plan 4			AH-FRF Plan 5			AH-FRF Plan 6			AH-FRF Plan 7		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
Net assets at beginning of the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of 23,183,185 units	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Capital value	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Element of income / (loss)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total proceeds on issuance of units	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Redemption of 14,695,595 units	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Capital Value	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Element of income / (loss)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total payments on redemption of units	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interim distribution for the year ended June 30, 2024:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net income for the year less distribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net assets at the end of the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Underdistributed income brought forward	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Realised gain	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Unrealised gain	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounting income available for distribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Relating to capital gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Excluding capital gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interim distribution for the year ended June 30, 2024:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Underdistributed income carried forward	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Underdistributed income carried forward comprise of:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Realised gain	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Unrealised gain	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net assets value per unit at beginning of the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net assets value per unit at end of the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
The annexed notes 1 to 26 form an integral part of this financial information.																					

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	For the period from			For the period from			For the period from			For the period from		
	August 08, 2023 to June 30, 2024			December 05, 2023 to June 30, 2024			January 02, 2024 to June 30, 2024			March 15, 2024 to June 30, 2024		
	AH-FRF Plan 8			AH-FRF Plan 9			AH-FRF Plan 10			AH-FRF Plan 11		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
Net assets at beginning of the year	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of 23,183,185 units	249,841	-	249,840	1,477,066	-	1,477,066	605,830	-	605,830	3,902,954	-	3,902,954
- Capital value	(392)	-	(392)	2,356	-	2,356	2,088	-	2,088	9,288	-	9,288
- Element of income / (loss)	249,449	-	249,448	1,449,422	-	1,449,422	607,918	-	607,918	3,912,242	-	3,912,242
Total proceeds on issuance of units	(246,470)	-	(246,470)	(9,625)	-	(9,625)	(3,446)	-	(3,446)	(702,161)	-	(702,161)
Redemption of 14,695,595 units	387	(50,530)	(50,143)	21	(354)	(375)	(3,446)	(9,625)	(10,000)	(36,309)	(702,161)	(738,470)
- Capital Value	(246,470)	(50,530)	(297,000)	(9,646)	(354)	(10,000)	(9,646)	(9,646)	(19,292)	(36,309)	(702,161)	(748,470)
- Element of income / (loss)	-	-	-	-	-	-	-	-	-	-	-	-
Total payments on redemption of units	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	-	-
Interim distribution for the year ended June 30, 2024:	-	-	-	-	-	-	-	-	-	-	-	-
Net income for the year less distribution	-	-	-	-	-	-	-	-	-	-	-	-
Net assets at the end of the year	2,979	19	2,997	1,437,441	1,389	1,438,831	512,276	(1,253)	514,023	3,200,793	3,512	3,204,306
Underdistributed income brought forward	-	-	-	-	-	-	-	-	-	-	-	-
- Realised gain	-	-	-	-	-	-	-	-	-	-	-	-
- Unrealised gain	-	-	-	-	-	-	-	-	-	-	-	-
Accounting income available for distribution	-	-	-	-	-	-	-	-	-	-	-	-
- Relating to capital gains	-	-	-	-	-	-	-	-	-	-	-	-
- Excluding capital gains	-	-	-	-	-	-	-	-	-	-	-	-
Interim distribution for the year ended June 30, 2024:	-	-	-	-	-	-	-	-	-	-	-	-
Underdistributed income carried forward	-	-	-	-	-	-	-	-	-	-	-	-
Underdistributed income carried forward comprise of:	-	-	-	-	-	-	-	-	-	-	-	-
- Realised gain	-	-	-	-	-	-	-	-	-	-	-	-
- Unrealised gain	-	-	-	-	-	-	-	-	-	-	-	-
Net assets value per unit at beginning of the year	-	-	-	-	-	-	-	-	-	-	-	-
Net assets value per unit at end of the year	-	-	-	-	-	-	-	-	-	-	-	-
The annexed notes 1 to 26 form an integral part of this financial information.												

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

**For AL Habib Asset Management Limited
(Management Company)**

Director

Chief Financial Officer

Chief Executive Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2024

Note	For the period													Total
	For the period from July 01, 2023 to July 14, 2023	For the period from July 01, 2023 to September 03, 2023	For the period from July 01, 2023 to January 03, 2024	For the period from July 01, 2023 to June 30, 2024	For the period from July 01, 2023 to June 30, 2024	For the period from July 13, 2023 to June 30, 2024	For the period from August 08, 2023 to June 30, 2024	For the period from December 05, 2023 to June 30, 2024	For the period from January 02, 2024 to June 30, 2024	For the period from March 15, 2024 to June 30, 2024	For the period from April 03, 2024 to June 30, 2024			
	AH-FRF Plan 3	AH-FRF Plan 4	AH-FRF Plan 5	AH-FRF Plan 6	AH-FRF Plan 7	AH-FRF Plan 8	AH-FRF Plan 9	AH-FRF Plan 10	AH-FRF Plan 11	AH-FRF Plan 13				
Rupees in '000														
CASH FLOWS FROM OPERATING ACTIVITIES														
Net income for the year before taxation	8,105	30,988	81,437	239,146	35,421	51,077	141,681	47,907	214,425	50,078	850,187			
Adjustments for:														
Unrealised appreciation / (diminution) on re-measurement of investments classified at 'fair value through profit or loss' - net	-	-	2,748	-	-	(11)	-	2,195	236	(546)	5,168			
	8,105	30,988	84,185	239,146	35,421	51,066	141,681	50,102	214,661	49,532	855,355			
Decrease / (increase) in assets														
Investments	1,054,833	667,942	741,378	1,106,239	-	(3,205)	(1,464,666)	(523,546)	(3,233,437)	(1,060,262)	(1,654,462)			
Profit receivable	(508)	(446)	140	(1,808)	-	(920)	(1)	(10)	(524)	(23)	(4,077)			
	1,054,325	667,496	741,518	1,104,431	-	(4,125)	(1,464,667)	(523,556)	(3,233,961)	(1,060,285)	(1,658,539)			
(Decrease) / increase in liabilities														
Payable to the AL Habib Asset Management Limited - Management Company	56	1,279	642	7,025	215	1,441	2,588	765	3,215	681	17,907			
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee	60	89	(13)	245	6	94	114	26	189	47	857			
Payable to Securities and Exchange Commission of Pakistan (SECP)	30	9	(5)	156	1	118	89	32	227	63	720			
Payable against redemption of units	-	-	-	-	46	-	-	-	-	-	46			
Accrued expenses and other liabilities	(3,202)	2,786	(101)	33,077	-	8,559	23,046	6,867	29,874	12	100,918			
	(3,056)	4,163	523	40,503	268	10,212	25,837	7,690	33,505	803	120,448			
Net cash generated from / (used in) operating activities	1,059,374	702,647	826,226	1,384,080	35,689	57,153	(1,297,149)	(465,764)	(2,985,795)	(1,009,950)	(682,736)			
CASH FLOWS FROM FINANCING ACTIVITIES														
Proceeds from issuance of units	255	2,398	-	154,438	741,961	249,448	1,449,422	607,918	3,912,242	1,059,032	7,118,082			
Payments on redemption of units	(1,058,715)	(699,035)	(814,451)	(327,798)	(774,893)	(297,000)	(10,000)	(96,108)	(740,437)	-	(4,818,437)			
Distribution made during the year	(313)	(2,822)	(11,720)	(181,692)	(2,489)	(528)	(142,273)	(45,694)	(181,925)	(49,032)	(569,456)			
Net cash (used in) / generated from financing activities	(1,058,773)	(699,459)	(826,171)	(355,052)	(35,421)	(48,080)	1,297,149	466,117	2,989,880	1,010,000	1,730,189			
Net increase in cash and cash equivalents	601	3,188	55	1,029,028	268	9,073	-	353	4,085	50	1,046,651			
Cash and cash equivalents at beginning of the year	1,112	912	743	875	-	-	-	-	-	-	3,642			
Cash and cash equivalents at end of the year	1,713	4,100	798	1,029,903	268	9,073	-	353	4,085	50	1,050,293			
Cash and cash equivalent comprise of:														
Bank balances														
	1,713	4,100	798	1,029,903	268	9,073	-	353	4,085	50	1,050,293			
	1,713	4,100	798	1,029,903	268	9,073	-	353	4,085	50	1,050,293			

The annexed notes 1 to 26 form an integral part of this financial information.

**For AL Habib Asset Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2023

	For the period from March 15, 2023 to June 02, 2023	For the period from March 28, 2023 to June 16, 2023	For the period from May 02, 2023 to June 30, 2023	For the period from June 15, 2023 to June 30, 2023	For the period from June 15, 2023 to June 30, 2023	Total
Note AH-FRF Plan 1 AH-FRF Plan 2 AH-FRF Plan 3 AH-FRF Plan 4 AH-FRF Plan 5 AH-FRF Plan 6						
------(Rupees in '000)-----						
75,724	26,733	35,738	2,900	1,967	(424)	142,638
(1,801)	(1,457)	(774)	(573)	(180)	(2,267)	(7,052)
(80,570)	(27,804)	(37,854)	(3,350)	(4,556)	(6,217)	(160,351)
-	-	362	503	2,748	8,794	12,407
(6,647)	(2,528)	(2,528)	(520)	(21)	(114)	(12,358)
-	-	(1,055,195)	(668,445)	(746,874)	(1,115,033)	(3,585,547)
-	-	(1,055,195)	(668,445)	(746,874)	(1,115,033)	(3,585,547)
6,234	2,426	2,409	508	-	-	11,577
243	67	105	1	15	19	450
78	6	28	-	5	6	123
6,860	3,391	3,507	445	295	-	14,498
13,415	5,890	6,049	954	315	25	26,648
80,570	27,804	37,854	3,350	4,556	6,217	160,351
87,338	31,166	(1,013,820)	(664,661)	(742,024)	(1,108,905)	(3,410,906)
5,169,942	855,081	2,187,548	670,778	744,949	1,109,780	10,738,078
(5,164,666)	(864,050)	(1,140,738)	-	-	-	(7,169,454)
(81,000)	(17,764)	(31,878)	(5,205)	(2,182)	-	(138,029)
(75,724)	(26,733)	1,014,932	665,573	742,767	1,109,780	3,430,595
11,614	4,433	1,112	912	743	875	19,689
-	-	-	-	-	-	-
11,614	4,433	1,112	912	743	875	19,689
6	11,614	4,433	1,112	912	743	19,689
	11,614	4,433	1,112	912	743	19,689

CASH FLOWS FROM OPERATING ACTIVITIES

Net income for the period before taxation
Adjustments for:
Mark-up on bank deposits
Income from government securities
Unrealised diminution on re-measurement of
investments classified at 'fair value through profit or loss' - net

Increase in assets

Investments

Increase in liabilities

Payable to the AL Habib Asset Management Limited - Management Company
Payable to Central Depository Company of Pakistan Limited (CDC) - Trustee
Payable to Securities and Exchange Commission of Pakistan (SECP)
Accrued expenses and other liabilities

Income from government securities

Net cash generated from / (used in) operating activities

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from issuance of units
Payments on redemption of units
Distribution made during the period
Net cash (used in) / generated from financing activities
Net increase in cash and cash equivalents
Cash and cash equivalents at beginning of the period
Cash and cash equivalents at end of the period

Cash and cash equivalent comprise of:

Bank balances

The annexed notes 1 to 26 form an integral part of this financial information.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

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

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** AL Habib Fixed Return Fund ("the Fund") was established under a Trust Deed executed between AL Habib Asset Management Limited (AHAML) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on 21 September 2022 under Rule 67 of the Non-banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The Fund is required to be registered under the Sindh Trust Act. Accordingly, on 17 November 2022 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.
- 1.2** The Management Company of the Fund has been licensed to undertake Asset Management Services as Non-Banking Finance Company under the NBFC Rules by SECP. The registered office of the Management Company is situated at 3rd floor, Mackinnons Building, I, I Chundrigar Road Karachi, Pakistan.
- 1.3** The Fund is an open-end fixed rate / return Collective Investment Scheme as per SECP's Circular No.3 of 2022 dated February 10, 2022 with Allocation Plans. The Allocation Plans under the Fund may have different investment avenues and different maturity dates. The Allocation Plans under the Fund may have a set timeframe or perpetual.
- 1.4** The Fund has been categorized as a Fixed Return Scheme as per the criteria laid down by the Securities and Exchange Commission of Pakistan (SECP).
- 1.5** The Core objective of the Fund is to provide competitive returns to its investors through active investments in low risk portfolio of short duration, while maintaining high liquidity.
- 1.6** The Fund has launched six different plans; namely, Al Habib Fixed Return Fund - Plan 1, Al Habib Fixed Return Fund - Plan 2, Al Habib Fixed Return Fund - Plan 3, Al Habib Fixed Return Fund - Plan 4, Al Habib Fixed Return Fund - Plan 5, Al Habib Fixed Return Fund - Plan 6, Al Habib Fixed Return Fund - Plan 7, Al Habib Fixed Return Fund - Plan 8, Al Habib Fixed Return Fund - Plan 9, Al Habib Fixed Return Fund - Plan 10, Al Habib Fixed Return Fund - Plan 11 and Al Habib Fixed Return Fund - Plan 13. The units of these plans were initially offered to public from March 15, 2023 till March 21, 2023, March 28, 2023 till April 03, 2023, May 02, 2023 till May 11, 2023, June 15, 2023 till June 22, 2023, June 15, 2023 till June 22, 2023, June 15, 2023 till June 22, 2023, June 15, 2023 till June 22, 2023, July 13, 2023 till July 25, 2023, August 08, 2023 till August 24, 2023, December 05, 2023 till December 12, 2023, January 02, 2024 till January 09, 2024, March 15, 2024 till March 28, 2024 and April 3, 2024 till April 25, 2024 respectively.
- 1.7** Al Habib Fixed Return Fund - Plan 1 and Al Habib Fixed Return Fund - Plan 2 have been matured as on June 02, 2023 and June 16, 2023 respectively.
- 1.8** Pakistan Credit Rating Agency (PACRA) has assigned a management quality rating of 'AM2++' to the Management Company on August 12, 2023.
- 1.9** Title to the assets of the Fund are held in the name of Central Depository Company Limited (CDC) as a Trustee of the Fund. The Fund is not listed on Pakistan Stock Exchange.

2. BASIS OF PREPARATION**2.1 Statement of compliance**

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017; and
- The NBFC Rules, Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the 'NBFC Regulations') and requirements of the Trust Deed.

Where the provisions of and directives issued under the Companies Act, 2017, the NBFC Rules, the NBFC Regulations, part VIIIA of repealed companies ordinance 1984 and the requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of 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 financial statements have been prepared under the historical cost convention, except investments that are stated at fair values.

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of approved accounting standards, as applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material judgment in the next year are as follows:

Classification and valuation of Investments

For details please refer notes 4.2.3 and 6 to these financial statements.

Impairment of financial assets

For details please refer notes 4.2.5 to these financial statements.

3 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

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

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

	Effective date (annual periods beginning on or after)
Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 Making Materiality Judgements- Disclosure of Accounting Policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	January 01, 2023

The Company adopted the narrow-scope amendments to the International Accounting Standard (IAS) 1, Presentation of Financial Statements which have been effective for annual reporting periods beginning on or after 1 January 2023. Although the amendments did not result in any changes to accounting policy themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting the Company to provide useful entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and updates to the information disclosed in Note 4 Material accounting policies (2023: Significant accounting policies) in certain instances in line with the amendments and concluded that all its accounting policies are material for disclosure.

3.2 New accounting standards, amendments and 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, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
IFRS 17 Insurance Contracts	January 01, 2026

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2026.

4 MATERIAL ACCOUNTING POLICY INFORMATION

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

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.

4.2 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

4.2.1 Financial assets

Financial assets are classified in appropriate category at amortized cost, fair value through comprehensive income and fair value through profit and loss. The Management determines the classification of financial assets in appropriate category based on fund's business model, managing the financial assets and the contractual terms of cashflows.

4.2.2 Initial recognition and measurement

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

4.2.3 Classification

Debt Instruments

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

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

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

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

A debt instrument held for trading purposes or which does not meet the SPPI criterion is classified as measured at FVTPL.

4.2.4 Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial assets:

Debt investments at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest / markup income and impairment are recognized in income statement.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in income statement. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to income statement.
Debt investments at FVTPL	These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method and impairment are recognized in income statement.

4.2.5 Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

The guiding principle of the expected credit loss (ECL) model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. The amount of ECLs recognised as a loss allowance or provision depends on the extent of credit deterioration since initial recognition. Under the general approach, there are two measurement bases:

- 12-month ECLs (Stage 1), which applies to all items (from initial recognition) as long as there is no significant deterioration in credit quality.
- Lifetime ECLs (Stages 2 and 3), which applies when a significant increase in credit risk has occurred on an individual or collective basis.

The Fund's financial assets include mainly bank balances, investments and other receivables.

4.2.6 Regular way purchase and sale of financial asset

Regular way 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.

4.2.7 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.

4.2.8 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.

4.2.9 Offsetting of financial assets and liabilities

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

4.3 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.

4.4 Taxation

The Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than ninety percent of its accounting income for the year as reduced by capital gains, whether realized or unrealized, is distributed in the form of cash among the unit holders. Provided that, for the purpose of determining distribution of at least ninety percent of its accounting income for the year, the income distributed through bonus units' shall not be taken into account.

The Fund intends to continue availing the tax exemption in future years by distributing at least ninety percent of its accounting income for the year as reduced by capital gains, whether realized or unrealized, to its unit holders every year. Accordingly, no tax liability has been recognized in these financial statements.

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.

4.5 Proposed distributions

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

4.6 Issuance and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that day. The offer price represents the net assets value per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours of that day. The redemption price represents the net assets value per unit as of the close of the business day less any back-end load (if applicable), any duties, taxes, charges on redemption and any provision for transaction costs, if applicable. Redemption of units are recorded on acceptance of application for redemption.

4.7 Element of income

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

4.8 Net asset value per unit

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

4.9 Revenue recognition

- Realised capital gains / (losses) arising on sale of investments are included in the income statement on the date at which the transaction takes place.
- Mark-up / profit / return on Government securities, bank profits and investment in debt securities are recognized 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 in the period in which they arise.

4.10 Earnings per unit (EPU)

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

4.11 Transactions with related parties / connected persons

Transactions with related parties / connected persons are based at arm's length at normal commercial rates on the same terms and conditions as applicable to third party transactions.

Remuneration to the Management Company and the Trustee is determined in accordance with the provision of NBFC Rules, NBFC Regulations and the Trust Deed respectively.

		June 30, 2024													
		BAH FRF PLAN 1	BAH FRF PLAN 2	BAH FRF PLAN 3	BAH FRF PLAN 4	BAH FRF PLAN 5	BAH FRF PLAN 6	BAH FRF PLAN 7	BAH FRF PLAN 8	BAH FRF PLAN 9	BAH FRF PLAN 10	BAH FRF PLAN 11	BAH FRF PLAN 13	Total	
5	BANK BALANCES	Note	Rupees in '000												
	Saving accounts	5.1	-	-	1,713	4,100	798	1,029,903	268	9,073	-	353	4,085	50	1,050,343
			-	-	1,713	4,100	798	1,029,903	268	9,073	-	353	4,085	50	1,050,343

		June 30, 2023												
		BAH FRF PLAN 1	BAH FRF PLAN 2	BAH FRF PLAN 3	BAH FRF PLAN 4	BAH FRF PLAN 5	BAH FRF PLAN 6	BAH FRF PLAN 7	BAH FRF PLAN 8	BAH FRF PLAN 9	BAH FRF PLAN 10	BAH FRF PLAN 11	BAH FRF PLAN 13	Total
		Rupees in '000												
	Saving accounts	5.1	11,614	4,433	1,112	912	743	875	-	-	-	-	-	19,689
			11,614	4,433	1,112	912	743	875	-	-	-	-	-	19,689

- 5.1 This represents saving accounts held with various commercial banks carrying profit rates ranging from 19.25% to 21.50% (June 30, 2023: 18% to 20%) per annum. These represents balances with Bank AL Habib Limited (ultimate parent), a related party.

		June 30, 2024												
		BAH FRF PLAN 1	BAH FRF PLAN 2	BAH FRF PLAN 3	BAH FRF PLAN 4	BAH FRF PLAN 5	BAH FRF PLAN 6	BAH FRF PLAN 7	BAH FRF PLAN 8	BAH FRF PLAN 9	BAH FRF PLAN 10	BAH FRF PLAN 11	BAH FRF PLAN 13	Total
6	INVESTMENTS	Rupees in '000												
	<i>Financial assets classified at fair value through profit or loss</i>													
	Marketable Treasury Bills (T- Bills)	6.1	-	-	-	-	-	-	3,216	1,464,666	521,351	3,233,202	1,060,809	6,283,244
			-	-	-	-	-	-	3,216	1,464,666	521,351	3,233,202	1,060,809	6,283,244

		June 30, 2023												
		BAH FRF PLAN 1	BAH FRF PLAN 2	BAH FRF PLAN 3	BAH FRF PLAN 4	BAH FRF PLAN 5	BAH FRF PLAN 6	BAH FRF PLAN 7	BAH FRF PLAN 8	BAH FRF PLAN 9	BAH FRF PLAN 10	BAH FRF PLAN 11	BAH FRF PLAN 13	Total
		Rupees in '000												
	<i>Financial assets classified at fair value through profit or loss</i>													
	Marketable Treasury Bills (T- Bills)	6.1	-	-	-	1,054,833	667,942	744,126	1,106,239	-	-	-	-	3,573,140
			-	-	-	1,054,833	667,942	744,126	1,106,239	-	-	-	-	3,573,140

AL HABIB FIXED RETURN FUND

6.1 Government securities - Market Treasury Bills and PIB's

Name of Instrument	As at July 01, 2023	Purchased during the year	Sold / matured during the year	As at June 30, 2024	Carrying value	Market value	Unrealised appreciation / (diminution)	Market value as a percentage of net assets	Market value as a percentage of total investments

(Rupees in '000)

BAH FRF PLAN 6

T- BILL 12 MONTHS (15-06-2023)	8,518,000	-	8,518,000	-	-	-	-	0%	0%
T- BILL 12 MONTHS (22-06-2023)	5,000,000	-	5,000,000	-	-	-	-	0%	0%
T- BILL 06 MONTHS (28-12-2023)	-	2,900,000	2,900,000	-	-	-	-	0%	0%
T-BILLS 03 MONTHS (04-04-2024)	-	5,093,700	5,093,700	-	-	-	-	0%	0%
Total as at June 30, 2024	13,518,000	7,993,700	21,511,700	-	-	-	-	-	-
Total as at June 30, 2023	-	17,768,000	4,250,000	13,518,000	1,115,174	1,106,239	(8,795)	100	100

BAH FRF PLAN 8

PIB 03 YEARS (04-07-2023) - FIXED	-	5,820	5,785	35	3,205	3,216	11	107%	100%
T- BILL 12 MONTHS (02-05-2024)	-	180,000	180,000	-	-	-	-	0%	0%
Total as at June 30, 2024	-	185,820	185,785	35	3,205	3,216	11	1	1
Total as at June 30, 2023	-	-	-	-	-	-	-	-	-

BAH FRF PLAN 9

T- BILL 12 MONTHS (30-11-2023)	-	16,160,000	305,000	15,855,000	1,470,962	1,464,666	(6,296)	102%	100%
Total as at June 30, 2024	-	16,160,000	305,000	15,855,000	1,470,962	1,464,666	(6,296)	1	1
Total as at June 30, 2023	-	-	-	-	-	-	-	-	-

BAH FRF PLAN 10

T- BILL 12 MONTHS (30-11-2023)	-	6,840,000	1,120,000	5,720,000	523,546	521,351	(2,195)	101%	100%
Total as at June 30, 2024	-	6,840,000	1,120,000	5,720,000	523,546	521,351	(2,195)	1	1
Total as at June 30, 2023	-	-	-	-	-	-	-	-	-

BAH FRF PLAN 11

T- BILL 12 MONTHS (19-10-2023)	-	42,190,000	7,932,000	34,258,000	3,233,437	3,233,202	(235)	101%	100%
Total as at June 30, 2024	-	42,190,000	7,932,000	34,258,000	3,233,437	3,233,202	(235)	1	1
Total as at June 30, 2023	-	-	-	-	-	-	-	-	-

BAH FRF PLAN 13

T- BILL 12 MONTHS (19-10-2023)	-	11,240,000	-	11,240,000	1,060,262	1,060,809	547	100%	100%
Total as at June 30, 2024	-	11,240,000	-	11,240,000	1,060,262	1,060,809	547	1	1
Total as at June 30, 2023	-	-	-	-	-	-	-	-	-

7 PAYABLE TO THE MANAGEMENT COMPANY

		June 30, 2024												
		BAH FRF PLAN 1	BAH FRF PLAN 2	BAH FRF PLAN 3	BAH FRF PLAN 4	BAH FRF PLAN 5	BAH FRF PLAN 6	BAH FRF PLAN 7	BAH FRF PLAN 8	BAH FRF PLAN 9	BAH FRF PLAN 10	BAH FRF PLAN 11	BAH FRF PLAN 13	Total
Note		Rupees in '000												
Remuneration payable to Management Company	7.1	-	-	2,183	1,390	362	5,748	197	1,152	1,920	308	2,681	383	16,324
Sindh Sales Tax payable	7.2	-	-	284	181	280	849	18	150	459	40	349	50	2,660
Allocation of expenses related to registrar services, accounting, operation and valuation services	7.3	-	-	-	219	-	428	-	139	209	417	185	249	1,846
		-	-	2,467	1,790	642	7,025	215	1,441	2,588	765	3,215	682	20,830

		June 30, 2023						
	Note	BAH FRF PLAN 1	BAH FRF PLAN 2	BAH FRF PLAN 3	BAH FRF PLAN 4	BAH FRF PLAN 5	BAH FRF PLAN 6	Total
Rupees in '000								
Remuneration payable to Management Company	7.1	4,538	1,762	2,132	300	-	-	8,732
Sindh Sales Tax payable	7.2	591	230	279	40	-	-	1,140
Allocation of expenses related to registrar services, accounting, operation and valuation services	7.3	1,105	434	-	169	-	-	1,708
		6,234	2,426	2,411	509	-	-	11,580

- 7.1 As per the amendments made in the NBFC Regulations, 2008 vide SRO 639 (1) / 2019 dated 20 June 2019, the Management Company shall set and disclose in the offering document the maximum rate of fee chargeable to Collective Investment Scheme within allowed expense ratio, the Management Company of the Fund is entitled to an accrued remuneration equal to an amount not exceeding 10% of gross earnings of the Fund.
- 7.2 The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% (June 30, 2023: 13%) on the remuneration of Management Company during the year through Sindh Sales Tax on Services Act, 2011.
- 7.3 As per Regulation 60(3) of NBFC Regulations, fees and expenses related to registrar services, accounting, operation and valuation services related to CIS are chargeable to the CIS. During the period, the fee has been charged at the rate 0.1% .

8. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

		June 30, 2024												
		BAH FRF PLAN 1	BAH FRF PLAN 2	BAH FRF PLAN 3	BAH FRF PLAN 4	BAH FRF PLAN 5	BAH FRF PLAN 6	BAH FRF PLAN 7	BAH FRF PLAN 8	BAH FRF PLAN 9	BAH FRF PLAN 10	BAH FRF PLAN 11	BAH FRF PLAN 13	Total
Note		Rupees in '000												
Remuneration payable to Trustee	8.1 & 8.2	-	-	146	80	2	219	5	83	103	23	167	46	874
Sindh Sales Tax Payable on remuneration of the Trustee	8.3	-	-	19	10	-	45	1	11	11	3	22	1	123
		-	-	165	90	2	264	6	94	114	26	189	47	997

		June 30, 2023						
	Note	BAH FRF PLAN 1	BAH FRF PLAN 2	BAH FRF PLAN 3	BAH FRF PLAN 4	BAH FRF PLAN 5	BAH FRF PLAN 6	Total
Rupees in '000								
Remuneration payable to Trustee	8.1 & 8.2	215	59	93	1	14	17	399
Sindh Sales Tax Payable on remuneration of the Trustee	8.3	28	8	12	-	2	2	52
		243	67	105	1	16	19	451

- 8.1 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 there in, based on the daily Net Asset Value (NAV) of the Fund. The remuneration is paid to the trustee monthly in arrears.
- 8.2 As per the Trust Deed and Offering Document, the trustee fee shall be charged in accordance to the tariff flat rate of 0.075% pa of net assets.
- 8.3 Sindh Government has levied Sindh Sales Tax (SST) at the rate of 13% (June 30, 2023: 13%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.

9. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

		June 30, 2024												
		BAH FRF PLAN 1	BAH FRF PLAN 2	BAH FRF PLAN 3	BAH FRF PLAN 4	BAH FRF PLAN 5	BAH FRF PLAN 6	BAH FRF PLAN 7	BAH FRF PLAN 8	BAH FRF PLAN 9	BAH FRF PLAN 10	BAH FRF PLAN 11	BAH FRF PLAN 13	Total
Note		Rupees in '000												
Annual fee payable to SECP	9.1	-	-	58	9	-	162	1	118	89	32	227	63	759
		-	-	58	9	-	162	1	118	89	32	227	63	759

AL HABIB FIXED RETURN FUND

		June 30, 2023						
		BAH FRF PLAN 1	BAH FRF PLAN 2	BAH FRF PLAN 3	BAH FRF PLAN 4	BAH FRF PLAN 5	BAH FRF PLAN 6	Total
Note		Rupees in '000						
Annual fee payable to SECP	9.1	78	6	28	-	5	6	123
		78	6	28	-	5	6	123

9.1 This represents annual fee payable to SECP at 0.02% of the average net assets in accordance with regulation 62 of the NBFC Regulations and pursuant to S.R.O 685(I) 2019, dated 28 June 2019.

10. ACCRUED EXPENSES AND OTHER LIABILITIES

	June 30, 2024												
	BAH FRF PLAN 1	BAH FRF PLAN 2	BAH FRF PLAN 3	BAH FRF PLAN 4	BAH FRF PLAN 5	BAH FRF PLAN 6	BAH FRF PLAN 7	BAH FRF PLAN 8	BAH FRF PLAN 9	BAH FRF PLAN 10	BAH FRF PLAN 11	BAH FRF PLAN 13	Total
	Rupees in '000												
Auditor's remuneration	-	-	-	-	65	-	-	32	19	-	-	-	116
Withholding tax payable	-	-	305	424	119	27,324	-	79	20,991	6,857	26,365	2	82,466
Capital gain tax payable	-	-	-	2,807	-	5,743	-	7,560	-	-	3,476	-	19,586
Brokerage	-	-	-	-	-	-	-	-	45	-	33	-	78
Others	-	-	-	-	10	10	-	887	1,991	10	-	10	2,918
	-	-	305	3,231	194	33,077	-	8,558	23,046	6,867	29,874	12	105,164

	June 30, 2023						
	BAH FRF PLAN 1	BAH FRF PLAN 2	BAH FRF PLAN 3	BAH FRF PLAN 4	BAH FRF PLAN 5	BAH FRF PLAN 6	Total
	Rupees in '000						
Auditor's remuneration	87	-	-	-	-	-	87
Withholding tax payable	1,926	2,030	247	435	295	-	4,933
Capital gain tax payable	4,827	1,322	3,260	-	-	-	9,409
Others	20	39	-	10	-	-	69
	6,860	3,391	3,507	445	295	-	14,498

11. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at the reporting date. (June 30, 2023: Nil)

12. NUMBER OF UNITS IN ISSUE

	June 30, 2024													
	BAH FRF PLAN 1	BAH FRF PLAN 2	BAH FRF PLAN 3	BAH FRF PLAN 4	BAH FRF PLAN 5	BAH FRF PLAN 6	BAH FRF PLAN 7	BAH FRF PLAN 8	BAH FRF PLAN 9	BAH FRF PLAN 10	BAH FRF PLAN 11	BAH FRF PLAN 13	Total	
	Rupees in '000													
Total units in issue at the beginning of the year	-	-	10,487,748	6,684,717	7,447,340	11,084,277	-	-	-	-	-	-	735,704,082	
Add: Units issued during the year	-	-	-	-	-	1,544,380	-	2,498,413	14,470,656	6,058,305	39,029,535	10,589,300	74,190,589	
Less: units redeemed during the year	-	-	(10,487,748)	(6,684,717)	(7,447,340)	(2,694,956)	-	(2,468,572)	(96,252)	(922,961)	(7,021,610)	-	(37,824,156)	
Total units in issue at the end of the year	-	-	-	-	-	9,933,701	-	29,841	14,374,404	5,135,344	32,007,925	10,589,300	72,070,515	

	June 30, 2023						
	BAH FRF PLAN 3	BAH FRF PLAN 4	BAH FRF PLAN 5	BAH FRF PLAN 4	BAH FRF PLAN 5	BAH FRF PLAN 5	Total
	Rupees in '000						
Units issued during the year	51,007,372	8,460,476	21,559,958	6,684,717	7,447,340	11,084,277	113,283,054
units redeemed during the year	(51,007,372)	(8,460,476)	(11,072,210)	-	-	-	(70,540,058)
Total units in issue at the end of the year	-	-	10,487,748	6,684,717	7,447,340	11,084,277	42,742,996

13. AUDITORS' REMUNERATION

	For the period from March 15, 2023 to June 02, 2023	For the period from March 28, 2023 to June 16, 2023	For the period from July 01, 2023 to July 14, 2023	For the period from July 01, 2023 to September 22, 2023	For the period from July 01, 2023 to January 03, 2024	For the period from July 01, 2023 to June 30, 2024	For the period from July 13, 2023 to June 30, 2024	For the period from August 08, 2023 to June 30, 2024	For the period from December 05, 2023 to June 30, 2024	For the period from January 02, 2024 to June 30, 2024	For the period from March 15, 2024 to June 30, 2024	For the period from April 03, 2024 to June 30, 2024	Total
	BAH FRF PLAN 1	BAH FRF PLAN 2	BAH FRF PLAN 3	BAH FRF PLAN 4	BAH FRF PLAN 5	BAH FRF PLAN 6	BAH FRF PLAN 7	BAH FRF PLAN 8	BAH FRF PLAN 9	BAH FRF PLAN 10	BAH FRF PLAN 11	BAH FRF PLAN 13	
	Rupees in '000												
Annual audit fee	-	-	-	-	13	27	-	32	32	-	-	-	104
Review of condensed interim financial information	-	-	-	-	52	14	-	-	-	-	-	-	66
Out of pocket expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	65	41	-	32	32	-	-	-	170

	For the period from March 15, 2023 to June 02, 2023	For the period from March 28, 2023 to June 16, 2023	For the period from May 02, 2023 to June 30, 2023	For the period from June 15, 2023 to June 30, 2023	For the period from June 15, 2023 to June 30, 2023	For the period from June 15, 2023 to June 30, 2023	Total
	BAH FRF PLAN 1	BAH FRF PLAN 2	BAH FRF PLAN 3	BAH FRF PLAN 4	BAH FRF PLAN 5	BAH FRF PLAN 6	
	Rupees in '000						
Annual audit fee	-	-	-	-	-	-	-
Review of condensed interim financial information	-	-	-	-	-	-	-
Other certifications and out of pocket expenses	-	-	-	-	-	-	-
	-	-	-	-	-	-	-

14. TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders, provided that for the purpose of determining distribution of not less than 90% of its accounting income for the year, the income distributed through bonus units shall not be taken into account. Furthermore, as per regulation 63 of the NBFC Regulations 2008, the Fund is required to distribute 90% of the net accounting income other than capital gains to the unit holders.

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 tax liability in respect of income relating to the current period as the Management Company intends to distribute in cash at least 90 percent of the Fund's accounting income for the year ended June 30, 2024 as reduced by capital gains (whether realised or unrealised) to its unit holders in the form of cash. In addition to that, the Super tax enacted by finance act 2022 is not applicable to funds u/s 4(c) of the Income Tax Ordinance 2001.

15. EARNINGS PER UNIT

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

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17. TRANSACTIONS AND BALANCES WITH RELATED PARTIES/ CONNECTED PARTIES

Related parties/ Connected persons include Al Habib Fund Managers Limited being the Management Company, Bank Al Habib 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, as disclosed in the offering document of the fund.

Related parties/connected persons include:

S.No	Company Name	Relationship
1	AL Habib Asset Management Limited	Management Company
2	Bank Al Habib Limited	Parent Company of AL Habib Asset Management Limited
3	Al Habib Capital Market (Private) Limited	Subsidiary of Bank Al Habib Limited
4	AL Habib Income Fund	Managed by AL Habib Asset Management Limited
5	AL Habib Islamic Income Fund	Managed by AL Habib Asset Management Limited
6	AL Habib Stock Fund	Managed by AL Habib Asset Management Limited
7	AL Habib Islamic Stock Fund	Managed by AL Habib Asset Management Limited
8	AL Habib Pension Fund	Managed by AL Habib Asset Management Limited
9	AL Habib Islamic Pension Fund	Managed by AL Habib Asset Management Limited
10	AL Habib Cash Fund	Managed by AL Habib Asset Management Limited
11	AL Habib Islamic Cash Fund	Managed by AL Habib Asset Management Limited
12	AL Habib GOKP Pension Fund	Managed by AL Habib Asset Management Limited
13	AL Habib GOKP Islamic Pension Fund	Managed by AL Habib Asset Management Limited
14	AL Habib Asset Allocation Fund	Managed by AL Habib Asset Management Limited
15	AL Habib Money Market Fund	Managed by AL Habib Asset Management Limited
16	AL Habib Islamic Saving Fund	Managed by AL Habib Asset Management Limited
17	AL Habib Islamic Munafa Fund	Managed by AL Habib Asset Management Limited
18	AL Habib Government Securities Fund	Managed by AL Habib Asset Management Limited
19	Central depository Company of Pakistan	Trustee

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

		June 30, 2024												
		BAH FRF PLAN 1	BAH FRF PLAN 2	BAH FRF PLAN 3	BAH FRF PLAN 4	BAH FRF PLAN 5	BAH FRF PLAN 6	BAH FRF PLAN 7	BAH FRF PLAN 8	BAH FRF PLAN 9	BAH FRF PLAN 10	BAH FRF PLAN 11	BAH FRF PLAN 13	TOTAL
17.1	Transactions during the period	Rupees in '000												
AL Habib Asset Management Limited - Management Company														
	Remuneration of the Management Company	-	-	50	1,390	4,360	11,180	1,489	2,745	5,320	1,261	5,173	1,523	34,491
	Sindh Sales Tax on remuneration of the Management Company	-	-	6	181	567	1,453	194	357	692	164	673	198	4,485
	Allocation of expenses related to registrar services, accounting, operation and valuation services	-	-	38	50	431	1,173	218	339	373	417	185	249	3,473
Central Depository Company of Pakistan Limited - Trustee														
	Remuneration of the Trustee	-	-	53	89	218	726	92	124	420	142	590	135	2,589
	Sindh Sales Tax on remuneration of the Trustee	-	-	7	12	28	94	12	16	52	19	77	13	330
Bank Al Habib Limited - Sponsor														
	Mark-up on bank deposits	-	-	508	1,430	10,043	3,537	767	1,625	1,221	582	3,132	630	23,475
Directors and Key Executives														
	Purchase of units of the plan (1,033,740 units)	-	-	-	1,033,740	-	-	-	-	-	-	-	-	1,033,740
	Redemption of units of the plan (1,116,385 units)	-	-	-	1,116,385	-	-	-	-	-	-	-	-	1,116,385

AL HABIB FIXED RETURN FUND

June 30, 2023														
	BAH FRF PLAN 1	BAH FRF PLAN 2	BAH FRF PLAN 3	BAH FRF PLAN 4	BAH FRF PLAN 5	BAH FRF PLAN 6	BAH FRF PLAN 7	BAH FRF PLAN 8	BAH FRF PLAN 9	BAH FRF PLAN 10	BAH FRF PLAN 11	BAH FRF PLAN 13	TOTAL	
	Rupees in '000													
AL Habib Asset Management Limited - Management Company														
Remuneration of the Management Company	4,538	1,762	2,132	300	-	-	-	-	-	-	-	-	8,732	
Sindh Sales Tax on remuneration of the Management Company	589	229	277	39	-	-	-	-	-	-	-	-	1,134	
Allocation of expenses related to registrar services, accounting, operation and valuation services	1,105	434	-	169	-	-	-	-	-	-	-	-	1,708	
Central Depository Company of Pakistan Limited - Trustee														
Remuneration of the Trustee	215	59	93	1	14	17	-	-	-	-	-	-	399	
Sindh Sales Tax on remuneration of the Trustee	27	8	12	-	2	2	-	-	-	-	-	-	51	
Bank Al Habib Limited - Sponsor														
Bank Charges	6	7	3	-	-	-	-	-	-	-	-	-	16	
Mark-up on bank deposits	1,801	1,457	774	573	180	2,266	-	-	-	-	-	-	7,051	
Other Connected Persons														
Purchase of units of the plan (35,533,522 units)	3,575,263,567	-	-	-	-	-	-	-	-	-	-	-	3,575,263,567	
Purchase of units of the plan (8,460,476 units)	-	857,111,164	-	-	-	-	-	-	-	-	-	-	857,111,164	
Purchase of units of the plan (11,356,641 units)	-	-	1,137,060,801	-	-	-	-	-	-	-	-	-	1,137,060,801	
Purchase of units of the plan (6,684,717 units)	-	-	-	671,212,850	-	-	-	-	-	-	-	-	671,212,850	
Purchase of units of the plan (7,447,340 units)	-	-	-	-	745,244,391	-	-	-	-	-	-	-	745,244,391	
Purchase of units of the plan (10,834,277 units)	-	-	-	-	-	1,084,780,419	-	-	-	-	-	-	1,084,780,419	
Redemption of units of the plan (35,486,829 units)	3,561,894,173	-	-	-	-	-	-	-	-	-	-	-	3,561,894,173	
Redemption of units of the plan (8,460,476 units)	-	862,727,847	-	-	-	-	-	-	-	-	-	-	862,727,847	
Redemption of units of the plan (1,355,202 units)	-	-	138,316,637	-	-	-	-	-	-	-	-	-	138,316,637	
Directors and Key Executives														
Purchase of units of the plan (15,575 units)	1,562,888	-	-	-	-	-	-	-	-	-	-	-	1,562,888	
Purchase of units of the plan (515,334 units)	-	-	51,561,496	-	-	-	-	-	-	-	-	-	51,561,496	
Purchase of units of the plan (250,000 units)	-	-	-	-	-	25,000,000	-	-	-	-	-	-	25,000,000	
June 30, 2024														
	BAH FRF PLAN 1	BAH FRF PLAN 2	BAH FRF PLAN 3	BAH FRF PLAN 4	BAH FRF PLAN 5	BAH FRF PLAN 6	BAH FRF PLAN 7	BAH FRF PLAN 8	BAH FRF PLAN 9	BAH FRF PLAN 10	BAH FRF PLAN 11	BAH FRF PLAN 13	TOTAL	
	Rupees in '000													
Balances outstanding as at period end														
AL Habib Asset Management Limited - Management Company														
Remuneration of the Management Company	-	-	2,183	1,608	362	6,176	197	1,291	2,129	725	2,866	632	18,169	
Sindh Sales Tax on remuneration of the Management Company	-	-	284	181	280	849	18	150	459	40	349	50	2,660	
Allocation of expenses related to registrar services, accounting, operation and valuation services	-	-	-	-	-	-	-	-	-	-	-	-	-	
Central Depository Company of Pakistan Limited - Trustee														
Remuneration of the Trustee	-	-	146	80	2	219	5	83	103	23	167	46	874	
Sindh Sales Tax on remuneration of the Trustee	-	-	19	10	-	45	1	11	11	3	22	1	123	
Bank Al Habib Limited - Sponsor														
Bank Balances	-	-	1,713	4,100	798	1,029,903	268	9,073	-	353	4,085	50	1,050,343	
Other Connected Persons														
Units held as at June 30, 2024 (10,287,463Units)	-	-	-	-	-	10,287,463	-	-	-	-	-	-	10,287,463	
Units held as at June 30, 2023 (383,604 Units)	-	-	-	-	-	-	-	383,604	-	-	-	-	383,604	
Units held as at June 30, 2023 (14,728,166 Units)	-	-	-	-	-	-	-	-	14,728,166	-	-	-	14,728,166	
Units held as at June 30, 2023 (5,272,123 Units)	-	-	-	-	-	-	-	-	-	5,272,123	-	-	5,272,123	
Units held as at June 30, 2023 (30,052,657 Units)	-	-	-	-	-	-	-	-	-	-	30,052,657	-	30,052,657	
Units held as at June 30, 2023 (10,839,272 Units)	-	-	-	-	-	-	-	-	-	-	-	10,839,272	10,839,272	
Directors and Key Executives														
Units held as at June June 30,2024 (131,094 units)	-	-	-	-	-	131,094	-	131,094	131,094	-	-	-	393,282	
Units held as at June June 30,2024 (348,077 units)	-	-	-	-	-	-	-	-	-	348,077	-	-	348,077	
Units held as at June June 30,2024 (2,440,125 units)	-	-	-	-	-	-	-	-	-	-	2,440,125	-	2,440,125	
Units held as at June June 30,2024 (234,884 units)	-	-	-	-	-	-	-	-	-	-	-	234,884	234,884	

AL HABIB FIXED RETURN FUND

	June 30, 2023													TOTAL
	BAH FRF PLAN 1	BAH FRF PLAN 2	BAH FRF PLAN 3	BAH FRF PLAN 4	BAH FRF PLAN 5	BAH FRF PLAN 6	BAH FRF PLAN 7	BAH FRF PLAN 8	BAH FRF PLAN 9	BAH FRF PLAN 10	BAH FRF PLAN 11	BAH FRF PLAN 12	BAH FRF PLAN 13	
	Rupees in '000													
AL Habib Asset Management Limited - Management Company														
Remuneration of the Management Company	4,538	1,762	2,132	300	-	-	-	-	-	-	-	-	-	8,732
Sindh Sales Tax on remuneration of the Management Company	591	230	279	40	-	-	-	-	-	-	-	-	-	1,140
Allocation of expenses related to registrar services, accounting, operation and valuation services	1,105	434	-	169	-	-	-	-	-	-	-	-	-	1,708
Central Depository Company of Pakistan Limited - Trustee														
Remuneration of the Trustee	215	59	93	1	14	17	-	-	-	-	-	-	-	399
Sindh Sales Tax on remuneration of the Trustee	28	8	12	-	2	2	-	-	-	-	-	-	-	52
Bank Al Habib Limited - Sponsor														
Bank Balances	11,615	4,433	1,112	912	743	875	-	-	-	-	-	-	-	19,690
Profit Receivable	-	-	774	-	180	-	-	-	-	-	-	-	-	954
Other Connected Persons														
Units held as at June 30, 2023 (10,487,748 Units)	-	-	1,050,660,491	-	-	-	-	-	-	-	-	-	-	1,050,660,491
Units held as at June 30, 2023 (6,684,717 Units)	-	-	-	668,471,654	-	-	-	-	-	-	-	-	-	668,471,654
Units held as at June 30, 2023 (7,447,340 Units)	-	-	-	-	744,734,013	-	-	-	-	-	-	-	-	744,734,013
Units held as at June 30, 2023 (11,084,277 Units)	-	-	-	-	-	1,109,355,429	-	-	-	-	-	-	-	1,109,355,429
Directors and Key Executives														
Purchase of units of the plan (513,843 units)	-	-	51,476,666	-	-	-	-	-	-	-	-	-	-	51,476,666
Purchase of units of the plan (250,000 units)	-	-	-	-	-	-	-	-	-	-	-	-	25,020,925	25,020,925

18. FINANCIAL RISK MANAGEMENT

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

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

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

18.1 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.

Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

18.1.1 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.

18.1.2 Interest rate risk

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

a) Sensitivity analysis for variable rate instruments

As at the reporting date, the fund holds variable profit based investment and bank balances exposing the fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in interest rates at period end with all other variables held constant, the net income for the period and the net assets would have been higher / lower by Rs 62.78 million (2023: Rs. 0.89 million).

b) Sensitivity analysis for fixed rate instruments

The Fund is exposed to fair value interest rate risk for investment in government securities.

In case of 100 basis points increase in interest rates on June 30, 2024, with all other variables held constant, the net income for the period and the net assets would have been lower / higher by Rs 52.22 million (2023: Rs. 3.83 million).

BAH FRF Plan 1
June 30, 2024

Particulars	Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / Interest rate risk	Total
		Rupees in '000				
		Upto three months	More than three months and upto one year	More than one year		
On-balance sheet financial instruments						
Financial assets						
Bank balances	19.25% - 21.50%	-	-	-	-	-
Investments - net		-	-	-	-	-
Profit receivable		-	-	-	-	-
Sub total		-	-	-	-	-
Financial liabilities						
Payable to the Management Company		-	-	-	-	-
Payable to the Trustee		-	-	-	-	-
Payable to Securities and Exchange Commission of Pakistan		-	-	-	-	-
Payable against redemption of units		-	-	-	-	-
Accrued expenses and other liabilities		-	-	-	-	-
Sub total		-	-	-	-	-
On-balance sheet gap (a)		-	-	-	-	-
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		-	-	-	-	-
Cumulative interest rate sensitivity gap		-	-	-	-	-

BAH FRF Plan 3
June 30, 2024

Particulars	Effective yield / interest rate %	Exposed to yield / interest rate risk			Not exposed to yield / Interest rate risk	Total
		More than				
		Upto three months	More than three months and upto one year	More than one year		

BAH FRF Plan 4
June 30, 2024

Particulars	Effective yield / interest rate	Rupees in '000				Total
		Exposed to yield / interest rate risk			Not exposed to yield / Interest rate risk	
		Upto three months	More than three months and upto one year	More than one year		
On-balance sheet financial instruments						
Financial assets						
Bank balances	19.25% - 21.50%	1,713	-	-	1,713	4,100
Investments - net		-	-	-	-	-
Profit receivable		-	-	-	-	-
Sub total		1,713	-	-	1,282	1,019
Financial liabilities						
Payable to the Management Company		-	-	-	-	-
Payable to the Trustee		-	-	-	-	-
Payable to Securities and Exchange Commission of Pakistan		-	-	-	-	-
Payable against redemption of units		-	-	-	-	-
Accrued expenses and other liabilities		-	-	-	-	-
Sub total		-	-	-	-	-
On-balance sheet gap (a)		1,713	-	-	1,282	1,019
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		1,713	-	-	1,282	1,019
Cumulative interest rate sensitivity gap		1,713	-	-	1,282	1,019

BAH FRF Plan 5
June 30, 2024

Particulars	Effective yield / interest rate	Rupees in '000			Not exposed to yield / Interest rate risk	Total
		Exposed to three months	More than three months and upto one year	More than one year		
On-balance sheet financial instruments						
%						
Financial assets						
Bank balances	19.25% - 21.50%	798	-	-	-	798
Investments - net		-	-	-	-	-
Profit receivable		-	-	-	-	-
Sub total		798	-	-	40	838
Financial liabilities						
Payable to the Management Company		-	-	-	642	642
Payable to the Trustee		-	-	-	2	2
Payable to the SECP		-	-	-	-	-
Payable against redemption of units		-	-	-	-	-
Accrued expenses and other liabilities		-	-	-	194	194
Sub total		-	-	-	838	838
On-balance sheet gap (a)		798	-	-	(798)	-
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		798	-	-	(798)	-
Cumulative interest rate sensitivity gap		798	-	-	(798)	-

Particulars	Effective yield / interest rate	Rupees in '000			Not exposed to yield / Interest rate risk	Total
		Exposed to three months	More than three months and upto one year	More than one year		
On-balance sheet financial instruments						
%						
Financial assets						
Bank balances	19.25% - 21.50%	1,029,903	-	-	-	1,029,903
Investments - net		-	-	-	-	-
Profit receivable		-	-	-	-	-
Sub total		1,029,903	-	-	4,074	1,033,977
Financial liabilities						
Payable to the Management Company		-	-	-	7,025	7,025
Payable to the Trustee		-	-	-	264	264
Payable to the SECP		-	-	-	162	162
Payable against redemption of units		-	-	-	-	-
Accrued expenses and other liabilities		-	-	-	33,077	33,077
Sub total		-	-	-	40,528	40,528
On-balance sheet gap (a)		1,029,903	-	-	(36,454)	993,449
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		1,029,903	-	-	(36,454)	993,449
Cumulative interest rate sensitivity gap		1,029,903	-	-	-	-

BAH FRF Plan 6
June 30, 2024

Particulars	Effective yield / interest rate	Rupees in '000			Not exposed to yield / Interest rate risk	Total
		Exposed to three months	More than three months and upto one year	More than one year		
On-balance sheet financial instruments						
%						
Financial assets						
Bank balances	19.25% - 21.50%	798	-	-	-	798
Investments - net		-	-	-	-	-
Profit receivable		-	-	-	-	-
Sub total		798	-	-	40	838
Financial liabilities						
Payable to the Management Company		-	-	-	642	642
Payable to the Trustee		-	-	-	2	2
Payable to the SECP		-	-	-	-	-
Payable against redemption of units		-	-	-	-	-
Accrued expenses and other liabilities		-	-	-	194	194
Sub total		-	-	-	838	838
On-balance sheet gap (a)		798	-	-	(798)	-
Off-balance sheet financial instruments						
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		798	-	-	(798)	-
Cumulative interest rate sensitivity gap		798	-	-	(798)	-

Particulars	Effective yield / interest rate	Rupees in '000			Not exposed to yield / Interest rate risk	Total
		Exposed to three months	More than three months and upto one year	More than one year		
On-balance sheet financial instruments						
%						
Financial assets						
Bank balances	19.25% - 21.50%	1,029,903	-	-	-	1,029,903
Investments - net		-	-	-	-	-
Profit receivable		-	-	-	-	-
Sub total		1,029,903	-	-	4,074	1,033,977
Financial liabilities						
Payable to the Management Company		-	-	-	7,025	7,025
Payable to the Trustee		-	-	-	264	264
Payable to the SECP		-	-	-	162	162
Payable against redemption of units		-	-	-	-	-
Accrued expenses and other liabilities		-	-	-	33,077	33,077
Sub total		-	-	-	40,528	40,528
On-balance sheet gap (a)		1,029,903	-	-	(36,454)	993,449
Off-balance sheet financial instruments						
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		1,029,903	-	-	(36,454)	993,449
Cumulative interest rate sensitivity gap		1,029,903	-	-	(36,454)	993,449

BAH FRF Plan 7
June 30, 2024

Particulars	Effective yield / interest rate	Rupees in '000				Not exposed to yield / Interest rate risk	Total
		Exposed to yield / interest rate risk			More than one year		
		Upto three months	More than three months and upto one year	More than one year			
On-balance sheet financial instruments							
%							
Financial assets							
Bank balances	19.25% - 21.50%	268	-	-	-	268	9,073
Investments - net		-	-	-	-	-	3,216
Profit receivable		-	-	-	-	-	920
Sub total		268	-	-	-	268	13,209
Financial liabilities							
Payable to the Management Company		-	-	215	-	215	1,441
Payable to the Trustee		-	-	6	-	6	94
Payable to the SECP		-	-	1	-	1	118
Payable against redemption of units		-	-	46	-	46	-
Accrued expenses and other liabilities		-	-	-	-	-	8,559
Sub total		-	-	268	-	268	10,212
On-balance sheet gap (a)		268	-	(268)	-	-	2,997
Off-balance sheet financial instruments							
Off-balance sheet gap (b)		-	-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		268	-	(268)	-	-	2,997
Cumulative interest rate sensitivity gap		268	-	(268)	-	-	2,997

BAH FRF Plan 8
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Particulars	Effective yield / interest rate	Rupees in '000				Not exposed to yield / Interest rate risk	Total
		Exposed to yield / interest rate risk			More than one year		
		Upto three months	More than three months and upto one year	More than one year			
On-balance sheet financial instruments							
%							
Financial assets							
Bank balances	19.25% - 21.50%	268	-	-	268	-	9,073
Investments - net		-	-	-	-	3,216	3,216
Profit receivable		-	-	-	-	920	920
Sub total		268	-	-	268	-	13,209
Financial liabilities							
Payable to the Management Company		-	-	215	215	-	1,441
Payable to the Trustee		-	-	6	6	-	94
Payable to the SECP		-	-	1	1	-	118
Payable against redemption of units		-	-	46	46	-	-
Accrued expenses and other liabilities		-	-	-	-	-	8,559
Sub total		-	-	268	268	-	10,212
On-balance sheet gap (a)		268	-	(268)	-	(6,076)	2,997
Off-balance sheet financial instruments							
Off-balance sheet gap (b)		-	-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		268	-	(268)	-	(6,076)	2,997
Cumulative interest rate sensitivity gap		268	-	(268)	-	-	-

BAH FRF Plan 9
June 30, 2024

Particulars	Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / Interest rate risk	Total
		Upto three months	More than three months and upto one year	More than one year		
On-balance sheet financial instruments						
Financial assets						
Bank balances	19.25% - 21.50%	-	-	-	-	-
Investments - net		-	-	-	1,464,666	1,464,666
Profit receivable		-	-	-	1	1
Sub total		-	-	-	1,464,667	1,464,667
Financial liabilities						
Payable to the Management Company		-	-	-	2,588	2,588
Payable to the Trustee		-	-	-	114	114
Payable to the SECP		-	-	-	89	89
Payable against redemption of units		-	-	-	-	-
Accrued expenses and other liabilities		-	-	-	23,046	23,046
Sub total		-	-	-	25,837	25,837
On-balance sheet gap (a)		-	-	-	1,438,830	1,438,830
Off-balance sheet financial instruments						
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		-	-	-	1,438,830	1,438,830
Cumulative interest rate sensitivity gap		-	-	-	-	-

Particulars	Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / Interest rate risk	Total
		Upto three months	More than three months and upto one year	More than one year		
On-balance sheet financial instruments						
Financial assets						
Bank balances	19.25% - 21.50%	-	-	-	-	-
Investments - net		-	-	-	521,351	521,351
Profit receivable		-	-	-	10	10
Sub total		-	-	-	521,361	521,714
Financial liabilities						
Payable to the Management Company		-	-	-	765	765
Payable to the Trustee		-	-	-	26	26
Payable to the SECP		-	-	-	32	32
Payable against redemption of units		-	-	-	-	-
Accrued expenses and other liabilities		-	-	-	6,867	6,867
Sub total		-	-	-	7,690	7,690
On-balance sheet gap (a)		-	-	-	513,671	514,024
Off-balance sheet financial instruments						
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		-	-	-	513,671	514,024
Cumulative interest rate sensitivity gap		-	-	-	-	-

BAH FRF Plan 10
June 30, 2024

Effective yield / interest rate	Rupees in '000				Not exposed to yield / Interest rate risk	Total
	Exposed to yield/ interest rate risk					
	Upto three months	More than three months and upto one year	More than one year			
% 19.25% - 21.50%	353	-	-	-	-	353
	-	-	-	-	521,351	521,351
	-	-	-	10	-	10
	353	-	-	-	521,361	521,714
	-	-	-	-	765	765
	-	-	-	26	-	26
	-	-	-	32	-	32
	-	-	-	-	-	-
	-	-	-	-	6,867	6,867
	353	-	-	-	7,690	7,690
-	-	-	-	513,671	514,024	
-	-	-	-	-	-	
-	-	-	-	-	-	
353	-	-	-	513,671	514,024	
353	-	-	-	-	-	

BAH FRF Plan 11
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Particulars	Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / Interest rate risk	Total
		Upto three months	More than			
			three months and upto one year	one year		
On-balance sheet financial instruments						
Financial assets						
Bank balances	19.25% - 21.50%	4,085	-	-	-	4,085
Investments - net		-	-	-	3,233,202	3,233,202
Profit receivable		-	-	-	524	524
Sub total		4,085	-	-	3,233,726	3,237,811
Financial liabilities						
Payable to the Management Company		-	-	-	3,215	3,215
Payable to the Trustee		-	-	-	189	189
Payable to the SECP		-	-	-	227	227
Payable against redemption of units		-	-	-	-	-
Accrued expenses and other liabilities		-	-	-	29,874	29,874
Sub total		-	-	-	33,505	33,505
On-balance sheet gap (a)		4,085	-	-	3,200,221	3,204,306
Off-balance sheet financial instruments						
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		4,085	-	-	3,200,221	3,204,306
Cumulative interest rate sensitivity gap		4,085	-	-	3,200,221	3,204,306

Particulars	Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / Interest rate risk	Total
		Upto three months	More than			
			three months and upto one year	one year		
On-balance sheet financial instruments						
Financial assets						
Bank balances	19.25% - 21.50%	50	-	-	-	50
Investments - net		-	-	-	1,060,809	1,060,809
Profit receivable		-	-	-	23	23
Sub total		50	-	-	1,060,832	1,060,882
Financial liabilities						
Payable to the Management Company		-	-	-	682	682
Payable to the Trustee		-	-	-	47	47
Payable to the SECP		-	-	-	63	63
Payable against redemption of units		-	-	-	-	-
Accrued expenses and other liabilities		-	-	-	12	12
Sub total		-	-	-	804	804
On-balance sheet gap (a)		50	-	-	1,060,028	1,060,078
Off-balance sheet financial instruments						
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		50	-	-	1,060,028	1,060,078
Cumulative interest rate sensitivity gap		50	-	-	1,060,028	1,060,078

BAH FRF Plan 13
June 30, 2024

Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
	Upto three months	More than three months and upto one year	More than one year		
%	Rupees in '000				
	On-balance sheet financial instruments				
	Financial assets				
	50	-	-	-	50
	-	-	-	1,060,809	1,060,809
	-	-	-	23	23
	50	-	-	1,060,832	1,060,882
	Financial liabilities				
	-	-	-	682	682
	-	-	-	47	47
-	-	-	63	63	
-	-	-	-	-	
-	-	-	12	12	
-	-	-	804	804	
50	-	-	1,060,028	1,060,078	
-	-	-	-	-	
-	-	-	-	-	
50	-	-	1,060,028	1,060,078	
50	-	-	-	-	

18.2 Credit risk

Credit risk represents the risk of a loss if the counter parties fail to perform as contracted. The Fund's credit risk is primarily attributable to bank balances (financial institutions) and receivables from banks.

Management of credit risk

The Fund keeps deposits with reputed financial institutions. All transactions in units are settled / paid for upon delivery using the system of Trustee. 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.

18.2.1 The analysis below summarises the credit quality of the Fund's financial assets as at June 30, 2024.

Bank	BAH-FRF Plan 1	BAH-FRF Plan 2	BAH-FRF Plan 3	BAH-FRF Plan 4	BAH-FRF Plan 5	BAH-FRF Plan 6	BAH-FRF Plan 7	BAH-FRF Plan 8	BAH-FRF Plan 9	BAH-FRF Plan 10	BAH-FRF Plan 11	BAH-FRF Plan 13	Latest available published rating as at June 30, 2024	Rating agency
Rupees in '000														
Bank Al Habib Limited	-	-	1,713	4,100	798	1,029,903	268	9,073	-	353	4,085	50	A1+	PACRA
	-	-	1,713	4,100	798	1,029,903	268	9,073	-	353	4,085	50		

18.2.2 The analysis below summarizes the credit quality of the Fund's credit exposure:

Rating by rating category

A1+

There is no exposure other than bank balance as disclosed above as at June 30, 2024.

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 major asset balances are held with a single bank. The management believes that these banks are reputed institution.

18.3 Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations arising from its financial liabilities that are settled by delivering cash or another financial asset, or that such obligations will have to be settled in a manner disadvantageous to the Fund.

The Fund is exposed to non-payment of redemptions request on a regular basis. Units are redeemable at the holder's option based on the Fund's net asset value per unit at the time of redemption calculated in accordance with the Fund's constitutive document and guidelines laid down by the SECP.

Management of liquidity risk

The Fund's policy is to manage this risk by investing majority of its assets in investments that are traded in an active market and can be readily disposed off.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is, therefore, to invest the majority of its assets either in short term instruments or in investments that are traded in an active market and can be readily disposed and are considered readily realisable in order to maintain liquidity.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

The table below summarises the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

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

Particular	BAH FRF Plan 1			BAH FRF Plan 2			BAH FRF Plan 3			BAH FRF Plan 4		
	Upto three months	More than three months and upto one year	Over one year	Upto three months	More than three months and upto one year	Over one year	Upto three months	More than three months and upto one year	Over one year	Upto three months	More than three months and upto one year	Over one year
Rupees in '000												
Financial liabilities												
Payable to the Management Company	-	-	-	-	-	-	2,467	-	-	1,789	-	-
Payable to the Trustee	-	-	-	-	-	-	165	-	-	90	-	-
Payable to Securities and Exchange Commission of Pakistan	-	-	-	-	-	-	58	-	-	9	-	-
Payable against redemption of units	-	-	-	-	-	-	-	-	-	-	-	-
Accrued expenses and other liabilities	-	-	-	-	-	-	305	-	-	3,231	-	-
	-	-	-	-	-	-	6,051	-	-	5,119	-	-

Particular	BAH FRF Plan 5			BAH FRF Plan 6			BAH FRF Plan 7			BAH FRF Plan 8		
	Upto three months	More than three months and upto one year	Over one year	Upto three months	More than three months and upto one year	Over one year	Upto three months	More than three months and upto one year	Over one year	Upto three months	More than three months and upto one year	Over one year
Rupees in '000												
Financial liabilities												
Payable to the Management Company	642	-	-	7,025	-	-	215	-	-	1,441	-	-
Payable to the Trustee	2	-	-	264	-	-	6	-	-	94	-	-
Payable to Securities and Exchange Commission of Pakistan	-	-	-	162	-	-	1	-	-	118	-	-
Payable against redemption of units	-	-	-	-	-	-	46	-	-	-	-	-
Accrued expenses and other liabilities	184	-	-	33,067	-	-	-	-	-	7,672	-	-
	828	-	-	40,518	-	-	268	-	-	9,325	-	-

Particular	BAH FRF Plan 9			BAH FRF Plan 10			BAH FRF Plan 11			BAH FRF Plan 13			Total
	Upto three months	More than three months and upto one year	Over one year	Upto three months	More than three months and upto one year	Over one year	Upto three months	More than three months and upto one year	Over one year	Upto three months	More than three months and upto one year	Over one year	
----- Rupees in '000 -----													
Financial liabilities													
Payable to the Management Company	2,588	-	-	765	-	-	3,215	-	-	682	-	-	20,829
Payable to the Trustee	114	-	-	26	-	-	189	-	-	47	-	-	997
Payable to Securities and Exchange Commission of Pakistan	89	-	-	32	-	-	227	-	-	63	-	-	759
Payable against redemption of units	-	-	-	-	-	-	-	-	-	-	-	-	46
Accrued expenses and other liabilities	21,055	-	-	6,857	-	-	29,874	-	-	2	-	-	102,247
	13,415	-	-	5,890	-	-	33,505	-	-	794	-	-	124,878

Particular	BAH FRF Plan 1			BAH FRF Plan 2			BAH FRF Plan 3		
	Upto three months	More than three months and upto one year	Over one year	Upto three months	More than three months and upto one year	Over one year	Upto three months	More than three months and upto one year	Over one year
Rupees in '000									
Financial liabilities									
Payable to the Management Company	6,234	-	-	2,426	-	-	2,411	-	-
Payable to the Trustee	243	-	-	67	-	-	105	-	-
Payable to Securities and Exchange Commission of Pakistan	78	-	-	6	-	-	28	-	-
Accrued expenses and other liabilities	6,860	-	-	3,391	-	-	3,507	-	-
	13,415	-	-	5,890	-	-	6,051	-	-

Particular	BAH FRF Plan 4			BAH FRF Plan 5			BAH FRF Plan 6			Total
	Upto three months	More than three months and upto one year	Over one year	Upto three months	More than three months and upto one year	Over one year	Upto three months	More than three months and upto one year	Over one year	
----- Rupees in '000 -----										
Financial liabilities										
Payable to the Management Company	509	-	-	-	-	-	-	-	-	11,580
Payable to the Trustee	1	-	-	16	-	-	19	-	-	451
Payable to Securities and Exchange Commission of Pakistan	-	-	-	5	-	-	6	-	-	123
Accrued expenses and other liabilities	445	-	-	295	-	-	-	-	-	14,498
	955	-	-	316	-	-	25	-	-	26,652

19 UNITHOLDERS' FUND RISK MANAGEMENT

The unitholders' fund is represented by the net assets attributable to unitholders / redeemable units. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily issuance and redemptions at the discretion of unit holders. These unitholders of the Fund are entitled to distributions and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the statement of movement in unitholders' fund. Unitholders fund risk management is carried out by the Management Company through following steps:

- Monitors the level of daily issuance and redemptions relative to the liquid assets and adjusts the amount of distributions the Fund pays to the unitholders;
- Redeems and issues units in accordance with the constitutive documents of the Fund. This includes the Fund's ability to restrict redemptions; and
- The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management Company critically track the movement of 'Assets under Management'. The Board of Directors is updated regarding key performance indicators, e.g. yield and movement of NAV and total Fund size at the end of each quarter.

The Fund has maintained and complied with the requirements of minimum fund size during the current period.

20 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 amount 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.

As per the requirements of IFRS 7 (Financial Instruments: Disclosures) and IFRS 13 (Fair Value Measurement), 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, 2024						
		BAH FRF Plan 1						
Particulars		Carrying amount			Fair value			
		Fair value through profit or loss	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
	Note	----- Rupees in '000 -----						
Financial assets measured at fair value	20.1							
Investments		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
Financial assets measured at amortised cost	20.2							
Bank balances		-	-	-				
		-	-	-				
Financial liabilities measured at amortised cost	20.2							
Payable to the Management Company		-	-	-				
Payable to the Trustee		-	-	-				
Payable to Securities and Exchange Commission of Pakistan		-	-	-				
Payable against redemption of units		-	-	-				
Accrued expenses and other liabilities		-	-	-				
		-	-	-				

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BAH FRF Plan 2

BAN FKP Plan 2								
Particulars	Note	Carrying amount			Fair value			
		Fair value through profit or loss	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
		Rupees in '000						
Financial assets measured at fair value	20.1							
Investments		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
Financial assets measured at amortised cost	20.2							
Bank balances		-	-	-				
		-	-	-				
Financial liabilities measured at amortised cost	20.2							
Payable to the Management Company		-	-	-				
Payable to the Trustee		-	-	-				
Payable to Securities and Exchange Commission of Pakistan		-	-	-				
Payable against redemption of units		-	-	-				
Accrued expenses and other liabilities		-	-	-				
		-	-	-				

June 30, 2024
BAH FRF Plan 3

		Carrying amount			Fair value			
Particulars		Fair value through profit or loss	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
	Note	Rupees in '000						
Financial assets measured at fair value	20.1							
Investments		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
Financial assets measured at amortised cost	20.2							
Bank balances		-	1,713	1,713				
		-	1,713	1,713				
Financial liabilities measured at amortised cost	20.2							
Payable to the Management Company		-	2,467	2,467				
Payable to the Trustee		-	165	165				
Payable to Securities and Exchange Commission of Pakistan		-	58	58				
Payable against redemption of units		-	-	-				
Accrued expenses and other liabilities		-	305	305				
		-	2,995	2,995				

June 30, 2024
BAH FRF Plan 4

		Carrying amount			Fair value			
Particulars		Fair value through profit or loss	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
	Note	Rupees in '000						
Financial assets measured at fair value	20.1							
Investments		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
Financial assets measured at amortised cost	20.2							
Bank balances		-	4,100	4,100				
		-	4,100	4,100				
Financial liabilities measured at amortised cost	20.2							
Payable to the Management Company		-	1,790	1,790				
Payable to the Trustee		-	90	90				
Payable to Securities and Exchange Commission of Pakistan		-	9	9				
Payable against redemption of units		-	-	-				
Accrued expenses and other liabilities		-	3,231	3,231				
		-	5,120	5,120				

AL HABIB FIXED RETURN FUND

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BAH FRF Plan 5

BAP FKP Plan 5								
Carrying amount				Fair value				
Particulars	Fair value through profit or loss	Amortised Cost	Total	Level 1	Level 2	Level 3	Total	
Note	Rupees in '000							
Financial assets measured at fair value	20.1							
Investments	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	
Financial assets measured at amortised cost	20.2							
Bank balances	-	798	798					
	-	798	798					
Financial liabilities measured at amortised cost	20.2							
Payable to the Management Company	-	642	642					
Payable to the Trustee	-	2	2					
Payable to Securities and Exchange Commission of Pakistan	-	-	-					
Payable against redemption of units	-	-	-					
Accrued expenses and other liabilities	-	194	194					
	-	838	838					

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BAH FRF Plan 6

BAN FKP Plan 6								
Particulars	Note	Carrying amount			Fair value			
		Fair value through profit or loss	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
		Rupees in '000						
Financial assets measured at fair value	20.1							
Investments		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
Financial assets measured at amortised cost	20.2							
Bank balances			1,029,903	1,029,903				
		-	1,029,903	1,029,903				
Financial liabilities measured at amortised cost	20.2							
Payable to the Management Company		-	7,025	7,025				
Payable to the Trustee		-	264	264				
Payable to Securities and Exchange Commission of Pakistan		-	162	162				
Payable against redemption of units		-	-	-				
Accrued expenses and other liabilities		-	33,077	33,077				
		-	40,528	40,528				

June 30, 2024

BAH FRF Plan 7

BAN FRP Plan /

Particulars	Carrying amount			Fair value			
	Fair value through profit or loss	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
	Note	Rupees in '000					
Financial assets measured at fair value	20.1						
Investments		-	-	-	-	-	-
		-	-	-	-	-	-
Financial assets measured at amortised cost	20.2						
Bank balances		-	268	268			
		-	268	268			
Financial liabilities measured at amortised cost	20.2						
Payable to the Management Company		-	215	215			
Payable to the Trustee		-	6	6			
Payable to Securities and Exchange Commission of Pakistan		-	1	1			
Payable against redemption of units		-	46	46			
Accrued expenses and other liabilities		-	-	-			
		-	268	268			

AL HABIB FIXED RETURN FUND

June 30, 2024

BAH FRF Plan 8

BAN PRATIAN 8

Particulars	Carrying amount			Fair value				
	Fair value through profit or loss	Amortised Cost	Total	Level 1	Level 2	Level 3	Total	
Note	Rupees in '000							
Financial assets measured at fair value	20.1							
Investments		3,216	-	3,216	-	3,216	-	3,216
		3,216	-	3,216	-	3,216	-	3,216
Financial assets measured at amortised cost	20.2							
Bank balances			9,073	9,073				
		-	9,073	9,073				
Financial liabilities measured at amortised cost	20.2							
Payable to the Management Company		-	1,441	1,441				
Payable to the Trustee		-	94	94				
Payable to Securities and Exchange Commission of Pakistan		-	118	118				
Payable against redemption of units		-	-	-				
Accrued expenses and other liabilities		-	8,559	8,559				
		-	10,212	10,212				

June 30, 2024

BAH FRF Plan 9

BAN FKT Plan 9

Particulars	Carrying amount			Fair value				
	Fair value through profit or loss	Amortised Cost	Total	Level 1	Level 2	Level 3	Total	
Note	Rupees in '000							
Financial assets measured at fair value	20.1							
Investments		1,464,666	-	1,464,666	-	1,464,666	-	1,464,666
		1,464,666	-	1,464,666	-	1,464,666	-	1,464,666
Financial assets measured at amortised cost	20.2							
Bank balances			-	-				
			-	-				
Financial liabilities measured at amortised cost	20.3							
Payable to the Management Company		-	2,588	2,588				
Payable to the Trustee		-	114	114				
Payable to the Trustee		-	89	89				
Payable against redemption of units		-	-	-				
Accrued expenses and other liabilities		-	23,046	23,046				
		-	25,837	25,837				

June 30, 2024

BAH FRF Plan 10

BAH PRF Plan 10								
Particulars	Carrying amount			Fair value				
	Fair value through profit or loss	Amortised Cost	Total	Level 1	Level 2	Level 3	Total	
Note	----- Rupees in '000 -----							
Financial assets measured at fair value	20.1							
Investments		521,351	-	521,351	-	521,351	-	521,351
		521,351	-	521,351	-	521,351	-	521,351
Financial assets measured at amortised cost	20.2							
Bank balances			353	353				
		-	353	353				
Financial liabilities measured at amortised cost	20.3							
Payable to the Management Company		-	765	765				
Payable to the Trustee		-	26	26				
Payable to the Trustee		-	32	32				
Payable against redemption of units		-	-	-				
Accrued expenses and other liabilities		-	6,867	6,867				
		-	7,690	7,690				

AL HABIB FIXED RETURN FUND

June 30, 2024

BAH FRF Plan 11

Particulars		Carrying amount			Fair value			
		Fair value through profit or loss	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
	Note	----- Rupees in '000 -----						
Financial assets measured at fair value	20.1							
Investments		3,233,202	-	3,233,202	-	3,233,202	-	3,233,202
		3,233,202	-	3,233,202	-	3,233,202	-	3,233,202
Financial assets measured at amortised cost	20.2							
Bank balances			4,085	4,085				
		-	4,085	4,085				
Financial liabilities measured at amortised cost	20.3							
Payable to the Management Company		-	3,215	3,215				
Payable to the Trustee		-	189	189				
Payable to the Trustee		-	227	227				
Payable against redemption of units		-	-	-				
Accrued expenses and other liabilities		-	29,874	29,874				
		-	33,505	33,505				

June 30, 2024

BAH FRF Plan 13

Particulars		Carrying amount			Fair value			
		Fair value through profit or loss	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
	Note	----- Rupees in '000 -----						
Financial assets measured at fair value	20.1							
Investments		1,060,809	-	1,060,809	-	1,060,809	-	1,060,809
		1,060,809	-	1,060,809	-	1,060,809	-	1,060,809
Financial assets measured at amortised cost	20.2							
Bank balances			50	50				
		-	50	50				
Financial liabilities measured at amortised cost	20.3							
Payable to the Management Company		-	682	682				
Payable to the Trustee		-	47	47				
Payable to the Trustee		-	63	63				
Payable against redemption of units			-					
Accrued expenses and other liabilities		-	12	12				
		-	804	804				

20.1 Valuation techniques

For level 2 investments at fair value through profit or loss in units of mutual funds, Fund uses PKRV and PKFRV rates which are taken from MUFAP, for the purpose of computation of Market value at the reporting date.

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

20.3 Transfers during the year

No transfer were made between various levels of fair value hierarchy during the year.

21 PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER

Details of members of the Investment Committee of the Fund as on June 30, 2024 are as follows:

S. No.	Name	Designation	Qualification	Experience in years
1	Mr. Kashif Rafi	Chief Executive Officer	MBA - IBA	23
2	Mr. Zahid Hussain Vasnani	Chief Operating Officer & Company Secretary	CA- Affiliate	24
3	Mr. Abdul Rehman	CIO	MBA & CFA	13
4	Mr. Ahmed Abbas	Fund Manager	MBA	16
5	Mr. Talha A.Siddiqui	Fund Manager	MA in Economics	11
6	Mr. Umar Bin Hassan	Manager Risk & Research	MS - IBA	6

AL HABIB FIXED RETURN FUND

22 ATTENDANCE AT MEETINGS OF THE BOARD OF DIRECTORS

Four meetings of the Board of Directors were held on August 17, 2023 and October 19, 2023, January 25, 2024, April 18, 2024 respectively. Information in respect of the attendance by the Directors in the meetings is given below:

S. No.	Name of Director	Number of meetings			Meeting not attended
		Held	Attended	Leave granted	
1	Mr. Abbas D.Habib	4	3	1	99th Meeting
2	Mr. Mansoor Ali Khan	4	4	-	-
3	Mr. Saeed Allawala	4	4	-	-
4	Ms. Zarine Aziz	4	1	3	99th, 100th and 101st Meeting
5	Mr. Imran Azim	4	3	1	100th Meeting
6	Mr. Kashif Rafi	4	4	-	-

23 TOTAL EXPENSE RATIO

TER of the Fund for the year ended 30 June 2024 of (Al Fixed Return Plan 06, Plan 08, Plan 09, Plan 10, Plan 11 and Plan 13) is 1.29%, 1.65%, 0.98%, 0.88%, 0.70% and 0.95 which include 0.20%, 0.24%, 0.17%, 0.15%, 0.14% and 0.17% representing government levies and SECP fee. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an income scheme.

24. CORRESPONDING FIGURES

Corresponding figures have been arranged and reclassified, wherever necessary for the purpose of comparison and for better presentation.

25 GENERAL

25.1 Figures have been rounded off to the nearest thousand rupees, unless otherwise stated.

26 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 01, 2024 by the Board of Directors of the Management Company.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ANNUAL FUND MANAGER REPORT FINANCIAL YEAR 2024

Fund Objective

The AL Habib Fixed Return Fund - Plan 3 (AHFRF Plan 3) is Allocation Plans under "AL Habib Fixed Return Fund (AHFRF)" with an objective to provide investors with a competitive rate of returns, for fixed tenure by investing primarily in instruments for a specific duration.

Fund Objective Achieved:

The Fund has achieved its stated objective.

Strategies and Policies Employed during the period under review:

The AHFRP3 maintained the strategy to maintain exposure in high stability and low volatility avenues as mentioned in the objectives of the Fund, wherein major portion of investment was held with short tenor T-bills.

Performance of the fund with benchmark

The Fund outperformed it's benchmark by 148 bps as it posted YTD return of 20.54% as against the benchmark of 19.06%

Fund Description

Fund Type & Category	Open Ended - Fixed Rate/ Return Scheme	External Auditors	BDO Ebrahim & Co. Chartered Accountants
Launch Date	May 02, 2023	Management Fee	10% of the annual gross earnings of the Scheme
Benchmark	70% PKRV and 30% average deposit rate of three (3) AA rated scheduled Banks as selected by MUFAP of comparable period of the plan at the time of plan launch.	Contingent Load	Contingent Load will be charged which shall commensurate with net loss incurred due to early redemption.
Annual Return	20.54%	Minimum Investment	Initial investment of Rs. 100,000/-
Benchmark	21.06%	Dealing Days/Timings	Monday to Friday 9:00 am to 4:30 pm
Net Assets	Rs. 1051 million (June 30, 2023)	AMC Rating	"AM2+" by PACRA
NAV per unit	Rs. 100.1798 per unit (June 30, 2023)	Trustee	Central Depository Company of Pakistan Limited.
Pricing Mechanism	Forward Pricing	Maturity Date	July 14, 2023
Risk Profile	Low (Principal at low risk)		

Market Review:

During FY24, Pakistan's money market witnessed significant improvements, driven by enhanced macroeconomic conditions. The most notable development was the substantial drop in headline inflation, which decreased from a peak of 29.4% in June 2023 to 12.6% by June 2024. This sharp decline in inflation created room for the State Bank of Pakistan (SBP) to adopt a more accommodative monetary policy stance. In response, the SBP reduced the policy rate by 150 basis points, bringing it down to 20.5% from the previous high of 22%. This was a strategic move, reflecting stabilizing macroeconomic indicators and an improved inflation outlook.

Key among these indicators was the narrowing of Pakistan's current account deficit, which fell dramatically from PKR 3.27 trillion in FY23 to PKR 0.68 trillion in FY24. This development, coupled with better fiscal management, played a crucial role in stabilizing the exchange rate. The Pakistani rupee (PKR) traded within a narrow range of 274.5 to 281 PKR per USD during the year. Another

AL HABIB FIXED RETURN FUND

notable factor is, while the SBP helped manage currency depreciation risks, it did not aim to keep the exchange rate fixed at any pre-determined level. Moreover, Pakistan recorded a Current Account deficit of 62 USD Million in the second quarter of 2024. Current Account in Pakistan averaged at -799.26 USD Million from 1976 until 2024.

The SBP's interventions in the money market included substantial injections of liquidity through Open Market Operations (OMO), the SBP injected a total of PKR 11.9 trillion in June 2024 as compared to 7.99 trillion in same period last year.

Overall, FY24 marked a year of positive shifts for Pakistan's money market, characterized by lower inflation, stable interest rates, and improved external balances. These developments indicate a favourable outlook for FY25, with expectations of continued monetary easing and enhanced market stability.

PKRV Rates			
Tenor	As at June 30, 2024	As at June 30, 2023	Change (Bps)
3 Months	19.97	22.65	-268
6 Months	19.91	22.87	-296
12 Months	18.62	22.93	-431
3 Years	16.65	19.47	-282
5 Years	15.37	16.08	-71

PKRV Rates		
Date	Policy Rate	Change (Bps)
11-Jun-24	20.5	150
27-Jun-23	22	-

Asset Allocation of Fund (as a % of total assets)

Particulars	30-Jun-23	30-Jun-22
Cash	0.11%	0.11%
T-Bills	99.83%	97.07%
Others	0.07%	2.82%

Income Distribution

AHFRFP3 made no distribution during FY24.

During the period under question:

There has been no significant change in the state of affairs of the Fund. Al Habib Fixed Return Fund Plan 3 does not have any soft commission arrangement with any broker in the industry.

Sales and Redemptions of Units

During the year, 2,550 units valued of Rs. 0.313 million were sold while 10,490,298 of the units valued of 1057.77 million were redeemed resulting in to a net redemption of 10,487,748 units of the value of Rs. 1057.46 billion.

Fund Performance at a Glance

June 30, 2023	
Net Assets as at August 31 (Rs. in million)	1051
NAV per unit as at August 31 (Rs.)	100.1798
Annual Return	20.54%

Fund Objective

The AL Habib Fixed Return Fund - Plan 4 (AHFRP Plan 4) is Allocation Plans under "AL Habib Fixed Return Fund (AHFRF)" with an objective to provide investors with a competitive rate of returns, for fixed tenure by investing primarily in instruments for a specific duration.

Fund Objective Achieved:

The Fund has not achieved its stated objective.

Strategies and Policies Employed during the period under review:

The AHFRP4 maintained the strategy to maintain exposure in high stability and low volatility avenues as mentioned in the objectives of the Fund, wherein major portion of investment was held with short tenor T-bills.

Performance of the fund with benchmark

The Fund underperformed its benchmark by 89 bps as it posted YTD return of 20.93% as against the benchmark of 21.82%

Fund Description

Fund Type & Category	Open Ended - Fixed Rate/ Return Scheme	External Auditors	BDO Ebrahim & Co. Chartered Accountants
Launch Date	June 15, 2023	Management Fee	10% of the annual gross earnings of the Scheme
Benchmark	70% PKRV and 30% average deposit rate of three (3) AA rated scheduled Banks as selected by MUFAP of comparable period of the plan at the time of plan launch.	Contingent Load	Contingent Load will be charged which shall commensurate with net loss incurred due to early redemption.
Annual Return	20.93%	Minimum Investment	Initial investment of Rs. 100,000/-
Benchmark	21.82%	Dealing Days/Timings	Monday to Friday 9:00 am to 4:30 pm
Net Assets	Rs. 671 million (August 31, 2023)	AMC Rating	"AM2+" by PACRA
NAV per unit	Rs. 103.5555 per unit (August 31, 2023)	Trustee	Central Depository Company of Pakistan Limited.
Pricing Mechanism	Forward Pricing	Maturity Date	September 22, 2024
Risk Profile	Low (Principal at low risk)		

Market Review:

During FY24, Pakistan's money market witnessed significant improvements, driven by enhanced macroeconomic conditions. The most notable development was the substantial drop in headline inflation, which decreased from a peak of 29.4% in June 2023 to 12.6% by June 2024. This sharp decline in inflation created room for the State Bank of Pakistan (SBP) to adopt a more accommodative monetary policy stance. In response, the SBP reduced the policy rate by 150 basis points, bringing it down to 20.5% from the previous high of 22%. This was a strategic move, reflecting stabilizing macroeconomic indicators and an improved inflation outlook.

Key among these indicators was the narrowing of Pakistan's current account deficit, which fell dramatically from PKR 3.27 trillion in FY23 to PKR 0.68 trillion in FY24. This development, coupled with better fiscal management, played a crucial role in stabilizing the exchange rate. The Pakistani rupee (PKR) traded within a narrow range of 274.5 to 281 PKR per USD during the year. Another notable factor is, while the SBP helped manage currency depreciation risks, it did not aim to keep the exchange rate fixed at any pre-determined level. Moreover, Pakistan recorded a Current Account deficit of 62 USD Million in the second quarter of 2024. Current Account in Pakistan averaged at -799.26 USD Million from 1976 until 2024.

AL HABIB FIXED RETURN FUND

The SBP's interventions in the money market included substantial injections of liquidity through Open Market Operations (OMO), the SBP injected a total of PKR 11.9 trillion in June 2024 as compared to 7.99 trillion in same period last year.

Overall, FY24 marked a year of positive shifts for Pakistan's money market, characterized by lower inflation, stable interest rates, and improved external balances. These developments indicate a favourable outlook for FY25, with expectations of continued monetary easing and enhanced market stability.

PKRV Rates			
Tenor	As at June 30, 2024	As at June 30, 2023	Change (Bps)
3 Months	19.97	22.65	-268
6 Months	19.91	22.87	-296
12 Months	18.62	22.93	-431
3 Years	16.65	19.47	-282
5 Years	15.37	16.08	-71

PKRV Rates		
Date	Policy Rate	Change (Bps)
11-Jun-24	20.5	150
27-Jun-23	22	-

Asset Allocation of Fund (as a % of total assets)

Particulars	31-Aug-23	30-Jun-23
Cash	0.10%	0.14%
T-Bills	99.81%	99.78%
Others	0.09%	0.09%

Income Distribution

AHFRP4 made no distribution during FY24.

During the period under question:

There has been no significant change in the state of affairs of the Fund. Al Habib Fixed Return Fund Plan 4 does not have any soft commission arrangement with any broker in the industry.

Sales and Redemptions of Units

During the year, 23,985 units valued of Rs. 0.002 billion were sold while 6,708,701 of the units valued of 0.696 billion were redeemed resulting in to a net redemption of 6,684,717 units of the value of Rs. 0.693 billion.

Fund Performance at a Glance

Aug 31 , 2023	
Net Assets as at August 31 (Rs. in million)	671
NAV per unit as at August 31 (Rs.)	103.5555
Annual Return	20.93%

Fund Objective

The AL Habib Fixed Return Fund - Plan 5 (AHFRF Plan 5) is Allocation Plans under "AL Habib Fixed Return Fund (AHFRF)" with an objective to provide investors with a competitive rate of returns, for fixed tenure by investing primarily in instruments for a specific duration

Fund Objective Achieved:

The Fund has not achieved its stated objective.

Strategies and Policies Employed during the period under review:

The AHFRP5 maintained the strategy to maintain exposure in high stability and low volatility avenues as mentioned in the objectives of the Fund, wherein major portion of investment was held with short tenor T-bills.

Performance of the fund with benchmark

The Fund underperformed it's benchmark by 14 bps as it posted YTD return of 21.30% as against the benchmark of 21.44%.

Fund Description

Fund Type & Category	Open Ended - Fixed Rate/ Return Scheme	External Auditors	BDO Ebrahim & Co. Chartered Accountants
Launch Date	June 15, 2023	Management Fee	10% of the annual gross earnings of the Scheme
Benchmark	70% PKRV and 30% average deposit rate of three (3) AA rated scheduled Banks as selected by MUFAP of comparable period of the plan at the time of plan launch.	Contingent Load	Contingent Load will be charged which shall commensurate with net loss incurred due to early redemption.
Annual Return	21.30%	Minimum Investment	Initial investment of Rs. 100,000/-
Benchmark	21.44%	Dealing Days/Timings	Monday to Friday 9:00 am to 4:30 pm
Net Assets	Rs. 825 million (December 31, 2023)	AMC Rating	"AM2+" by PACRA
NAV per unit	Rs. 100.7370 per unit (December 31, 2023)	Trustee	Central Depository Company of Pakistan Limited.
Pricing Mechanism	Forward Pricing	Maturity Date	January 03,2024
Risk Profile	Low (Principal at low risk)		

Market Review:

During FY24, Pakistan's money market witnessed significant improvements, driven by enhanced macroeconomic conditions. The most notable development was the substantial drop in headline inflation, which decreased from a peak of 29.4% in June 2023 to 12.6% by June 2024. This sharp decline in inflation created room for the State Bank of Pakistan (SBP) to adopt a more accommodative monetary policy stance. In response, the SBP reduced the policy rate by 150 basis points, bringing it down to 20.5% from the previous high of 22%. This was a strategic move, reflecting stabilizing macroeconomic indicators and an improved inflation outlook.

Key among these indicators was the narrowing of Pakistan's current account deficit, which fell dramatically from PKR 3.27 trillion in FY23 to PKR 0.68 trillion in FY24. This development, coupled with better fiscal management, played a crucial role in stabilizing the exchange rate. The Pakistani rupee (PKR) traded within a narrow range of 274.5 to 281 PKR per USD during the year. Another notable factor is, while the SBP helped manage currency depreciation risks, it did not aim to keep the exchange rate fixed at any pre-determined level. Moreover, Pakistan recorded a Current Account deficit of 62 USD Million in the second quarter of 2024. Current Account in Pakistan averaged at -799.26 USD Million from 1976 until 2024.

AL HABIB FIXED RETURN FUND

The SBP's interventions in the money market included substantial injections of liquidity through Open Market Operations (OMO), the SBP injected a total of PKR 11.9 trillion in June 2024 as compared to 7.99 trillion in same period last year.

Overall, FY24 marked a year of positive shifts for Pakistan's money market, characterized by lower inflation, stable interest rates, and improved external balances. These developments indicate a favourable outlook for FY25, with expectations of continued monetary easing and enhanced market stability.

PKRV Rates			
Tenor	As at June 30, 2024	As at June 30, 2023	Change (Bps)
3 Months	19.97	22.65	-268
6 Months	19.91	22.87	-296
12 Months	18.62	22.93	-431
3 Years	16.65	19.47	-282
5 Years	15.37	16.08	-71

PKRV Rates		
Date	Policy Rate	Change (Bps)
11-Jun-24	20.5	150
27-Jun-23	22	-

Asset Allocation of Fund (as a % of total assets)

Particulars	31-Dec-23	30-Jun-23
Cash	98.95%	0.10%
T-Bills	0.00%	99.88%
Others	1.05%	0.02%

Income Distribution

AHFRP5 made a total distribution of Rs. 10.8767 during FY24 in the form of dividend, the detail of which is given below:

Month	Cum NAV Rs.	Ex-NAV Rs.	Distribution Rs.
Jun-24	110.8767	100	10.8767

During the period under question:

There has been no significant change in the state of affairs of the Fund. Al Habib Fixed Return Fund Plan 5 does not have any soft commission arrangement with any broker in the industry.

Sales and Redemptions of Units

During the year, 99,621 units valued of Rs. 0.011 billion were sold while 7,546,961 of the units valued of 0.817 billion were redeemed resulting in to a net redemption of 7,447,340 units of the value of Rs. 0.805 billion.

Fund Performance at a Glance

Dec 31, 2023	
Net Assets as at Dec 31 (Rs. in Million)	426
NAV per unit as at Dec 31 (Rs.)	100.1059
Distribution during the year	1.567
Annual Return	23.51%

Fund Objective

The AL Habib Fixed Return Fund - Plan 6 (AHFRF Plan 6) is Allocation Plans under "AL Habib Fixed Return Fund (AHFRF)" with an objective to provide investors with a competitive rate of returns, for fixed tenure by investing primarily in instruments for a specific duration

Fund Objective Achieved:

The Fund has achieved its stated objective.

Strategies and Policies Employed during the period under review:

The AHFRP6 maintained the strategy to maintain exposure in high stability and low volatility avenues as mentioned in the objectives of the Fund, wherein major portion of investment was held with short tenor T-bills.

Performance of the fund with benchmark

The Fund outperformed it's benchmark by 61 bps as it posted YTD return of 21.51% as against the benchmark of 20.90%.

Fund Description

Fund Type & Category	Open Ended - Fixed Rate/ Return Scheme	External Auditors	BDO Ebrahim & Co. Chartered Accountants
Launch Date	June 15, 2023	Management Fee	10% of the annual gross earnings of the Scheme
Benchmark	70% PKRV and 30% average deposit rate of three (3) AA rated scheduled Banks as selected by MUFAP of comparable period of the plan at the time of plan launch.	Contingent Load	Contingent Load will be charged which shall commensurate with net loss incurred due to early redemption.
Annual Return	21.51%	Minimum Investment	Initial investment of Rs. 100,000/-
Benchmark	20.90%	Dealing Days/Timings	Monday to Friday 9:00 am to 4:30 pm
Net Assets	Rs. 993 Million (June 30, 2024)	AMC Rating	"AM2+" by PACRA
NAV per unit	Rs. 100.0081 per unit (June 30, 2024)	Trustee	Central Depository Company of Pakistan Limited.
Pricing Mechanism	Forward Pricing	Maturity Date	July 03,2024
Risk Profile	Low (Principal at low risk)		

Market Review:

During FY24, Pakistan's money market witnessed significant improvements, driven by enhanced macroeconomic conditions. The most notable development was the substantial drop in headline inflation, which decreased from a peak of 29.4% in June 2023 to 12.6% by June 2024. This sharp decline in inflation created room for the State Bank of Pakistan (SBP) to adopt a more accommodative monetary policy stance. In response, the SBP reduced the policy rate by 150 basis points, bringing it down to 20.5% from the previous high of 22%. This was a strategic move, reflecting stabilizing macroeconomic indicators and an improved inflation outlook.

Key among these indicators was the narrowing of Pakistan's current account deficit, which fell dramatically from PKR 3.27 trillion in FY23 to PKR 0.68 trillion in FY24. This development, coupled with better fiscal management, played a crucial role in stabilizing the exchange rate. The Pakistani rupee (PKR) traded within a narrow range of 274.5 to 281 PKR per USD during the year. Another notable factor is, while the SBP helped manage currency depreciation risks, it did not aim to keep the exchange rate fixed at any pre-determined level. Moreover, Pakistan recorded a Current Account deficit of 62 USD Million in the second quarter of 2024. Current Account in Pakistan averaged at -799.26 USD Million from 1976 until 2024.

AL HABIB FIXED RETURN FUND

The SBP's interventions in the money market included substantial injections of liquidity through Open Market Operations (OMO), the SBP injected a total of PKR 11.9 trillion in June 2024 as compared to 7.99 trillion in same period last year.

Overall, FY24 marked a year of positive shifts for Pakistan's money market, characterized by lower inflation, stable interest rates, and improved external balances. These developments indicate a favourable outlook for FY25, with expectations of continued monetary easing and enhanced market stability.

PKRV Rates			
Tenor	As at June 30, 2024	As at June 30, 2023	Change (Bps)
3 Months	19.97	22.65	-268
6 Months	19.91	22.87	-296
12 Months	18.62	22.93	-431
3 Years	16.65	19.47	-282
5 Years	15.37	16.08	-71

PKRV Rates		
Date	Policy Rate	Change (Bps)
11-Jun-24	20.5	150
27-Jun-23	22	-

Asset Allocation of Fund (as a % of total assets)

Particulars	30-Jun-24	30-Jun-23
Cash	99.61%	0.08%
T-Bills	0.00%	99.73%
Others	0.3.9%	0.19%

Unit Holding Pattern

Size of Unit Holding (Units)	# of Unit Holders
10001-50000	4
50001-100000	3
100001-500000	3
5000001-10000000	1
Grand Total	11

Income Distribution

AHFRFP6 made no distribution during FY24.

During the period under question:

There has been no significant change in the state of affairs of the Fund. Al Habib Fixed Return Fund Plan 6 does not have any soft commission arrangement with any broker in the industry.

Sales and Redemptions of Units

During the year, 1,544,380 units valued of Rs. 0.181 billion were sold while 2,694,956 of the units valued of 0.322 billion were redeemed resulting in to a net redemption of 1,150,576 units of the value of Rs. 0.140 billion.

Fund Performance at a Glance

	2024
Net Assets as at June 30 (Rs. in Billion)	993
NAV per unit as at June 30 (Rs.)	100.0081
Distribution during the year ended June 30 (Rs.)	-
Annual Return	21.51%

Fund Objective

The AL Habib Fixed Return Fund - Plan 6 (AHFRF Plan 6) is Allocation Plans under "AL Habib Fixed Return Fund (AHFRF)" with an objective to provide investors with a competitive rate of returns, for fixed tenure by investing primarily in instruments for a specific duration

Fund Objective Achieved:

The Fund has achieved its stated objective.

Strategies and Policies Employed during the period under review:

The AHFRP6 maintained the strategy to maintain exposure in high stability and low volatility avenues as mentioned in the objectives of the Fund, wherein major portion of investment was held with short tenor T-bills.

Performance of the fund with benchmark

The Fund outperformed it's benchmark by 61 bps as it posted YTD return of 21.51% as against the benchmark of 20.90%.

Fund Description

Fund Type & Category	Open Ended - Fixed Rate/ Return Scheme	External Auditors	BDO Ebrahim & Co. Chartered Accountants
Launch Date	June 15, 2023	Management Fee	10% of the annual gross earnings of the Scheme
Benchmark	70% PKRV and 30% average deposit rate of three (3) AA rated scheduled Banks as selected by MUFAP of comparable period of the plan at the time of plan launch.	Contingent Load	Contingent Load will be charged which shall commensurate with net loss incurred due to early redemption.
Annual Return	21.51%	Minimum Investment	Initial investment of Rs. 100,000/-
Benchmark	20.90%	Dealing Days/Timings	Monday to Friday 9:00 am to 4:30 pm
Net Assets	Rs. 993 Million (June 30, 2024)	AMC Rating	"AM2+" by PACRA
NAV per unit	Rs. 100.0081 per unit (June 30, 2024)	Trustee	Central Depository Company of Pakistan Limited.
Pricing Mechanism	Forward Pricing	Maturity Date	July 03,2024
Risk Profile	Low (Principal at low risk)		

Market Review:

During FY24, Pakistan's money market witnessed significant improvements, driven by enhanced macroeconomic conditions. The most notable development was the substantial drop in headline inflation, which decreased from a peak of 29.4% in June 2023 to 12.6% by June 2024. This sharp decline in inflation created room for the State Bank of Pakistan (SBP) to adopt a more accommodative monetary policy stance. In response, the SBP reduced the policy rate by 150 basis points, bringing it down to 20.5% from the previous high of 22%. This was a strategic move, reflecting stabilizing macroeconomic indicators and an improved inflation outlook.

Key among these indicators was the narrowing of Pakistan's current account deficit, which fell dramatically from PKR 3.27 trillion in FY23 to PKR 0.68 trillion in FY24. This development, coupled with better fiscal management, played a crucial role in stabilizing the exchange rate. The Pakistani rupee (PKR) traded within a narrow range of 274.5 to 281 PKR per USD during the year. Another notable factor is, while the SBP helped manage currency depreciation risks, it did not aim to keep the exchange rate fixed at any pre-determined level. Moreover, Pakistan recorded a Current Account deficit of 62 USD Million in the second quarter of 2024. Current Account in Pakistan averaged at -799.26 USD Million from 1976 until 2024.

AL HABIB FIXED RETURN FUND

The SBP's interventions in the money market included substantial injections of liquidity through Open Market Operations (OMO), the SBP injected a total of PKR 11.9 trillion in June 2024 as compared to 7.99 trillion in same period last year.

Overall, FY24 marked a year of positive shifts for Pakistan's money market, characterized by lower inflation, stable interest rates, and improved external balances. These developments indicate a favourable outlook for FY25, with expectations of continued monetary easing and enhanced market stability.

PKRV Rates			
Tenor	As at June 30, 2024	As at June 30, 2023	Change (Bps)
3 Months	19.97	22.65	-268
6 Months	19.91	22.87	-296
12 Months	18.62	22.93	-431
3 Years	16.65	19.47	-282
5 Years	15.37	16.08	-71

PKRV Rates		
Date	Policy Rate	Change (Bps)
11-Jun-24	20.5	150
27-Jun-23	22	-

Asset Allocation of Fund (as a % of total assets)

Particulars	30-Jun-24	30-Jun-23
Cash	99.61%	0.08%
T-Bills	0.00%	99.73%
Others	0.3.9%	0.19%

Unit Holding Pattern

Size of Unit Holding (Units)	# of Unit Holders
10001-50000	4
50001-100000	3
100001-500000	3
5000001-10000000	1
Grand Total	11

Income Distribution

AHFRFP6 made no distribution during FY24.

During the period under question:

There has been no significant change in the state of affairs of the Fund. Al Habib Fixed Return Fund Plan 6 does not have any soft commission arrangement with any broker in the industry.

Sales and Redemptions of Units

During the year, 1,544,380 units valued of Rs. 0.181 billion were sold while 2,694,956 of the units valued of 0.322 billion were redeemed resulting in to a net redemption of 1,150,576 units of the value of Rs. 0.140 billion.

Fund Performance at a Glance

	2024
Net Assets as at June 30 (Rs. in Billion)	993
NAV per unit as at June 30 (Rs.)	100.0081
Distribution during the year ended June 30 (Rs.)	-
Annual Return	21.51%

Fund Objective

The AL Habib Fixed Return Fund - Plan 7 (AHFRF Plan 7) is Allocation Plans under "AL Habib Fixed Return Fund (AHFRF)" with an objective to provide investors with a competitive rate of returns, for fixed tenure by investing primarily in instruments for a specific duration

Fund Objective Achieved:

The Fund has not achieved its stated objective.

Strategies and Policies Employed during the period under review:

The AHFRP7 maintained the strategy to maintain exposure in high stability and low volatility avenues as mentioned in the objectives of the Fund, wherein major portion of investment was held with short tenor T-bills.

Performance of the fund with benchmark

The Fund outperformed it's benchmark by 62 bps as it posted YTD return of 21.32% as against the benchmark of 21.94%.

Fund Description

Fund Type & Category	Open Ended - Fixed Rate/ Return Scheme	External Auditors	BDO Ebrahim & Co. Chartered Accountants
Launch Date	July 13, 2023	Management Fee	10% of the annual gross earnings of the Scheme
Benchmark	70% PKRV and 30% average deposit rate of three (3) AA rated scheduled Banks as selected by MUFAP of comparable period of the plan at the time of plan launch.	Contingent Load	Contingent Load will be charged which shall commensurate with net loss incurred due to early redemption.
Annual Return	21.32%	Minimum Investment	Initial investment of Rs. 100,000/-
Benchmark	21.94%	Dealing Days/Timings	Monday to Friday 9:00 am to 4:30 pm
Net Assets	Rs. 772 million (September 30, 2023)	AMC Rating	"AM2+" by PACRA
NAV per unit	Rs. 104.6152 per unit (September 30, 2023)	Trustee	Central Depository Company of Pakistan Limited.
Pricing Mechanism	Forward Pricing	Maturity Date	October 06,2023
Risk Profile	Low (Principal at low risk)		

Market Review:

During FY24, Pakistan's money market witnessed significant improvements, driven by enhanced macroeconomic conditions. The most notable development was the substantial drop in headline inflation, which decreased from a peak of 29.4% in June 2023 to 12.6% by June 2024. This sharp decline in inflation created room for the State Bank of Pakistan (SBP) to adopt a more accommodative monetary policy stance. In response, the SBP reduced the policy rate by 150 basis points, bringing it down to 20.5% from the previous high of 22%. This was a strategic move, reflecting stabilizing macroeconomic indicators and an improved inflation outlook.

Key among these indicators was the narrowing of Pakistan's current account deficit, which fell dramatically from PKR 3.27 trillion in FY23 to PKR 0.68 trillion in FY24. This development, coupled with better fiscal management, played a crucial role in stabilizing the exchange rate. The Pakistani rupee (PKR) traded within a narrow range of 274.5 to 281 PKR per USD during the year. Another notable factor is, while the SBP helped manage currency depreciation risks, it did not aim to keep the exchange rate fixed at any pre-determined level. Moreover, Pakistan recorded a Current Account deficit of 62 USD Million in the second quarter of 2024. Current Account in Pakistan averaged at -799.26 USD Million from 1976 until 2024.

AL HABIB FIXED RETURN FUND

The SBP's interventions in the money market included substantial injections of liquidity through Open Market Operations (OMO), the SBP injected a total of PKR 11.9 trillion in June 2024 as compared to 7.99 trillion in same period last year.

Overall, FY24 marked a year of positive shifts for Pakistan's money market, characterized by lower inflation, stable interest rates, and improved external balances. These developments indicate a favourable outlook for FY25, with expectations of continued monetary easing and enhanced market stability.

PKRV Rates			
Tenor	As at June 30, 2024	As at June 30, 2023	Change (Bps)
3 Months	19.97	22.65	-268
6 Months	19.91	22.87	-296
12 Months	18.62	22.93	-431
3 Years	16.65	19.47	-282
5 Years	15.37	16.08	-71

PKRV Rates		
Date	Policy Rate	Change (Bps)
11-Jun-24	20.5	150
27-Jun-23	22	-

Asset Allocation of Fund (as a % of total assets)

Particulars	30-Sep-24	31-Jul-23
Cash	0.05%	0.14%
T-Bills	99.94%	99.82%
Others	0.01%	0.04%

Income Distribution

AHFRFP7 made no distribution during the period.

During the period under question:

There has been no significant change in the state of affairs of the Fund. Al Habib Fixed Return Fund Plan 7 does not have any soft commission arrangement with any broker in the industry.

Sales and Redemptions of Units

During the year, 7,404,892 units valued of Rs. 0.741 billion were sold while 7,404,892 of the units valued of 0.770 billion were redeemed resulting in redemption of all units.

Fund Performance at a Glance

Sep 30, 2023	
Net Assets as at Sep 30 (Rs. in Million)	772
NAV per unit as at June 30 (Rs.)	104.6152
Annual Return	21.32%

Fund Objective

The AL Habib Fixed Return Fund - Plan 8 (AHFRF Plan 8) is Allocation Plans under "AL Habib Fixed Return Fund (AHFRF)" with an objective to provide investors with a competitive rate of returns, for fixed tenure by investing primarily in instruments for a specific duration

Fund Objective Achieved:

The Fund has achieved its stated objective.

Strategies and Policies Employed during the period under review:

The AHFRP8 maintained the strategy to maintain exposure in high stability and low volatility avenues as mentioned in the objectives of the Fund, wherein major portion of investment was held with short tenor T-bills.

Performance of the fund with benchmark

The Fund outperformed it's benchmark by 314 bps as it posted YTD return of 23.86% as against the benchmark of 20.72%.

Fund Description

Fund Type & Category	Open Ended - Fixed Rate/ Return Scheme	External Auditors	BDO Ebrahim & Co. Chartered Accountants
Launch Date	August 08, 2023	Management Fee	10% of the annual gross earnings of the Scheme
Benchmark	70% PKRV and 30% average deposit rate of three (3) AA rated scheduled Banks as selected by MUFAP of comparable period of the plan at the time of plan launch.	Contingent Load	Contingent Load will be charged which shall commensurate with net loss incurred due to early redemption.
Annual Return	23.86%	Minimum Investment	Initial investment of Rs. 5,000,000/-
Benchmark	20.72%	Dealing Days/Timings	Monday to Friday 9:00 am to 4:30 pm
Net Assets	Rs. 2.99 Million (June 30, 2024)	AMC Rating	"AM2+" by PACRA
NAV per unit	Rs. 100.4454 per unit (June 30, 2024)	Trustee	Central Depository Company of Pakistan Limited.
Pricing Mechanism	Forward Pricing	Maturity Date	July 08,2026
Risk Profile	Medium (Principal at medium risk)		

Market Review:

During FY24, Pakistan's money market witnessed significant improvements, driven by enhanced macroeconomic conditions. The most notable development was the substantial drop in headline inflation, which decreased from a peak of 29.4% in June 2023 to 12.6% by June 2024. This sharp decline in inflation created room for the State Bank of Pakistan (SBP) to adopt a more accommodative monetary policy stance. In response, the SBP reduced the policy rate by 150 basis points, bringing it down to 20.5% from the previous high of 22%. This was a strategic move, reflecting stabilizing macroeconomic indicators and an improved inflation outlook.

Key among these indicators was the narrowing of Pakistan's current account deficit, which fell dramatically from PKR 3.27 trillion in FY23 to PKR 0.68 trillion in FY24. This development, coupled with better fiscal management, played a crucial role in stabilizing the exchange rate. The Pakistani rupee (PKR) traded within a narrow range of 274.5 to 281 PKR per USD during the year. Another notable factor is, while the SBP helped manage currency depreciation risks, it did not aim to keep the exchange rate fixed at any pre-determined level. Moreover, Pakistan recorded a Current Account deficit of 62 USD Million in the second quarter of 2024. Current Account in Pakistan averaged at -799.26 USD Million from 1976 until 2024.

The SBP's interventions in the money market included substantial injections of liquidity through Open Market Operations (OMO), the SBP injected a total of PKR 11.9 trillion in June 2024 as compared to 7.99 trillion in same period last year.

AL HABIB FIXED RETURN FUND

Overall, FY24 marked a year of positive shifts for Pakistan's money market, characterized by lower inflation, stable interest rates, and improved external balances. These developments indicate a favourable outlook for FY25, with expectations of continued monetary easing and enhanced market stability.

PKRV Rates			
Tenor	As at June 30, 2024	As at June 30, 2023	Change (Bps)
3 Months	19.97	22.65	-268
6 Months	19.91	22.87	-296
12 Months	18.62	22.93	-431
3 Years	16.65	19.47	-282
5 Years	15.37	16.08	-71

PKRV Rates		
Date	Policy Rate	Change (Bps)
11-Jun-24	20.5	150
27-Jun-23	22	-

Asset Allocation of Fund (as a % of total assets)

Particulars	30-Jun-24	31-Jun-23
Cash	68.69%	-
PIBs	24.35%	-
T-Bills	0.00%	-
Others	6.98%	-

Unit Holding Pattern

Size of Unit Holding (Units)	# of Unit Holders
5001-10000	2
10001-50000	1
Grand Total	3

Income Distribution

AHIMFP8 made a total distribution of Rs. 20.8365 during FY24 in the form of dividend, the detail of which is given below:

Month	Cum NAV Rs.	Ex-NAV Rs.	Distribution Rs.
Jun-24	120.8365	100	20.8365

During the period under question:

There has been no significant change in the state of affairs of the Fund. Al Habib Fixed Return Fund Plan 8 does not have any soft commission arrangement with any broker in the industry.

Sales and Redemptions of Units

During the year, 2,498,413 units valued of Rs. 0.249 billion were sold while 2,468,571 units of value RS. 0.289 billion were redeemed resulting in to a net sale of 29,841 units of the value of Rs. 0.039 billion.

Fund Performance at a Glance

	2024
Net Assets as at June 30 (Rs. in Million)	2.99
NAV per unit as at June 30 (Rs.)	100.4454
Distribution during the year ended June 30 (Rs.)	20.8365
Annual Return	23.86%

Fund Objective

The AL Habib Fixed Return Fund - Plan 9 (AHFRF Plan 9) is Allocation Plans under "AL Habib Fixed Return Fund (AHFRF)" with an objective to provide investors with a competitive rate of returns, for fixed tenure by investing primarily in instruments for a specific duration

Fund Objective Achieved:

The Fund has not achieved its stated objective.

Strategies and Policies Employed during the period under review:

The AHFRP9 maintained the strategy to maintain exposure in high stability and low volatility avenues as mentioned in the objectives of the Fund, wherein major portion of investment was held with short tenor T-bills.

Performance of the fund with benchmark

The Fund underperformed its benchmark by 120 bps as it posted YTD return of 19.16% as against the benchmark of 20.36%.

Fund Description

Fund Type & Category	Open Ended - Fixed Rate/ Return Scheme	External Auditors	BDO Ebrahim & Co. Chartered Accountants
Launch Date	December 05, 2023	Management Fee	10% of the annual gross earnings of the Scheme
Benchmark	70% PKRV and 30% average deposit rate of three (3) AA rated scheduled Banks as selected by MUFAP of comparable period of the plan at the time of plan launch.	Contingent Load	Contingent Load will be charged which shall commensurate with net loss incurred due to early redemption.
Annual Return	19.16%	Minimum Investment	Initial investment of Rs. 10,000,000/-
Benchmark	20.36%	Dealing Days/Timings	Monday to Friday 9:00 am to 4:30 pm
Net Assets	Rs. 1.43 Billion (June 30, 2024)	AMC Rating	"AM2+" by PACRA
NAV per unit	Rs. 100.0967 per unit (June 30, 2024)	Trustee	Central Depository Company of Pakistan Limited.
Pricing Mechanism	Forward Pricing	Maturity Date	November 29, 2024
Risk Profile	Moderate (Principal at moderate risk)		

Market Review:

During FY24, Pakistan's money market witnessed significant improvements, driven by enhanced macroeconomic conditions. The most notable development was the substantial drop in headline inflation, which decreased from a peak of 29.4% in June 2023 to 12.6% by June 2024. This sharp decline in inflation created room for the State Bank of Pakistan (SBP) to adopt a more accommodative monetary policy stance. In response, the SBP reduced the policy rate by 150 basis points, bringing it down to 20.5% from the previous high of 22%. This was a strategic move, reflecting stabilizing macroeconomic indicators and an improved inflation outlook.

Key among these indicators was the narrowing of Pakistan's current account deficit, which fell dramatically from PKR 3.27 trillion in FY23 to PKR 0.68 trillion in FY24. This development, coupled with better fiscal management, played a crucial role in stabilizing the exchange rate. The Pakistani rupee (PKR) traded within a narrow range of 274.5 to 281 PKR per USD during the year. Another notable factor is, while the SBP helped manage currency depreciation risks, it did not aim to keep the exchange rate fixed at any pre-determined level. Moreover, Pakistan recorded a Current Account deficit of 62 USD Million in the second quarter of 2024. Current Account in Pakistan averaged at -799.26 USD Million from 1976 until 2024.

The SBP's interventions in the money market included substantial injections of liquidity through Open Market Operations (OMO), the SBP injected a total of PKR 11.9 trillion in June 2024 as compared to 7.99 trillion in same period last year.

AL HABIB FIXED RETURN FUND

Overall, FY24 marked a year of positive shifts for Pakistan's money market, characterized by lower inflation, stable interest rates, and improved external balances. These developments indicate a favourable outlook for FY25, with expectations of continued monetary easing and enhanced market stability.

PKRV Rates			
Tenor	As at June 30, 2024	As at June 30, 2023	Change (Bps)
3 Months	19.97	22.65	-268
6 Months	19.91	22.87	-296
12 Months	18.62	22.93	-431
3 Years	16.65	19.47	-282
5 Years	15.37	16.08	-71

PKRV Rates		
Date	Policy Rate	Change (Bps)
11-Jun-24	20.5	150
27-Jun-23	22	-

Asset Allocation of Fund (as a % of total assets)

Particulars	30-Jun-24	31-Jun-23
Cash	0.00%	-
T-Bills	100%	-
Others	0.00%	-

Unit Holding Pattern

Size of Unit Holding (Units)	# of Unit Holders
100001-500000	7
500001-1000000	3
1000001-5000000	4
Grand Total	14

Income Distribution

AHFRP 9 made a total distribution of Rs. 10.8097 during FY24 in the form of dividend, the detail of which is given below:

Month	Cum NAV Rs.	Ex-NAV Rs.	Distribution Rs.
Jun-24	100.8097	100	10.8097

During the period under question:

There has been no significant change in the state of affairs of the Fund. Al Habib Fixed Return Fund Plan 9 does not have any soft commission arrangement with any broker in the industry.

Sales and Redemptions of Units

During the year, 14,470,656 units valued of Rs. 1.470 billion were sold while 96,252 units of value 0.009 billion were redeemed resulting in to a net sale of 14,374,404 units of the value of Rs. 1.460 billion.

Fund Performance at a Glance

	2024
Net Assets as at June 30 (Rs. in Billion)	1.439
NAV per unit as at June 30 (Rs.)	100.0967
Distribution during the year ended June 30 (Rs.)	10.8097
Annual Return	19.61%

Fund Objective

The AL Habib Fixed Return Fund - Plan 10 (AHFRF Plan 10) is Allocation Plans under "AL Habib Fixed Return Fund (AHFRF)" with an objective to provide investors with a competitive rate of returns, for fixed tenure by investing primarily in instruments for a specific duration

Fund Objective Achieved:

The Fund has not achieved its stated objective.

Strategies and Policies Employed during the period under review:

The AHFRP10 maintained the strategy to maintain exposure in high stability and low volatility avenues as mentioned in the objectives of the Fund, wherein major portion of investment was held with short tenor T-bills.

Performance of the fund with benchmark

The Fund underperformed its benchmark by 45 bps as it posted YTD return of 19.95% as against the benchmark of 20.40%.

Fund Description

Fund Type & Category	Open Ended - Fixed Rate/ Return Scheme	External Auditors	BDO Ebrahim & Co. Chartered Accountants
Launch Date	Jan 02, 2024	Management Fee	10% of the annual gross earnings of the Scheme
Benchmark	70% PKRV and 30% average deposit rate of three (3) AA rated scheduled Banks as selected by MUFAP of comparable period of the plan at the time of plan launch.	Contingent Load	Contingent Load will be charged which shall commensurate with net loss incurred due to early redemption.
Annual Return	19.16%	Minimum Investment	Initial investment of Rs. 10,000,000/-
Benchmark	20.36%	Dealing Days/Timings	Monday to Friday 9:00 am to 4:30 pm
Net Assets	Rs. 514 Million (June 30, 2024)	AMC Rating	"AM2+" by PACRA
NAV per unit	Rs. 100.0953 per unit (June 30, 2024)	Trustee	Central Depository Company of Pakistan Limited.
Pricing Mechanism	Forward Pricing	Maturity Date	January 03, 2025
Risk Profile	Moderate (Principal at moderate risk)		

Market Review:

During FY24, Pakistan's money market witnessed significant improvements, driven by enhanced macroeconomic conditions. The most notable development was the substantial drop in headline inflation, which decreased from a peak of 29.4% in June 2023 to 12.6% by June 2024. This sharp decline in inflation created room for the State Bank of Pakistan (SBP) to adopt a more accommodative monetary policy stance. In response, the SBP reduced the policy rate by 150 basis points, bringing it down to 20.5% from the previous high of 22%. This was a strategic move, reflecting stabilizing macroeconomic indicators and an improved inflation outlook.

Key among these indicators was the narrowing of Pakistan's current account deficit, which fell dramatically from PKR 3.27 trillion in FY23 to PKR 0.68 trillion in FY24. This development, coupled with better fiscal management, played a crucial role in stabilizing the exchange rate. The Pakistani rupee (PKR) traded within a narrow range of 274.5 to 281 PKR per USD during the year. Another notable factor is, while the SBP helped manage currency depreciation risks, it did not aim to keep the exchange rate fixed at any pre-determined level. Moreover, Pakistan recorded a Current Account deficit of 62 USD Million in the second quarter of 2024. Current Account in Pakistan averaged at -799.26 USD Million from 1976 until 2024.

The SBP's interventions in the money market included substantial injections of liquidity through Open Market Operations (OMO), the SBP injected a total of PKR 11.9 trillion in June 2024 as compared to 7.99 trillion in same period last year.

AL HABIB FIXED RETURN FUND

Overall, FY24 marked a year of positive shifts for Pakistan's money market, characterized by lower inflation, stable interest rates, and improved external balances. These developments indicate a favourable outlook for FY25, with expectations of continued monetary easing and enhanced market stability.

PKRV Rates			
Tenor	As at June 30, 2024	As at June 30, 2023	Change (Bps)
3 Months	19.97	22.65	-268
6 Months	19.91	22.87	-296
12 Months	18.62	22.93	-431
3 Years	16.65	19.47	-282
5 Years	15.37	16.08	-71

PKRV Rates		
Date	Policy Rate	Change (Bps)
11-Jun-24	20.5	150
27-Jun-23	22	-

Asset Allocation of Fund (as a % of total assets)

Particulars	30-June-24	31-June-23
Cash	0.07%	-
T-Bills	99.93%	-

Unit Holding Pattern

Size of Unit Holding (Units)	# of Unit Holders
100001-500000	12
500001-1000000	3
1000001-5000000	1
Grand Total	16

Income Distribution

AHFP10 made a total distribution of Rs. 9.6259 during FY24 in the form of dividend, the detail of which is given below:

Month	Cum NAV Rs.	Ex-NAV Rs.	Distribution Rs.
Jun-24	109.6259	100	9.6259

During the period under question:

There has been no significant change in the state of affairs of the Fund. Al Habib Fixed Return Fund Plan 10 does not have any soft commission arrangement with any broker in the industry.

Sales and Redemptions of Units

During the year, 6,058,305 units valued of Rs. 0.614 billion were sold while 922,961 units of amount RS. 0.095 billion were redeemed resulting in to a net sale of 5,135,344 units of the value of Rs. 519 million.

Fund Performance at a Glance

	2024
Net Assets as at June 30 (Rs. in Million)	514
NAV per unit as at June 30 (Rs.)	100.0953
Distribution during the year ended June 30 (Rs.)	9.6259
Annual Return	19.95%

Fund Objective

The AL Habib Fixed Return Fund - Plan 11 (AHFRF Plan 11) is Allocation Plans under "AL Habib Fixed Return Fund (AHFRF)" with an objective to provide investors with a competitive rate of returns, for fixed tenure by investing primarily in instruments for a specific duration

Fund Objective Achieved:

The Fund has achieved its stated objective.

Strategies and Policies Employed during the period under review:

The AHFRP11 maintained the strategy to maintain exposure in high stability and low volatility avenues as mentioned in the objectives of the Fund, wherein major portion of investment was held with short tenor T-bills.

Performance of the fund with benchmark

The Fund outperformed it's benchmark by 17 bps as it posted YTD return of 20.58% as against the benchmark of 20.41%.

Fund Description

Fund Type & Category	Open Ended - Fixed Rate/ Return Scheme	External Auditors	BDO Ebrahim & Co. Chartered Accountants
Launch Date	March 15, 2024	Management Fee	10% of the annual gross earnings of the Scheme
Benchmark	70% PKRV and 30% average deposit rate of three (3) AA rated scheduled Banks as selected by MUFAP of comparable period of the plan at the time of plan launch.	Contingent Load	Contingent Load will be charged which shall commensurate with net loss incurred due to early redemption.
Annual Return	20.58%	Minimum Investment	Initial investment of Rs. 10,000,000/-
Benchmark	20.41%	Dealing Days/Timings	Monday to Friday 9:00 am to 4:30 pm
Net Assets	Rs. 3.204 Billion (June 30, 2024)	AMC Rating	"AM2+" by PACRA
NAV per unit	Rs. 100.1098 per unit (June 30, 2024)	Trustee	Central Depository Company of Pakistan Limited.
Pricing Mechanism	Forward Pricing	Risk Profile	Moderate (Principal at moderate risk)

Market Review:

During FY24, Pakistan's money market witnessed significant improvements, driven by enhanced macroeconomic conditions. The most notable development was the substantial drop in headline inflation, which decreased from a peak of 29.4% in June 2023 to 12.6% by June 2024. This sharp decline in inflation created room for the State Bank of Pakistan (SBP) to adopt a more accommodative monetary policy stance. In response, the SBP reduced the policy rate by 150 basis points, bringing it down to 20.5% from the previous high of 22%. This was a strategic move, reflecting stabilizing macroeconomic indicators and an improved inflation outlook.

Key among these indicators was the narrowing of Pakistan's current account deficit, which fell dramatically from PKR 3.27 trillion in FY23 to PKR 0.68 trillion in FY24. This development, coupled with better fiscal management, played a crucial role in stabilizing the exchange rate. The Pakistani rupee (PKR) traded within a narrow range of 274.5 to 281 PKR per USD during the year. Another notable factor is, while the SBP helped manage currency depreciation risks, it did not aim to keep the exchange rate fixed at any pre-determined level. Moreover, Pakistan recorded a Current Account deficit of 62 USD Million in the second quarter of 2024. Current Account in Pakistan averaged at -799.26 USD Million from 1976 until 2024.

The SBP's interventions in the money market included substantial injections of liquidity through Open Market Operations (OMO), the SBP injected a total of PKR 11.9 trillion in June 2024 as compared to 7.99 trillion in same period last year.

Overall, FY24 marked a year of positive shifts for Pakistan's money market, characterized by lower inflation, stable interest rates, and improved external balances. These developments indicate a favourable outlook for FY25, with expectations of continued monetary easing and enhanced market stability.

AL HABIB FIXED RETURN FUND

PKRV Rates			
Tenor	As at June 30, 2024	As at June 30, 2023	Change (Bps)
3 Months	19.97	22.65	-268
6 Months	19.91	22.87	-296
12 Months	18.62	22.93	-431
3 Years	16.65	19.47	-282
5 Years	15.37	16.08	-71

PKRV Rates		
Date	Policy Rate	Change (Bps)
11-Jun-24	20.5	150
27-Jun-23	22	-

Asset Allocation of Fund (as a % of total assets)

Particulars	30-June-24	31-June-23
Cash	0.11%	-
T-Bills	99.87%	-
Others	0.02%	-

Unit Holding Pattern

Size of Unit Holding (Units)	# of Unit Holders
10001-50000	9
50001-100000	8
100001-500000	13
500001-1000000	3
1000001-5000000	10
Grand Total	43

Income Distribution

AHFRP11 made a total distribution of Rs. 5.9741 during FY24 in the form of dividend, the detail of which is given below:

Month	Cum NAV Rs.	Ex-NAV Rs.	Distribution Rs.
Jun-24	105.9741	100	5.9741

During the period under question:

There has been no significant change in the state of affairs of the Fund. Al Habib Fixed Return Fund Plan 11 does not have any soft commission arrangement with any broker in the industry.

Sales and Redemptions of Units

During the year, 396,029,535 units valued of Rs. 3.938 billion were sold while 7,021,610 units of value 0.736 billion were redeemed resulting in to a net sale of 32,007,925 units of the value of Rs. 3.201 billion.

Fund Performance at a Glance

	2024
Net Assets as at June 30 (Rs. in Million)	3,204
NAV per unit as at June 30 (Rs.)	100.1098
Distribution during the year ended June 30 (Rs.)	5.9741
Annual Return	20.58%

Fund Objective

The AL Habib Fixed Return Fund - Plan 13 (AHFRF Plan 13) is Allocation Plans under "AL Habib Fixed Return Fund (AHFRF)" with an objective to provide investors with a competitive rate of returns, for fixed tenure by investing primarily in instruments for a specific duration

Fund Objective Achieved:

The Fund has not achieved its stated objective.

Strategies and Policies Employed during the period under review:

The AHFRP13 maintained the strategy to maintain exposure in high stability and low volatility avenues as mentioned in the objectives of the Fund, wherein major portion of investment was held with short tenor T-bills.

Performance of the fund with benchmark

The Fund underperformed its benchmark by 9 bps as it posted YTD return of 20.85% as against the benchmark of 20.94%

Fund Description

Fund Type & Category	Open Ended - Fixed Rate/ Return Scheme	External Auditors	BDO Ebrahim & Co. Chartered Accountants
Launch Date	April 03, 2024	Management Fee	10% of the annual gross earnings of the Scheme
Benchmark	70% PKRV and 30% average deposit rate of three (3) AA rated scheduled Banks as selected by MUFAP of comparable period of the plan at the time of plan launch.	Contingent Load	Contingent Load will be charged which shall commensurate with net loss incurred due to early redemption.
Annual Return	20.85%	Minimum Investment	Initial investment of Rs. 10,000,000/-
Benchmark	20.94%	Dealing Days/Timings	Monday to Friday 9:00 am to 4:30 pm
Net Assets	Rs. 1.060 Billion (June 30, 2024)	AMC Rating	"AM2+" by PACRA
NAV per unit	Rs. 100.1085 per unit (June 30, 2024)	Trustee	Central Depository Company of Pakistan Limited.
Pricing Mechanism	Forward Pricing	Maturity Date	October 18, 2024
Risk Profile	Moderate (Principal at moderate risk)		

Market Review:

During FY24, Pakistan's money market witnessed significant improvements, driven by enhanced macroeconomic conditions. The most notable development was the substantial drop in headline inflation, which decreased from a peak of 29.4% in June 2023 to 12.6% by June 2024. This sharp decline in inflation created room for the State Bank of Pakistan (SBP) to adopt a more accommodative monetary policy stance. In response, the SBP reduced the policy rate by 150 basis points, bringing it down to 20.5% from the previous high of 22%. This was a strategic move, reflecting stabilizing macroeconomic indicators and an improved inflation outlook.

Key among these indicators was the narrowing of Pakistan's current account deficit, which fell dramatically from PKR 3.27 trillion in FY23 to PKR 0.68 trillion in FY24. This development, coupled with better fiscal management, played a crucial role in stabilizing the exchange rate. The Pakistani rupee (PKR) traded within a narrow range of 274.5 to 281 PKR per USD during the year. Another notable factor is, while the SBP helped manage currency depreciation risks, it did not aim to keep the exchange rate fixed at any pre-determined level. Moreover, Pakistan recorded a Current Account deficit of 62 USD Million in the second quarter of 2024. Current Account in Pakistan averaged at -799.26 USD Million from 1976 until 2024.

The SBP's interventions in the money market included substantial injections of liquidity through Open Market Operations (OMO), the SBP injected a total of PKR 11.9 trillion in June 2024 as compared to 7.99 trillion in same period last year.

AL HABIB FIXED RETURN FUND

Overall, FY24 marked a year of positive shifts for Pakistan's money market, characterized by lower inflation, stable interest rates, and improved external balances. These developments indicate a favourable outlook for FY25, with expectations of continued monetary easing and enhanced market stability.

PKRV Rates			
Tenor	As at June 30, 2024	As at June 30, 2023	Change (Bps)
3 Months	19.97	22.65	-268
6 Months	19.91	22.87	-296
12 Months	18.62	22.93	-431
3 Years	16.65	19.47	-282
5 Years	15.37	16.08	-71

PKRV Rates		
Date	Policy Rate	Change (Bps)
11-Jun-24	20.5	150
27-Jun-23	22	-

Asset Allocation of Fund (as a % of total assets)

Particulars	30-June-24	31-June-23
T-Bills	99.99%	-
Others	0.01%	-

Unit Holding Pattern

Size of Unit Holding (Units)	# of Unit Holders
100001-500000	1
10000001-100000000	1
Grand Total	2

Income Distribution

AHFRP13 made a total distribution of Rs. 4.8551 during FY24 in the form of dividend, the detail of which is given below:

Month	Cum NAV Rs.	Ex-NAV Rs.	Distribution Rs.
Jun-24	104.8551	100	4.8551

During the period under question:

There has been no significant change in the state of affairs of the Fund. Al Habib Fixed Return Fund Plan 13 does not have any soft commission arrangement with any broker in the industry.

Sales and Redemptions of Units

During the year, 10,515,905 units valued of Rs. 1.059 billion were sold while none of the units were redeemed resulting in to a net sale of units 10,515,905 of the value of Rs. 1.059 billion.

Fund Performance at a Glance

	2024
Net Assets as at June 30 (Rs. in Million)	1,060
NAV per unit as at June 30 (Rs.)	100.1085
Distribution during the year ended June 30 (Rs.)	4.8551
Annual Return	20.85%

AL HABIB ISLAMIC MUNAFA FUND
Annual Report
For the year ended June 30, 2024

FUND'S INFORMATION

Management Company

AL Habib Asset Management Limited

Board of Directors of the Management Company

Mr. Abbas D. Habib	Chairman
Mr. Mansoor Ali	Director
Mr. Imran Azim	Director
Ms. Zarine Aziz	Director
Mr. Saeed Allawala	Director
Mr. Kashif Rafi	Chief Executive Officer

Chief Financial Officer

Mr. Abbas Qurban

Company Secretary & Chief Operating Officer

Mr. Zahid Hussain Vasnani

Audit Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali	Member
Mr. Imran Azim	Member

Human Resource Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali	Member
Ms. Zarine Aziz	Member
Mr. Kashif Rafi	Member

Auditors

BDO Ebrahim & Co.
Lakson Square Building No. 1, 9th Floor,
Block C Sarwar Shaheed Rd, Civil Lines,
Karachi, Karachi City, Sindh 74200

Legal Advisor

Mohsin Tayebaly & Co.
Barristers & Advocates,
2nd Floor, DIME Centre, BC-4,
Block 9, Kehkashan, Clifton, Karachi.

Trustee

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block 'B', S.M.C.H.S.,
Main Shahra-e-Faisal, Karachi.

Rating

AM2++ Management Company Quality
Rating Assigned by PACRA.

Bankers to the Fund

Bank AL Habib Limited
Bank Alfalah Limited
Allied Bank Limited
Habib Bank Limited

Registered Office: 3rd Floor, Mackinnon's Building, I.I. Chundrigar Road, Karachi.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S. Main Shakra-e-Faisal
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



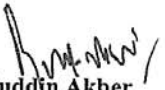
TRUSTEE REPORT TO THE UNIT HOLDERS

AL HABIB ISLAMIC MUNAFA FUND

Report of the Trustee pursuant to Regulation 41(h) and Clause 8 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 AL Habib Islamic Munafa Fund (the Fund) are of the opinion that AL Habib Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the period ended June 30, 2024 in accordance with the provisions of the following:

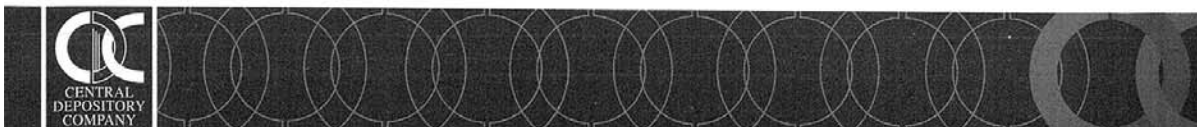
- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) 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.


Badiuddin Akber

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi, September 27, 2024



REVIEW REPORT OF THE SHARIAH ADVISOR

As a Shariah Advisor of the **AL Habib Islamic Munafa Fund (AHIMF)**, I am issuing this report. The scope of the report is to express an opinion on the Shariah compliance of the fund's activities.

It is the responsibility of the management of aforesaid fund to establish and maintain a system of internal control to ensure compliance with Shariah guidelines. My responsibility is to express an opinion, based on my review of the representation made by the management, to the extent where such compliance can be objectively verified.

A review is limited primarily to inquire to the Management Company's personnel and review of various documents prepared by the management company to comply with prescribed criteria. In the light of the above, I hereby certify that:

- I have reviewed and approved the modes of investment of AHIMF in the light of the Shariah guidelines.
- All the provisions of the scheme and investments made on account of AHIMF by Management Company are Shariah Compliant and in accordance with the criteria established.
- On the basis of information provided by the Management Company, all the operations of AHIMF for the period from July 01, 2023 to June 30, 2024 have been in compliance with Shariah principles.



Dr. Mufti Ismatullah Hamdullah
Shariah Advisor

Date: June 30, 2024



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 Sarwar Shaheed Road
 Karachi-74200
 Pakistan

INDEPENDENT ASSURANCE REPORT TO THE UNITHOLDERS ON THE STATEMENT OF COMPLIANCE WITH THE SHARIAH PRINCIPLES

Scope of our Work

We have performed an independent assurance engagement of Al Habib Islamic Munafa Fund (the Fund), to express an opinion on the annexed Statement of Compliance with the Shariah Principles (the Statement) for the period ended June 30, 2024. Our engagement was carried out as required under Trust Deed and Shariah Principles of the Fund.

Applicable Criteria

The criteria for the assurance engagement against which the underlying statement (the subject matter) is assessed comprises of compliance with the Shariah Principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor (criteria). Therefore, the underlying subject matter may not be suitable for another purpose. Our engagement was carried out as required under Trust Deed and Shariah Principles of the Fund.

Management Company's responsibility

Management Company (Al Habib Asset Management Limited) of the Fund is responsible for the preparation and fair presentation of the Statement (the subject matter) and for compliance with the Shariah Principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor (criteria). This responsibility includes designing, implementing and maintaining internal control to ensure that operations of the Fund and the investments made by the Fund are in compliance with the Shariah Principles.

Our Independence and Quality Control

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. The firms apply International Standard on Quality Management (ISQM) 1 "Quality Management for Firms That Perform Audits and Reviews of Financial Statements, And Other Assurance and Related Services Engagements" and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibility of independent assurance providers

Our responsibility is to express our conclusion on the Statement based on our independent assurance engagement, performed in accordance with the International Standards on Assurance Engagement (ISAE 3000) (Revised) 'Assurance Engagements other than Audits or Reviews of Historical Financial Information'. This standard requires that we plan and perform the engagement to obtain reasonable assurance whether the Statement reflects the status of the Fund's compliance with the Shariah Principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor and is free from material misstatement.

The procedures selected depend on our judgment, including the assessment of the risks of material non-compliance with the Shariah Principles whether due to fraud or error. In making those risk assessments, we have considered internal controls relevant to the Fund's compliance with the principles in order to design procedures that are appropriate in the circumstances, for gathering sufficient appropriate evidence to determine that the Fund was not materially non-compliant with the principles. Our engagement was not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

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BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.



The procedures performed included:

- Checking compliance of specified guidelines issued by the Shariah Advisor relating to charity, maintaining bank accounts and for making investments of the Fund; and
- Checking that the Shariah Advisor has certified that the operations of the Fund and investments made by the Fund during the period ended June 30, 2024 are in compliance with the Shariah Principles and where required, purification of income from non-compliant sources has been made in consultation with the Shariah Advisor.

Conclusion

In our opinion, the Statement, in all material respects, presents fairly the status of the Fund's compliance with the Shariah principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor for the period ended June 30, 2024.

KARACHI

DATED: SEPTEMBER 30, 2024


BDO EBRAHIM & CO
CHARTERED ACCOUNTANTS



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Sarwar Shaheed Road
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Pakistan

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF AL HABIB ISLAMIC MUNAFA FUND

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Al Habib Islamic Munafa Fund ("the Fund"), which comprise the statement of assets and liabilities as at June 30, 2024, and the income statement, statement of comprehensive income, statement of cash flows and statement of movement in unit holders' fund for the year ended June 30, 2024, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at June 30, 2024, and its financial performance and its cash flows for the year June 30, 2024 in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for opinion

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

Key Audit Matters

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

Following are the Key audit matters:

S.NO	Key audit matter(s)	How the matter was addressed in our audit
1.	Existence and valuation of investments As disclosed in note 6 to the financial statements of the Fund for the year June 30, 2024, the Fund has investments classified as "Fair value through profit or loss" amounting to Rs. 7,924.164 million representing 88% of the net assets value of the Fund.	Our audit procedures included the following: We evaluated the design and implementation of key controls of Investment and tested controls over acquisition, disposals and year end valuation of investments portfolio.



S.NO	Key audit matter(s)	How the matter was addressed in our audit
	As these investments represent a significant element of the statement of assets and liabilities, a discrepancy in the valuation or existence of investments could cause the NAV to be materially misstated which would also impact the Fund's reported performance as the valuation of investments is the main driver of movements in the performance of the Fund. In view of the significance of these investments in relation to the total assets and the NAV of the Fund, we have considered the existence and valuation of such investments as a key audit matter.	- We performed substantive audit procedures on year-end balance of investment portfolio including review of custodian's statement, and related reconciliations and re-performance of debt instruments valuations on the basis of prices the Mutual Fund Association of Pakistan (MUFAP) as at June 30, 2024 and matching the valuation of investment with that appearing in the financial statements. - We assessed the Fund's compliance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) in relation to the concentration of investments and exposure limits prescribed in such Regulations and reviewed the adequacy of disclosures as may be applicable in situations of non-compliance.

Information other than the financial statements and auditor's report thereon

The Management Company is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management Company and its Board of Directors

The Management Company ("Al Habib Asset Management Limited") of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and accounting and reporting 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.



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

The Management Company is responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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



We also provide the Board of Directors of the Management Company 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 the Board of Directors of the Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current year 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.

Report on other legal and regulatory requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in accordance with the relevant provisions of the Trust Deed, NBFC Rules and NBFC Regulations.

The engagement partner on the audit resulting in this independent auditor's report is Tariq Feroz Khan.

KARACHI

DATED: August 30, 2024

UDIN: AR202410166eIZ4qCQxJ

 BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2024

		2024			2023	
		AL HABIB ISLAMIC MUNAFA PLAN II	AL HABIB ISLAMIC MUNAFA PLAN III	AL HABIB ISLAMIC MUNAFA PLAN IV	TOTAL	AL HABIB ISLAMIC MUNAFA PLAN II
Note		-----Rupees in '000-----				
ASSETS						
Bank balances	5	3,784	410,210	1,446	415,440	432
Investments	6	-	7,506,750	417,414	7,924,164	383,590
Profit receivable	7	445	772,710	6,904	780,059	11,134
TOTAL ASSETS		4,229	8,689,670	425,764	9,119,663	395,156
LIABILITIES						
Payable to the AL Habib Asset Management Limited - Management Company	8	3,087	270	194	3,551	319
Payable to Central Depository Company of Pakistan Limited - Trustee	9	46	415	18	479	10
Payable to Securities and Exchange Commission of Pakistan	10	34	531	23	588	3
Accrued expenses and other liabilities	11	1,062	58,029	957	60,048	82
TOTAL LIABILITIES		4,229	59,245	1,192	64,666	414
NET ASSETS		-	8,630,425	424,572	9,054,997	394,742
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)						
		-	8,630,425	424,572	9,054,997	394,742
CONTINGENCIES AND COMMITMENTS						
	12	-----Number of units-----				
Number of units in issue	13	-	86,211,052	4,241,237	90,452,289	3,943,320
-----Rupees-----						
Net assets value per unit		-	100.11	100.11	-	100.10

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

**For AL Habib Asset Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

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

	For the period from July 01, 2023 to May 08, 2024	For the period from March 29, 2024 to June 30, 2024	For the period from June 05, 2024 to June 30, 2024		For the period from May 24, 2023 to June 30, 2023
	AL HABIB ISLAMIC MUNAFI PLAN II	AL HABIB ISLAMIC MUNAFI PLAN III	AL HABIB ISLAMIC MUNAFI PLAN IV	Total	AL HABIB ISLAMIC MUNAFI PLAN II
Note	-----Rupees in '000-----				
Income					
Profit on bank deposits	3,786	7,705	806	12,297	432
Income on Government Ijarah Sukuks	68,685	395,725	4,941	469,351	2,280
	72,471	403,430	5,747	481,648	2,712
Gain on sale of investments	1,143	17	8	1,168	-
Unrealised gain on re-measurement of investments classified as financial assets at 'fair value through profit or loss' - net	6.1	-	6,652	1,319	7,971
	73,614	410,099	7,074	490,787	5,831
Expenses					
Remuneration of AL Habib Asset Management Limited - Management Company	8.1	4,825	8,334	172	13,331
Sindh Sales Tax on remuneration of Management Company	8.2	627	1,083	22	1,732
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1	203	1,087	16	1,306
Sindh Sales Tax on remuneration to the Trustee	9.2	26	125	2	153
Annual fee to the Securities and Exchange Commission of Pakistan	10.1	276	1,492	23	1,791
Allocation of expenses related to registrar services, accounting, operation and valuation services	8	337	200	-	537
Auditors' remuneration	14	178	-	-	178
Brokerage Expenses		1	3	-	4
Printing Charges		18	7	-	25
Bank charges		6	3	-	9
		6,497	12,334	235	19,066
Net income for the period before taxation		67,117	397,765	6,839	471,721
Taxation	15	-	-	-	-
Net income for the period after taxation		67,117	397,765	6,839	471,721
Allocation of net income for the period					
Net income for the period after taxation		67,117	397,765	6,839	471,721
Income already paid on redemption of units		(58,220)	(1,071)	(24)	(59,315)
		8,897	396,694	6,815	412,406
Accounting income available for distribution					
Relating to capital gains		1,143	6,669	1,327	9,139
Excluding capital gains		7,754	390,025	5,488	403,267
		8,897	396,694	6,815	412,406
Earnings per unit	16				

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

**For AL Habib Asset Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

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

	For the period from July 01, 2023 to May 08, 2024	For the period from March 29, 2024 to June 30, 2024	For the period from June 05, 2024 to June 30, 2024		For the period from May 24, 2023 to June 30, 2023
	AL HABIB ISLAMIC MUNAFA PLAN II	AL HABIB ISLAMIC MUNAFA PLAN III	AL HABIB ISLAMIC MUNAFA PLAN IV	Total	AL HABIB ISLAMIC MUNAFA PLAN II
	-----Rupees 000-----				
Net income for the period after taxation	67,117	397,765	6,839	471,721	5,504
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	67,117	397,765	6,839	471,721	5,504

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

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	June 30, 2024				June 30, 2023			
	AL HABIB ISLAMIC MUNAFA PLAN	AL HABIB ISLAMIC MUNAFA PLAN III	AL HABIB ISLAMIC MUNAFA PLAN IV	Total	AL HABIB ISLAMIC MUNAFA PLAN II	Capital value	Undistributed income	Total
	Capital value	Undistributed income	Capital value	Undistributed income	Capital value	Undistributed income	Capital value	Undistributed income
Net assets at beginning of the period	394,446	296	394,742	-	-	-	-	-
Issuance of 90,870,126 units								
Capital Value	8,418	-	8,418	-	8,650,443	428,152	732,446	-
Element of income	-	-	-	-	23,132	193	5,990	-
Total proceeds on issuance of units	8,418	-	8,418	-	8,673,575	428,345	738,436	-
Redemption of 4,361,158 units								
Capital Value	(402,750)	(29,338)	(402,750)	(29,338)	(4,028)	(4,028)	(336,554)	(336,554)
Element of loss	(410)	(291)	(58,630)	(1,071)	(2)	(26)	(1,446)	(5,877)
Total payments on redemption of units	(403,160)	(58,629)	(461,380)	(1,071)	(4,030)	(4,054)	(338,000)	(342,431)
Total comprehensive income for the period	-	-	-	-	-	-	-	-
Distribution during the period	(412)	(8,485)	(8,897)	(387,374)	(191)	(6,367)	(5,990)	(777)
Net assets at end of the period	(708)	708	-	9,320	424,124	448	394,446	296
Undistributed income brought forward								
Accounting income available for distribution	1,143	6,669	397,765	6,839	6,839	6,839	-	5,504
Relating to capital gains	7,754	390,025	(410,215)	(191)	(6,367)	(6,558)	(5,990)	(777)
Excluding capital gains	8,897	396,694	(12,450)	(191)	472	281	(5,990)	4,727
Distributions during the period	(8,485)	(387,374)	-	-	-	-	-	-
Undistributed income carried forward	708	9,320	424,124	448	424,572	9,054,997	394,446	296
Undistributed income carried forward								
Realised loss	708	2,668	-	(871)	-	-	-	(2,823)
Unrealised income	-	6,652	-	1,319	-	-	-	3,119
Net assets value per unit at end of the period	-	100.11	100.11	100.11	100.11	100.11	100.11	100.11

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

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2024

	For the period from July 01, 2023 to May 08, 2024	For the period from March 29, 2024 to June 30, 2024	For the period from June 05, 2024 to June 30, 2024		For the period from May 24, 2023 to June 30, 2023
	AL HABIB ISLAMIC MUNAFA PLAN II	AL HABIB ISLAMIC MUNAFA Plan III	AL HABIB ISLAMIC MUNAFA PLAN IV	Total	AL HABIB ISLAMIC MUNAFA PLAN II
Note	-----Rupees in '000 -----				
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income for the period before taxation	67,117	397,765	6,839	471,721	5,504
Adjustments for:					
Unrealised gain on re-measurement of investments classified as financial assets at 'fair value through profit or loss' - net	-	(6,652)	(1,319)	(7,971)	(3,119)
	67,117	391,113	5,520	463,750	2,385
Decrease / (increase) in assets					
Investments	383,590	(7,500,098)	(416,095)	(7,532,603)	(380,471)
Profit receivable	10,689	(772,710)	(6,904)	(768,925)	(11,134)
	394,279	(8,272,808)	(422,999)	(8,301,528)	(391,605)
Increase in liabilities					
Payable to the AL Habib Asset Management Limited - Management Company	2,768	270	194	3,232	319
Payable to Central Depository Company of Pakistan Limited - Trustee	36	415	18	469	10
Payable to Securities and Exchange Commission of Pakistan	31	531	23	585	3
Accrued expenses and other liabilities	980	58,029	957	59,966	82
	3,815	59,245	1,192	64,252	414
Cash generated from / (used in) operating activities	465,211	(7,822,450)	(416,287)	(7,773,526)	(388,806)
CASH FLOWS FROM FINANCING ACTIVITIES					
Receipts from issue of units	8,418	8,673,575	428,345	9,110,338	738,436
Payment against redemption of units	(461,380)	(30,700)	(4,054)	(496,134)	(342,431)
Distribution made during the period	(8,897)	(410,215)	(6,558)	(425,670)	(6,767)
Net cash (used in) / generated from financing activities	(461,859)	8,232,660	417,733	8,188,534	389,238
Net increase in cash and cash equivalents	3,352	410,210	1,446	415,008	432
Cash and cash equivalents at the beginning of the period	432	-	-	432	-
Cash and cash equivalents at the end of the period	3,784	410,210	1,446	415,440	432

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

**For AL Habib Asset Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Al Habib Islamic Munafa Fund (the Fund) was established under a Trust Deed executed between Al Habib Asset Management Limited as the Management Company, and Central Depository Company of Pakistan Limited (CDC), as the Trustee. The Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter No. SCD/AMCW/AMIMF/2022/95 dated October 11, 2022 and the Trust Deed was executed on November 17, 2022.
- 1.2** The Management Company of the Fund has been registered with the SECP as a Non-Banking Finance Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is situated at 3rd floor, Mackinnons Building, I, I Chundrigar Road Karachi, Pakistan.
- 1.3** The Fund is an Open-End Shariah compliant Collective Investment Scheme as per SECP's Circular No.3 of 2022 dated February 10, 2022 with Allocation Plans. The Allocation Plans under the Fund may have different Shariah compliant investment avenues and different maturity dates. The Allocation Plans under the Fund may have a set timeframe or perpetual.
- 1.4** The Fund has been categorized as a Shariah Compliant Fixed Return Scheme as per the criteria laid down by the Securities and Exchange Commission of Pakistan (SECP).
- 1.5** The Core objective of the Fund is to provide competitive returns to its investors through active investments in low risk portfolio of short duration, while maintaining high liquidity.
- 1.6** The Fund has launched four different plans; namely, Al Habib Islamic Munafa Fund Plan I (AHIMF Plan I), Al Habib Islamic Munafa Fund Plan II (AHIMF Plan II) Al Habib Islamic Munafa Fund Plan III (AHIMFP-3) and Al Habib Islamic Munafa Fund Plan IV (AHIMFP-4). The units of these plans were initially offered to public from March 29, 2023 till April 04, 2023, May 24, 2023 till June 08, 2023, March 29, 2024 and May 30, 2024 respectively.
- AHIMF Plan II has been matured as on May 08, 2024.
- 1.7** Title to the assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund. The Fund is not listed on Pakistan Stock Exchange.
- 1.8** Pacra Credit Rating Company Limited has assigned an asset manager quality rating of 'AM2++' (PACRA) to the Management Company as on June 30, 2024.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017; and
- The NBFC Rules, Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the 'NBFC Regulations') and requirements of the Trust Deed.

Where the provisions of and directives issued under the Companies Act, 2017, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost basis, unless otherwise stated.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan rupees ('Rupees' or 'Rs'), which is the Fund's functional and presentation currency.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of approved accounting standards, as applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material judgment in the next year are as follows:

Classification and valuation of investments

For details please refer notes 4.2.1.1 and 6 to these financial statements.

Impairment of financial assets

For details please refer notes 4.2.1.2 to these financial statements.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

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

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

	Effective date (annual periods beginning on or after)
Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	January 01, 2023

The Company adopted the narrow-scope amendments to the International Accounting Standard (IAS) 1, Presentation of Financial Statements which have been effective for annual reporting periods beginning on or after 1 January 2023. Although the amendments did not result in any changes to accounting policy themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting the Company to provide useful entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and updates to the information disclosed in Note 4 Material accounting policies (2023: Significant accounting policies) in certain instances in line with the amendments and concluded that all its accounting policies are material for disclosure.

3.2 New accounting standards, amendments and 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, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
IFRS 17 Insurance Contracts	January 01, 2026
IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)	
IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.	
IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.	
IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2026.	

4. MATERIAL ACCOUNTING POLICIES INFORMATION

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

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.

4.2 Financial instruments

4.2.1 Financial assets

Financial assets are classified into appropriate categories at amortized cost and at fair value through profit or loss.

The management determines the classification of financial assets into categories based on fund's business model for managing the financial and the contractual terms of the cash flows.

4.2.1.1 Classification

4.2.1.1.1 Debt Instruments

Amortized cost

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

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Fair value through profit or loss

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Subsequent, the financial measured at:

Debt investments at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest / markup income, foreign exchange gains and losses and impairment are recognised in income statement.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in income statement. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to income statement.
Debt investments at FVTPL	These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in income statement.

4.2.1.2 Regular way purchase and sale of financial asset

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 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 Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

The guiding principle of the expected credit loss (ECL) model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. The amount of ECLs recognised as a loss allowance or provision depends on the extent of credit deterioration since initial recognition. Under the general approach, there are two measurement bases:

- 12-month ECLs (Stage 1), which applies to all items (from initial recognition) as long as there is no significant deterioration in credit quality.
- Lifetime ECLs (Stages 2 and 3), which applies when a significant increase in credit risk has occurred on an individual or collective basis.

The Fund's financial assets include mainly bank balances, investments and other receivables.

4.2.3 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.

4.2.4 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 realise the assets and settle the liabilities simultaneously.

4.3 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.

4.4 Taxation

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

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.

4.5 Proposed distributions

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

4.6 Issuance and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that day. The offer price represents the net assets value per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours of that day. The redemption price represents the net assets value per unit as of the close of the business day less any back-end load (if applicable), any duties, taxes, charges on redemption and any provision for transaction costs, if applicable. Redemption of units are recorded on acceptance of application for redemption.

4.7 Element of income

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

4.8 Net asset value per unit

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

4.9 Revenue recognition

- Realised capital gains / (losses) arising on sale of investments are included in the income statement on the date at which the transaction takes place.
- Mark-up / profit / Government securities, return on investment in debt securities are recognized 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 in the period in which they arise.

4.10 Transactions with related parties / connected persons

Transactions with related parties / connected persons are based at arm's length at normal commercial rates on the same terms and conditions as applicable to third party transactions.

Remuneration to the Management Company and the Trustee is determined in accordance with the provision of NBFC Rules, NBFC Regulations and the Trust Deed respectively.

AL HABIB ISLAMIC MUNAFA FUND

		June 30, 2024				June 30, 2023
		IMF Plan II	IMF Plan III	IMF Plan IV	Total	IMF Plan II
5. BANK BALANCES	Note	----- Rupees in '000 -----				
Saving accounts	5.1	3,784	410,210	1,446	415,440	432
		3,784	410,210	1,446	415,440	432

5.1 These carries mark-up at the rates ranging between 19.50% to 20.50% (2023: 18% to 21%) per annum for all plans. These are held with Bank Al Habib Limited, a related party.

6. INVESTMENTS

Financial assets classified at fair value through profit or loss

Government Ijarah Sukuk	6.1	-	7,506,750	417,414	7,924,164	383,590
		-	7,506,750	417,414	7,924,164	383,590

6.1 Government Ijara Sukuk

6.1.1 AL Habib Islamic Munafa Plan II

Name of Instrument	As at July 01, 2023	Purchases during the period	Sales / matured during the period	As at June 30, 2024	Carrying value	Market value	Unrealised appreciation on re-measurement of investment	Market value as a percentage of net assets	Market value as a percentage of total value of Investment
GOP Ijara Sukuk 1 Year FRR (22-05-2023)	3,000	-	3,000	-	-	-	-	-	-
GOP Ijara Sukuk 1 Year VRR (22-05-2023)	835	1,210	2,045	-	-	-	-	-	-
Total as at June 30, 2024	3,835	1,210	5,045	-	-	-	-		
Total as at June 30, 2023				3,835	380,471	383,590	3,119		

6.1.2 AL Habib Islamic Munafa Plan III

Name of Instrument	As at July 01, 2023	Purchases during the period	Sales / matured during the period	As at June 30, 2024	Carrying value	Market value	Unrealised appreciation on re-measurement of investment	Market value as a percentage of net assets	Market value as a percentage of total value of Investment
GOP Ijara Sukuk 1 Year VRR (26-06-2023)	-	71,070	71,070	-	-	-	-	0%	0%
GOP Ijara Sukuk 1 Year VRR (12-07-2023)	-	75,000	-	75,000	7,500,098	7,506,750	6,652	87%	100%
Total as at June 30, 2024	-	75,000	-	75,000	7,500,098	7,506,750	6,652		
Total as at June 30, 2023				-	-	-	-		

6.1.3 AL Habib Islamic Munafa Plan IV

Name of Instrument	As at July 01, 2023	Purchases during the period	Sales / matured during the period	As at June 30, 2024	Carrying value	Market value	Unrealised appreciation on re-measurement of investment	Market value as a percentage of net assets	Market value as a percentage of total value of Investment
GOP Ijara Sukuk 1 Year VRR (04-12-2023)	-	4,200	40	4,160	416,095	417,414	1,319	98%	100%
Total as at June 30, 2024	-	4,200	40	4,160	416,095	417,414	1,319		
Total as at June 30, 2023				-	-	-	-		

		June 30, 2024				June 30, 2023
		IMF Plan II	IMF Plan III	IMF Plan IV	Total	IMF Plan II
7. PROFIT / MARK-UP RECEIVABLE	Note	----- Rupees in '000 -----				
Sukuk Certificates		-	770,011	6,098	776,109	10,586
Savings deposits		445	2,699	806	3,950	548
		445	772,710	6,904	780,059	11,134
8. PAYABLE TO AL HABIB ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY						
Remuneration payable to Management Company	8.1	2,502	63	172	2,737	257
Sindh Sales Tax payable on remuneration of Management Company	8.2	333	7	22	362	33
Allocation of expenses related to registrar services, accounting, operation and valuation services	8.3	252	200	-	452	29
		3,087	270	194	3,551	319
8.1	As per the amendments made in the NBFC Regulations, 2008 vide SRO 639 (1) / 2019 dated 20 June 2019, the Management Company has set and disclosed in the offering document the maximum rate of fee chargeable to Collective Investment Scheme (CIS) within allowed expense ratio, the Management Company of the Fund is entitled to an accrued remuneration equal to an amount not exceeding 10% of gross earnings of the scheme. The Management has charged its remuneration at rate ranging from 1% to 10% of the gross earning of the Fund, which is within the allowed expense ratio limit. The remuneration is paid to the Management Company on monthly basis in arrears.					
8.2	The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% (June 30, 2023: 13%) on the remuneration of Management Company through Sindh Sales Tax on Services Act, 2011.					
8.3	As per Regulation 60(3) of NBFC Regulations, fees and expenses related to registrar services, accounting, operation and valuation services related to CIS are chargeable to the CIS. During the period, the fee has been charged at the rate ranging from 0.1% to 2% incase of AHIMF Plan II, AHIMF Plan III and AHIMF Plan IV.					
		June 30, 2024				June 30, 2023
		IMF Plan II	IMF Plan III	IMF Plan IV	Total	IMF Plan II
9. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	----- Rupees in '000 -----				
Remuneration payable to the Trustee	9.1	41	382	16	439	9
Sindh Sales Tax payable on remuneration of the Trustee	9.2	5	33	2	40	1
		46	415	18	479	10
9.1	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 average annual net assets of the Fund. The fee is paid to the Trustee monthly in arrears. As per the Trust Deed and Offering Document, the trustee fee shall be charged in accordance to the tariff flat rate of 0.055% pa of net assets.					
9.2	The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% (June 30, 2023: 13%) on the Trustee fee through the Sindh Sales Tax on Services Act, 2011.					
10. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN						
Annual fee payable to SECP	10.1	34	531	23	-	3
10.1	As per Regulation 62 of NBFC Regulations, an Asset Management Company managing a Collective Investment Scheme shall pay SECP an annual fee of 0.02% of the average annual nets assets. The fee is payable annually in arrears.					
11. ACCRUED EXPENSES AND OTHER LIABILITIES						
Auditors' remuneration payable		54	-	-	54	-
Withholding tax payable		481	57,921	955	59,357	37
Capital gains tax payable		486	105	2	593	45
Other payables		41	3	-	44	-
		1,062	58,029	957	60,048	82

12. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2024. (June 2023: Nil)

13. NUMBER OF UNITS IN ISSUE

	June 30, 2024				June 30, 2023
	IMF Plan II	IMF Plan III	IMF Plan IV	Total	IMF Plan II
	----- Rupees in '000 -----				
Total units in issue at the beginning of the year	3,943,320	-	-	3,943,320	-
Add: Units issued during the year	84,175	86,504,432	4,281,520	90,870,127	7,308,863
Less: units redeemed during the year	(4,027,495)	(293,380)	(40,283)	(4,361,158)	(3,365,542)
Total units in issue at the end of the year	-	86,211,052	4,241,237	90,452,289	3,943,320

14. AUDITORS' REMUNERATION

	For the period from July 01, 2023 to May 08, 2024	For the period from March 29, 2024 to June 30, 2024	For the period from June 05, 2024 to June 30, 2024		For the period from May 24, 2023 to June 30, 2023
	IMF Plan II	IMF Plan III	IMF Plan IV	Total	IMF Plan II
	Rupees in '000				
Annual audit fee	81	-	-	81	-
Fee for half yearly review	97	-	-	97	-
Out of pocket expenses	-	-	-	-	-
	178	-	-	178	-

15. 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 ninety (90%) of its accounting income for the period, as reduced by the capital gains whether realised or unrealised, is distributed to the unit holders in cash. The Fund is also exempt from section 113 (minimum tax) provision under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

16. EARNINGS PER UNIT

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

17. FINANCIAL INSTRUMENTS BY CATEGORY

Particular	June 30, 2024									
	IMF Plan II			IMF Plan III			IMF Plan IV			Total
	At fair value through profit or loss	Amortised cost	Total	At fair value through profit or loss	Amortised cost	Total	At fair value through profit or loss	Amortised cost	Total	
-----Rupees in '000-----										
Financial assets										
Bank balances	-	3,784	3,784	-	410,210	410,210	-	1,446	1,446	415,440
Investments	-	-	-	7,506,750	-	7,506,750	417,414	-	417,414	7,924,164
Profit receivable	-	445	445	-	-	-	-	-	-	445
	-	4,229	4,229	7,506,750	410,210	7,916,960	417,414	1,446	418,860	8,340,049
Financial liabilities										
Payable to AL Habib Asset Management Limited - Management Company	-	3,087	3,087	-	270	270	-	194	194	3,551
Payable to Central Depository Company of Pakistan Limited - Trustee	-	46	46	-	415	415	-	18	18	479
Payable to Securities and Exchange Commission of Pakistan	-	34	34	-	531	531	-	23	23	588
Accrued expenses and other liabilities	-	95	95	-	3	3	-	-	-	98
	-	3,262	3,262	-	1,219	1,219	-	235	235	4,716

AL HABIB ISLAMIC MUNAFA FUND

Particular	June 30, 2023		
	IMF Plan II		
	At fair value through profit or loss	Amortised cost	Total
Financial assets			
Bank balances	-	432	432
Investments	383,590	-	383,590
Profit receivable	-	11,134	11,134
	<u>383,590</u>	<u>11,566</u>	<u>395,156</u>
Financial liabilities			
Payable to AL Habib Asset Management	-	319	319
Payable to Central Depository Company of Pakistan Limited - Trustee	-	10	10
Payable to Securities and Exchange Commission of Pakistan	-	3	3
Accrued expenses and other liabilities	-	-	-
	<u>-</u>	<u>332</u>	<u>332</u>

18. TRANSACTIONS AND BALANCES WITH RELATED PARTIES/ CONNECTED PERSONS

Related parties/ Connected persons include Al Habib Asset Management Limited being the Management Company, Bank Al Habib 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, as disclosed in the offering document of the fund.

Related parties/connected persons include:

S.No	Company Name	Relationship
1	Al Habib Asset Management Limited	Management Company
2	Bank AL Habib Limited	Parent Company of Al Habib Asset Management Limited.
3	AL Habib Capital Market Company	Subsidiary of Bank AL Habib Limited
4	AL Habib Cash Fund	Managed by AL Habib Asset Management Limited
5	AL Habib Money Market Fund	Managed by AL Habib Asset Management Limited
6	AL Habib Income Fund	Managed by AL Habib Asset Management Limited
7	AL Habib Islamic Income Fund	Managed by AL Habib Asset Management Limited
8	AL Habib Stock Fund	Managed by AL Habib Asset Management Limited
9	AL Habib Islamic Cash Fund	Managed by AL Habib Asset Management Limited
10	AL Habib Islamic Saving Fund	Managed by AL Habib Asset Management Limited
11	AL Habib Islamic Stock Fund	Managed by AL Habib Asset Management Limited
12	AL Habib Pension Fund	Managed by AL Habib Asset Management Limited
13	AL Habib Islamic Pension Fund	Managed by AL Habib Asset Management Limited
14	AL Habib Fixed Return Fund	Managed by AL Habib Asset Management Limited
15	AL Habib Islamic Munafa Fund	Managed by AL Habib Asset Management Limited
16	AL Habib Government Securities Fund	Managed by AL Habib Asset Management Limited
17	AL Habib GOKP Pension Fund	Managed by AL Habib Asset Management Limited
18	AL Habib GOKP Islamic Pension Fund	Managed by AL Habib Asset Management Limited
19	Central Depository Company	Trustee

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

	For the period from July 01, 2024 to May 08, 2024	For the period from March 29, 2024 to June 30, 2024	For the period from June 05, 2024 to June 30, 2024	For the period from May 24, 2023 to June 30, 2023
	IMF Plan II	IMF Plan III	IMF Plan IV	IMF Plan II
	Rupees in '000			
18.1 Transactions during the period				
Al Habib Asset Management Limited - Management Company				
Remuneration of the Management Company	4,825	8,334	172	257
Sindh Sales Tax on remuneration of the Management Company	627	1,083	22	33
Allocation of expenses related to registrar services, accounting, operation and valuation services	337	200	-	29
Purchase of units of the Plan II024 (10,000 units)	-	1,000	-	-
Reinvestment Units 422 units	-	50	-	-
Central Depository Company of Pakistan Limited - Trustee				
Remuneration of the Trustee	203	1,087	16	9
Sindh Sales Tax on remuneration of the Trustee	26	125	2	1
Bank Al Habib Limited - Sponsor				
Bank charges	6	3	-	(5)
Mark-up on bank deposits	3,786	7,703	806	432
Other Connected Persons				
Purchase of units of the Plan II024: Nil (2023 :3,337,530 units)	-	-	-	-
Purchase of units of the Plan II024: Nil (2023: 3926,355 units)	-	-	-	394,227
Directors and Key Executives				
Purchase of units of the Plan II024: Nil (2023: 17,410 units)	-	-	-	1,746,276
Connected Parties holding 10% or more of the units in issue				
- AHIMP-3 (Issuance : 85,114,294 units)	-	8,520,639	-	-
- AHIMP-4 (Issuance : 3,492,018 units)	-	-	349,572	-
	June 30, 2024			
	IMF Plan II	IMF Plan III	IMF Plan IV	Total
	June 30, 2023			
	IMF Plan II			
	Rupees in '000			
18.2 Balances outstanding as at year end				
Al Habib Asset Management Limited - Management Company				
Remuneration of the Management Company	2,502	63	172	2,737
Sindh Sales Tax on remuneration of the Management Company	333	7	22	362
Allocation of expenses related to registrar services, accounting, operation and valuation services	252	200	-	452
Units held as at June 30, 2024 (10,422 units)	-	1,050	-	1,050
Bank Al Habib Limited - Sponsor				
Bank Balances	3,784	410,210	1,446	415,440
Profit Receivable	441	2,699	806	3,946
Connected Parties holding 10% or more of the units in issue				
- AHIMP-3 (Issuance : 85,114,294 units)	-	8,520,639	-	8,520,639
- AHIMP-4 (Issuance : 3,492,018 units)	-	-	349,572	349,572
Other Connected Persons				
Nil:Units held as at June 30, 2024 (June 30, 2023: 3,943,321 Units)	-	-	-	394,742,151
Directors and Key Executives				
Nil : Units held as at June 30, 2024 (June 30, 2023: 17,410 units)	-	-	-	1,746,276

19. FINANCIAL RISK MANAGEMENT

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

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

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

19.1 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.

Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

19.1.1 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.

19.1.2 Interest rate risk

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

a) Sensitivity analysis for variable rate instruments

As at the reporting date, the fund holds variable profit based investment and bank balances exposing the fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in interest rate at period end with all other variables held constant, the net income for the period and the net assets would be higher / lower by Rs. Rs. 83.31 million (June 30,2023 : 0.072 million).

b) Sensitivity analysis for fixed rate instruments

The Fund is exposed to fair value interest rate risk for investment in government securities.

In case of 100 basis points increase in interest rates on June 30, 2024, with all other variables held constant, the net income for the period and the net assets would have been lower / higher by Rs. Nil (June 30, 2023 : Rs. 3.83 million).

c) Fair value interest rate risk

Particulars	Effective yield / interest rate	June 30, 2024				
		AL HABIB ISLAMIC MUNAFA Plan II				
		Exposed to yield / interest rate risk			Not exposed to yield / Interest rate risk	Total
		Upto three months	More than three months and upto one year	More than one year		
		%	----- Rupees in '000 -----			
On-balance sheet financial instruments						
Financial assets						
Bank balances	19.50% - 20.50%	3,784	-	-	-	3,784
Investments - net		-	-	-	-	-
Profit receivable		445	-	-	-	445
		4,229	-	-	-	4,229
Financial liabilities						
Payable to the Management Company		-	-	-	3,087	3,087
Payable to the Trustee		-	-	-	46	46
Payable to Securities and Exchange Commission of Pakistan		-	-	-	34	34
Accrued expenses and other liabilities		-	-	-	95	95
Sub total		-	-	-	3,262	3,262
On-balance sheet gap (a)		4,229	-	-	(3,262)	967
Off-balance sheet financial instruments						
Off-balance sheet gap (b)		-	-	-	-	-

AL HABIB ISLAMIC MUNAFA FUND

Particulars	Effective yield / interest rate	June 30, 2024				
		AL HABIB ISLAMIC MUNAFA Plan III				
		Exposed to yield / interest rate risk			Not exposed to yield / Interest rate risk	Total
		Upto three months	More than three months and upto one year	More than one year		
	%	----- Rupees in '000 -----				

On-balance sheet financial instruments

Financial assets

Bank balances	19.50% - 20.50%	410,210	-	-	-	410,210
Investments - net		-	7,506,750	-	-	7,506,750
Profit receivable		772,710	-	-	-	772,710
Sub total		1,182,920	-	-	-	4,229

Financial liabilities

Payable to the Management Company		-	-	-	270	270
Payable to the Trustee		-	-	-	415	415
Payable to Securities and Exchange Commission of Pakistan		-	-	-	531	531
Accrued expenses and other liabilities		-	-	-	3	3

Sub total		-	-	-	1,219	1,219

On-balance sheet gap (a)		1,182,920	7,506,750	-	(1,219)	8,688,451

Off-balance sheet financial instruments		-	-	-	-	-

Off-balance sheet gap (b)		-	-	-	-	-

Particulars	Effective yield / interest rate	June 30, 2024				
		AL HABIB ISLAMIC MUNAFA Plan IV				
		Exposed to yield / interest rate risk			Not exposed to yield / Interest rate risk	Total
		Upto three months	More than three months and upto one year	More than one year		
	%	----- Rupees in '000 -----				

On-balance sheet financial instruments

Financial assets

Bank balances	19.50% - 20.50%	1,446	-	-	-	1,446
Investments - net		-	417,414	-	-	417,414
Profit receivable		6,904	-	-	-	6,904
Sub total		8,350	-	-	-	4,229

Financial liabilities

Payable to the Management Company		-	-	-	194	194
Payable to the Trustee		-	-	-	18	18
Payable to Securities and Exchange Commission of Pakistan		-	-	-	23	23
Accrued expenses and other liabilities		-	-	-	-	-

Sub total		-	-	-	235	235

On-balance sheet gap (a)		8,350	417,414	-	(235)	425,529

Off-balance sheet financial instruments		-	-	-	-	-

Off-balance sheet gap (b)		-	-	-	-	-

AL HABIB ISLAMIC MUNAFA FUND

Particulars	Effective yield / interest rate	June 30, 2023				
		AL HABIB ISLAMIC MUNAFA Plan II				
		Exposed to yield / interest rate risk			Not exposed to yield / Interest rate risk	Total
		Upto three months	More than three months and upto one year	More than one year		
		----- Rupees in '000 -----				
On-balance sheet financial instruments						
Financial assets						
Bank balances	18% - 21%	432	-	-	432	
Investments - net		-	-	383,590	383,590	
Profit receivable		11,134	-	-	11,134	
		11,566	-	383,590	395,156	
Financial liabilities						
Payable to the Management Company		-	-	319	319	
Payable to the Trustee		-	-	10	10	
Payable to Securities and Exchange Commission of Pakistan		-	-	3	3	
Accrued expenses and other liabilities		-	-	-	-	
Sub total		-	-	332	332	
On-balance sheet gap (a)						
Off-balance sheet financial instruments						
Off-balance sheet gap (b)						

19.1.3 Other price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices 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. As at June 30, 2024, the Fund do not hold any financial instrument which exposes the Fund to other price risks.

19.2 Credit risk

Credit risk represents the risk of a loss if the counter parties fail to perform as contracted. The Fund's credit risk is primarily attributable to bank balances (financial institutions) and receivables from banks.

Management of credit risk

The Fund keeps deposits with reputed financial institutions.

19.2.1 The analysis below summarises the credit quality of the Fund's financial assets as at June 30, 2024

Bank	IMF Plan II	IMF Plan III	IMF Plan IV	Latest available published rating as at June 30, 2024	Rating agency
----- Rupees in 000 -----					
Bank Al Habib Limited	3,784	410,210	1,446	A1+	PACRA

The analysis below summarises the credit quality of the Fund's financial assets as at June 30, 2023

Bank	IMF Plan II	Latest available published rating as at June 30, 2023	Rating agency
--- Rupees in 000 ---			
Bank Al Habib Limited	432	A1+	PACRA

19.2.2 The analysis below summarizes the credit quality of the Fund's credit exposure:

Rating by rating category	June 30, 2024			June 30, 2023
	IMF Plan II	IMF Plan III	IMF Plan IV	IMF Plan II
	----- (%) -----			
A1+	100%	100%	100%	100%
	100%	100%	100%	100%

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 major asset balances are held with a single bank, and management believes that there is no concentration of credit risk as this bank is reputed institution.

19.3 Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations arising from its financial liabilities that are settled by delivering cash or another financial asset, or that such obligations will have to be settled in a manner disadvantageous to the Fund.

The Fund is exposed to non-payment of redemptions request on a regular basis. Units are redeemable at the holder's option based on the Fund's net asset value per unit at the time of redemption calculated in accordance with the Fund's constitutive document and guidelines laid down by the SECP.

Management of liquidity risk

The Fund's policy is to manage this risk by investing majority of its assets in investments that are traded in an active market and can be readily disposed off.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is, therefore, to invest the majority of its assets either in short term instruments or in investments that are traded in an active market and can be readily disposed and are considered readily realisable in order to maintain liquidity.

In order to manage the Fund's overall liquidity, the Fund also has the ability to withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

The table below summarises the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

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

Particulars	June 30, 2024								
	AL HABIB ISLAMIC MUNAFA PLAN II			AL HABIB ISLAMIC MUNAFA PLAN III			AL HABIB ISLAMIC MUNAFA PLAN IV		
	Upto three months	More than three months and upto one	Over one year	Upto three months	More than three months and upto one year	Over one year	Upto three months	More than three months and upto one year	Over one year
----- Rupees in '000 -----									
Financial liabilities									
Payable to the Management Company	3,087	-	-	270	-	-	194	-	-
Payable to the Trustee	46	-	-	415	-	-	18	-	-
Payable to Securities and Exchange Commission of Pakistan	34	-	-	531	-	-	23	-	-
Accrued expenses and other liabilities	1,062	-	-	58,029	-	-	1,192	-	-
Total Liabilities	4,229	-	-	59,245	-	-	1,427	-	-

Particulars	June 30, 2023		
	AL HABIB ISLAMIC MUNAFA PLAN II		
	Upto three months	More than three months and upto one	Over one year
----- Rupees in '000 -----			
Financial liabilities			
Payable to the Management Company	319	-	-
Payable to the Trustee	10	-	-
Payable to Securities and Exchange Commission of Pakistan	3	-	-
Accrued expenses and other liabilities	82	-	-
Total Liabilities	414	-	-

20. UNITHOLDERS' FUND RISK MANAGEMENT

The unitholders' fund is represented by the net assets attributable to unitholders / redeemable units. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily issuance and redemptions at the discretion of unit holders. These unitholders of the Fund are entitled to distributions and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the statement of movement in unitholders' fund. Unitholders fund risk management is carried out by the Management Company through following steps:

- Monitors the level of daily issuance and redemptions relative to the liquid assets and adjusts the amount of distributions the Fund pays to the unitholders;
- Redeems and issues units in accordance with the constitutive documents of the Fund. This includes the Fund's ability to restrict redemptions; and
- The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management Company critically track the movement of 'Assets under Management'. The Board of Directors is updated regarding key performance indicators, e.g. yield and movement of NAV and total Fund size at the end of each quarter.

The Fund has maintained and complied with the requirements of minimum fund size during the current period.

21. 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 amount 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.

As per the requirements of IFRS 7 (Financial Instruments: Disclosures) and IFRS 13 (Fair Value Measurement), 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 table below analyse financial instruments measured at the end of the reporting year by the level in the fair value hierarchy into which the fair value measurement is categorised:

		June 30, 2024			
		Fair value			
		Level 1	Level 2	Level 3	Total
		(Rupees in '000)			
Investments at fair value through profit or loss					
Plan II					
	GoP Ijarah Sukuk Certificates	-	-	-	-
Plan III					
	GoP Ijarah Sukuk Certificates	-	7,506,750	-	7,506,750
Plan IV					
	GoP Ijarah Sukuk Certificates	-	417,414	-	417,414
		-	7,924,164	-	7,924,164
		-	7,924,164	-	7,924,164
		June 30, 2023			
		Fair value			
		Level 1	Level 2	Level 3	Total
		(Rupees in '000)			
Investments at fair value through profit or loss					
Plan II					
	GoP Ijarah Sukuk Certificates	-	383,590	-	383,590
		-	383,590	-	383,590

21.1 Valuation techniques

For level 2 investments at fair value through profit or loss in units of mutual funds, Fund uses PKISRV rates which are taken from MUFAP, for the purpose of computation of Market value at the reporting date.

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

22. PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER

Details of members of the Investment Committee of the Fund as on June 30, 2024 are as follows:

Name	Designation	Qualification	Experience
Mr. Kashif Rafi	Chief Executive Officer	MBA - IBA	23 years
Mr. Zahid Hussain Vasnani	Chief Operating Officer & Company Secretary	CA- Affiliate	24 years
Mr. Abdul Rehman	Chief Investment Officer	MBA & CFA	13 years
Mr. Ahmed Abbas	Fund Manager	MBA	16 years
Mr. Talha A.Siddiqui	Fund Manager	MA in Economics	11 years
Mr. Umar Bin Hassan	Manager Risk & Research	MS - IBA	6 years

23. PATTERN OF UNITHOLDING

June 30, 2024				
Category	Number of unit holders	Number of units held	Investment amount	Percentage
----- Rupees in '000 -----				
Plan II				
Individuals	-	-	-	0.00%
Associated Companies and Directors	-	-	-	0.00%
Retirement Funds	-	-	-	0.00%
Others	-	-	-	0.00%
	-	-	-	0.00%
Plan III				
Other Corporate	4	85,689	8,578,130	98.73%
Associated Companies and Directors	1	10	1,051	0.01%
Retirement Funds	1	354	35,398	0.41%
Others	15	737	73,819	0.85%
	6	86,790	8,688,397	100.00%
Plan IV				
Insurance Companies	2	1,117	111,782	26.27%
Other Corporate	1	1,929	193,079	45.37%
Others	6	1,205	120,668	28.36%
	9	4,251	425,529	100.00%

24. ATTENDANCE AT MEETINGS OF THE BOARD OF DIRECTORS

Four meetings of the Board of Directors were held on August 17, 2023 and October 19, 2023, January 25, 2024, April 18, 2024 respectively. Information in respect of the attendance by the Directors in the meetings is given below:

S.No.	Name of Director	Number of meetings			Meeting(s) not attended
		Held	Attended	Leave	
1	Mr. Abbas D. Habib	4	3	1	99th Meeting
2	Mr. Mansoor Ali Khan	4	4	-	-
3	Mr. Saeed Allawala	4	4	-	-
4	Ms. Zarine Aziz	4	1	3	99th, 100th and 101st Meeting
5	Mr. Imran Azim	4	3	1	100th Meeting
6	Mr. Kashif Rafi (CEO)	4	4	-	-

25. TOTAL EXPENSE RATIO

In accordance with the S.R.O 1068 (I) / 2021 dated August 23, 2021 issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio of the fund for the period ended June 30, 2024 is 0.62% & 0.77% (June 30, 2023: 0.22%) respectively which includes 0.14% & 0.15% (June 30, 2023: 0.10%) respectively representing Government levy and SECP fee.

26. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, whenever necessary for the purpose of comparison and for better presentation.

27. GENERAL

27.1 Figures have been rounded off to the nearest thousand rupees, unless otherwise stated.

28. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 01, 2024 by the Board of Directors of the Management Company.

**For AL Habib Asset Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

ANNUAL FUND MANAGER REPORT FINANCIAL YEAR 2024

Fund Objective

The "AL Habib Islamic Munafa Fund - Plan 2 (AHIMP Plan 2) is Allocation Plan under "AL Habib Islamic Munafa Fund (AHIMF)" with an objective to provide investors with a competitive rate of return, for fixed tenure by investing primarily in Shariah compliant Instruments for a specific duration.

Fund Objective Achieved:

The Fund has achieved its stated objective.

Strategies and Policies Employed during the period under review:

The AHIMP2 maintained the strategy to maintain exposure in high stability and low volatility avenues as mentioned in the objectives of the Fund, wherein major portion of investment was held with GOP Ijarah Sukuks.

Performance of the fund with benchmark

The Fund outperformed its benchmark by 1061 bps as it posted YTD return of 20.70% as against the benchmark of 10.09%

Fund Description

Fund Type & Category	Open End - Fixed Rate/ Return Scheme	External Auditors	BDO Ebrahim & Co. Chartered Accountants
Launch Date	May 24, 2023	Management Fee	10% of the annual gross earnings of the Scheme
Benchmark	Average deposit rate of comparable period of the plan(s) of three (3) AA rated Shariah compliant scheduled Banks as selected by MUFAP at the time of Plan launch	Contingent Load	Contingent Load will be charged which shall commensurate with net loss incurred due to early redemption.
Annual Return	20.70%	Minimum Investment	Initial investment of Rs. 1,000,000/-
Benchmark	10.09%	Dealing Days/Timings	Monday to Friday 9:00 am to 4:30 pm
Net Assets	Rs. 463 million (April 30, 2024)	AMC Rating	"AM2+" by PACRA
NAV per unit	Rs. 117.4203 per unit (April 30, 2024)	Trustee	Central Depository Company of Pakistan Limited.
Pricing Mechanism	Forward Pricing	Maturity Date	May 08, 2024
Risk Profile	Low (Principal at low risk)		

Market Review:

During FY24, Pakistan's money market witnessed significant improvements, driven by enhanced macroeconomic conditions. The most notable development was the substantial drop in headline inflation, which decreased from a peak of 29.4% in June 2023 to 12.6% by June 2024. This sharp decline in inflation created room for the State Bank of Pakistan (SBP) to adopt a more accommodative monetary policy stance. In response, the SBP reduced the policy rate by 150 basis points, bringing it down to 20.5% from the previous high of 22%. This was a strategic move, reflecting stabilizing macroeconomic indicators and an improved inflation outlook.

Key among these indicators was the narrowing of Pakistan's current account deficit, which fell dramatically from PKR 3.27 trillion in FY23 to PKR 0.68 trillion in FY24. This development, coupled with better fiscal management, played a crucial role in stabilizing the exchange rate. The Pakistani rupee (PKR) traded within a narrow range of 274.5 to 281 PKR per USD during the year. Another

AL HABIB ISLAMIC MUNAFA FUND

notable factor is, while the SBP helped manage currency depreciation risks, it did not aim to keep the exchange rate fixed at any pre-determined level. Moreover, Pakistan recorded a Current Account deficit of 62 USD Million in the second quarter of 2024. Current Account in Pakistan averaged at -799.26 USD Million from 1976 until 2024.

The SBP's interventions in the money market included substantial injections of liquidity through Open Market Operations (OMO), the SBP injected a total of PKR 11.9 trillion in June 2024 as compared to 7.99 trillion in same period last year.

Overall, FY24 marked a year of positive shifts for Pakistan's money market, characterized by lower inflation, stable interest rates, and improved external balances. These developments indicate a favourable outlook for FY25, with expectations of continued monetary easing and enhanced market stability.

PKRV Rates			
Tenor	As at June 30, 2024	As at June 30, 2023	Change (Bps)
3 Months	19.97	22.65	-268
6 Months	19.91	22.87	-296
12 Months	18.62	22.93	-431
3 Years	16.65	19.47	-282
5 Years	15.37	16.08	-71

PKRV Rates		
Date	Policy Rate	Change (Bps)
11-Jun-24	20.5	150
27-Jun-23	22	-

Asset Allocation of Fund (as a % of total assets)

Particulars	30-Jun-24	30-Jun-23
Cash	0.32%	0.11%
GOP Ijarah Sukuk	8.86%	97.07%
Others	90.82%	2.82%

During the period under question:

There has been no significant change in the state of affairs of the Fund. Al Habib Islamic Munafa Fund Plan 2 does not have any soft commission arrangement with any broker in the industry.

Sales and Redemptions of Units

During the year, 84,175 units valued of Rs. 0.008 billion were sold while 4,027,496 units valued Rs. 0.460 billion were redeemed resulting in to a net redemption of 3,943,320 units of the value of Rs. 0.451 billion.

Unit Holders Pattern

For the breakdown of unit holding by size as on April 30, 2024, please refer to note 23 of the Annual Accounts 2024.

Fund Performance at a Glance

	2024
Net Assets as at April 30 (Rs. in million)	463
NAV per unit as at April 30 (Rs.)	117.4203
Annual Return	20.70

Fund Objective

The "AL Habib Islamic Munafa Fund - Plan 3 (AHIMF Plan 3) is Allocation Plan under "AL Habib Islamic Munafa Fund (AHIMF)" with an objective to provide investors with a competitive rate of return, for fixed tenure by investing primarily in Shariah compliant Instruments for a specific duration.

Fund Objective Achieved:

The Fund has achieved its stated objective.

Strategies and Policies Employed during the period under review:

The AHIMFP3 maintained the strategy to maintain exposure in high stability and low volatility avenues as mentioned in the objectives of the Fund, wherein major portion of investment was held with GOP Ijarah Sukuks.

Performance of the fund with benchmark

The Fund outperformed it's benchmark by 869 bps as it posted YTD return of 19.92% as against the benchmark of 11.23%.

Fund Description

Fund Type & Category	Open End - Fixed Rate/ Return Scheme	External Auditors	BDO Ebrahim & Co. Chartered Accountants
Launch Date	March 28, 2024	Management Fee	10% of the annual gross earnings of the Scheme
Benchmark	Average deposit rate of comparable period of the plan(s) of three (3) AA rated Shariah compliant scheduled Banks as selected by MUFAP at the time of Plan launch	Contingent Load	Contingent Load will be charged which shall commensurate with net loss incurred due to early redemption.
Annual Return	19.92%	Minimum Investment	Initial investment of Rs. 1,000,000/-
Benchmark	11.23%	Dealing Days/Timings	Monday to Friday 9:00 am to 4:30 pm
Net Assets	Rs. 8,688 Million (June 30, 2024)	AMC Rating	"AM2+" by PACRA
NAV per unit	Rs. 100.1082 per unit (June 30, 2024)	Trustee	Central Depository Company of Pakistan Limited.
Pricing Mechanism	Forward Pricing	Maturity Date	July 03, 2024
Risk Profile	Low (Principal at low risk)		

Market Review:

During FY24, Pakistan's money market witnessed significant improvements, driven by enhanced macroeconomic conditions. The most notable development was the substantial drop in headline inflation, which decreased from a peak of 29.4% in June 2023 to 12.6% by June 2024. This sharp decline in inflation created room for the State Bank of Pakistan (SBP) to adopt a more accommodative monetary policy stance. In response, the SBP reduced the policy rate by 150 basis points, bringing it down to 20.5% from the previous high of 22%. This was a strategic move, reflecting stabilizing macroeconomic indicators and an improved inflation outlook.

Key among these indicators was the narrowing of Pakistan's current account deficit, which fell dramatically from PKR 3.27 trillion in FY23 to PKR 0.68 trillion in FY24. This development, coupled with better fiscal management, played a crucial role in stabilizing the exchange rate. The Pakistani rupee (PKR) traded within a narrow range of 274.5 to 281 PKR per USD during the year. Another notable factor is, while the SBP helped manage currency depreciation risks, it did not aim to keep the exchange rate fixed at any pre-determined level. Moreover, Pakistan recorded a Current Account deficit of 62 USD Million in the second quarter of 2024. Current Account in Pakistan averaged at -799.26 USD Million from 1976 until 2024.

AL HABIB ISLAMIC MUNAFA FUND

The SBP's interventions in the money market included substantial injections of liquidity through Open Market Operations (OMO), the SBP injected a total of PKR 11.9 trillion in June 2024 as compared to 7.99 trillion in same period last year.

Overall, FY24 marked a year of positive shifts for Pakistan's money market, characterized by lower inflation, stable interest rates, and improved external balances. These developments indicate a favourable outlook for FY25, with expectations of continued monetary easing and enhanced market stability.

PKRV Rates			
Tenor	As at June 30, 2024	As at June 30, 2023	Change (Bps)
3 Months	19.97	22.65	-268
6 Months	19.91	22.87	-296
12 Months	18.62	22.93	-431
3 Years	16.65	19.47	-282
5 Years	15.37	16.08	-71

PKRV Rates		
Date	Policy Rate	Change (Bps)
11-Jun-24	20.5	150
27-Jun-23	22	-

Asset Allocation of Fund (as a % of total assets)

Particulars	30-Jun-24	30-Jun-23
Cash	4.72%	-
GOP Ijarah Sukuk	86.39%	-
Others	8.89%	-

Unit Holding Pattern

Size of Unit Holding (Units)	# of Unit Holders
1001-5000	4
5001-10000	7
10001-50000	3
100001-500000	3
10000001-100000000	4
Grand Total	21

During the period under question:

There has been no significant change in the state of affairs of the Fund. Al Habib Islamic Munafa Fund Plan 3 does not have any soft commission arrangement with any broker in the industry.

Sales and Redemptions of Units

During the year, 86,504,432 units valued of Rs. 8.731 billion were sold while 293,380 units valued Rs. 0.0305 billion were redeemed resulting in to a net sale of 86,211,052 units of the value of Rs. 8.7 billion.

Unit Holders Pattern

For the breakdown of unit holding by size as on June 30, 2024, please refer to note 23 of the Annual Accounts 2024.

Fund Performance at a Glance

	2024
Net Assets as at April 30 (Rs. in million)	8,688
NAV per unit as at April 30 (Rs.)	100.1082
Annual Return	19.92%

Fund Objective

The "AL Habib Islamic Munafa Fund - Plan 4 (AHIMF Plan 4) is Allocation Plan under "AL Habib Islamic Munafa Fund (AHIMF)" with an objective to provide investors with a competitive rate of return, for fixed tenure by investing primarily in Shariah compliant Instruments for a specific duration.

Fund Objective Achieved:

The Fund has achieved its stated objective.

Strategies and Policies Employed during the period under review:

The AHIMFP4 maintained the strategy to maintain exposure in high stability and low volatility avenues as mentioned in the objectives of the Fund, wherein major portion of investment was held with GOP Ijarah Sukuks.

Performance of the fund with benchmark

The Fund outperformed it's benchmark by 1323 bps as it posted YTD return of 23.51% as against the benchmark of 10.28%

Fund Description

Fund Type & Category	Open End - Fixed Rate/ Return Scheme	External Auditors	BDO Ebrahim & Co. Chartered Accountants
Launch Date	May 30, 2024	Management Fee	10% of the annual gross earnings of the Scheme
Benchmark	Average deposit rate of comparable period of the plan(s) of three (3) AA rated Shariah compliant scheduled Banks as selected by MUFAP at the time of Plan launch	Contingent Load	Contingent Load will be charged which shall commensurate with net loss incurred due to early redemption.
Annual Return	23.51%	Minimum Investment	Initial investment of Rs. 500,000/-
Benchmark	10.28%	Dealing Days/Timings	Monday to Friday 9:00 am to 4:30 pm
Net Assets	Rs. 426 Million (June 30, 2024)	AMC Rating	"AM2+" by PACRA
NAV per unit	Rs. 100.1059 per unit (June 30, 2024)	Trustee	Central Depository Company of Pakistan Limited.
Pricing Mechanism	Forward Pricing	Maturity Date	December 5, 2024
Risk Profile	Low (Principal at low risk)		

Market Review:

During FY24, Pakistan's money market witnessed significant improvements, driven by enhanced macroeconomic conditions. The most notable development was the substantial drop in headline inflation, which decreased from a peak of 29.4% in June 2023 to 12.6% by June 2024. This sharp decline in inflation created room for the State Bank of Pakistan (SBP) to adopt a more accommodative monetary policy stance. In response, the SBP reduced the policy rate by 150 basis points, bringing it down to 20.5% from the previous high of 22%. This was a strategic move, reflecting stabilizing macroeconomic indicators and an improved inflation outlook.

Key among these indicators was the narrowing of Pakistan's current account deficit, which fell dramatically from PKR 3.27 trillion in FY23 to PKR 0.68 trillion in FY24. This development, coupled with better fiscal management, played a crucial role in stabilizing the exchange rate. The Pakistani rupee (PKR) traded within a narrow range of 274.5 to 281 PKR per USD during the year. Another notable factor is, while the SBP helped manage currency depreciation risks, it did not aim to keep the exchange rate fixed at any pre-determined level. Moreover, Pakistan recorded a Current Account deficit of 62 USD Million in the second quarter of 2024. Current Account in Pakistan averaged at -799.26 USD Million from 1976 until 2024.

AL HABIB ISLAMIC MUNAFA FUND

The SBP's interventions in the money market included substantial injections of liquidity through Open Market Operations (OMO), the SBP injected a total of PKR 11.9 trillion in June 2024 as compared to 7.99 trillion in same period last year.

Overall, FY24 marked a year of positive shifts for Pakistan's money market, characterized by lower inflation, stable interest rates, and improved external balances. These developments indicate a favourable outlook for FY25, with expectations of continued monetary easing and enhanced market stability.

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3 Months	19.97	22.65	-268
6 Months	19.91	22.87	-296
12 Months	18.62	22.93	-431
3 Years	16.65	19.47	-282
5 Years	15.37	16.08	-71

PKRV Rates		
Date	Policy Rate	Change (Bps)
11-Jun-24	20.5	150
27-Jun-23	22	-

Asset Allocation of Fund (as a % of total assets)

Particulars	30-Jun-24	30-Jun-23
Cash	0.34%	-
GOP Ijarah Sukuk	98.04%	-
Others	1.62%	-

Unit Holding Pattern

Size of Unit Holding (Units)	# of Unit Holders
50001-100000	1
100001-500000	5
500001-1000000	2
1000001-5000000	1
Grand Total	9

Income Distribution

AHIMFP4 made a total distribution of Rs. 1.567 during FY24 in the form of dividend, the detail of which is given below:

Month	Cum NAV Rs.	Ex-NAV Rs.	Distribution Rs.
Jun-24	101.567	100	1.567

During the period under question:

There has been no significant change in the state of affairs of the Fund. Al Habib Islamic Munafa Fund Plan 4 does not have any soft commission arrangement with any broker in the industry.

Sales and Redemptions of Units

During the year, 4,281,520 units valued of Rs. 0.429 billion were sold while 40,283 units valued Rs. 0.004 billion were redeemed resulting in to a net sale of 4,241,237 units of the value of Rs. 0.425 billion.

Unit Holders Pattern

For the breakdown of unit holding by size as on June 30, 2024, please refer to note 23 of the Annual Accounts 2024.

Fund Performance at a Glance

	2024
Net Assets as at June 30 (Rs. in million)	426
NAV per unit as at June 30 (Rs.)	100.1059
Distribution during the year ended June 30 (Rs.)	1.567
Annual Return	23.51%

**AL HABIB GOVERNMENT
SECURITIES FUND**
Annual Report
For the year ended June 30, 2024

FUND'S INFORMATION

Management Company

AL Habib Asset Management Limited

Board of Directors of the Management Company

Mr. Abbas D. Habib	Chairman
Mr. Mansoor Ali	Director
Mr. Imran Azim	Director
Ms. Zarine Aziz	Director
Mr. Saeed Allawala	Director
Mr. Kashif Rafi	Chief Executive Officer

Chief Financial Officer

Mr. Abbas Qurban

Company Secretary & Chief Operating Officer

Mr. Zahid Hussain Vasnani

Audit Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali	Member
Mr. Imran Azim	Member

Human Resource Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali	Member
Ms. Zarine Aziz	Member
Mr. Kashif Rafi	Member

Auditors

BDO Ebrahim & Co.
Lakson Square Building No. 1, 9th Floor,
Block C Sarwar Shaheed Rd, Civil Lines,
Karachi, Karachi City, Sindh 74200

Legal Advisor

Mohsin Tayebaly & Co.
Barristers & Advocates,
2nd Floor, DIME Centre, BC-4,
Block 9, Kehkashan, Clifton, Karachi.

Trustee

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block 'B', S.M.C.H.S.,

Rating

AM2++ Management Company Quality
Rating Assigned by PACRA.

Main Shahra-e-Faisal, Karachi.

Bankers to the Fund

Bank AL Habib Limited
Allied Bank Limited
Habib Bank Limited

Registered Office: 3rd Floor, Mackinnon's Building, I.I. Chundrigar Road, Karachi.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S. Main Shakra-e-Faisal
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcPakistan.com
Email: info@cdcpak.com



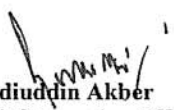
TRUSTEE REPORT TO THE UNIT HOLDERS

AL HABIB GOVERNMENT SECURITIES FUND

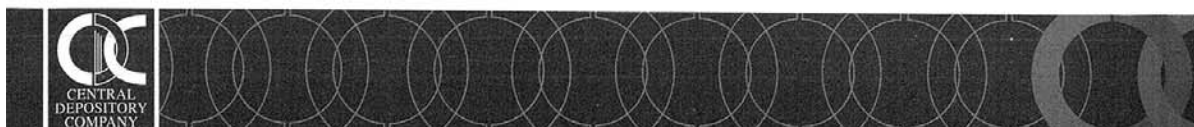
Report of the Trustee pursuant to Regulation 41(h) and Clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of AL Habib Government Securities Fund (the Fund) are of the opinion that AL Habib Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the period from July 13, 2023 to June 30, 2024 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) 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.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 27, 2024





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INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF AL HABIB GOVERNMENT SECURITIES FUND

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Al Habib Government Securities Fund ("the Fund"), which comprise the statement of assets and liabilities as at June 30, 2024, and the income statement, statement of comprehensive income, statement of cash flows and statement of movement in unit holders' fund for the year ended June 30, 2024, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at June 30, 2024, and its financial performance and its cash flows for the year June 30, 2024 in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for opinion

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

Key Audit Matters

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

Following are the Key audit matters:

S.NO	Key audit matter(s)	How the matter was addressed in our audit
1.	Existence and valuation of investments As disclosed in note 6 to the financial statements of the Fund for the year June 30, 2024, the Fund has investments classified as "Fair value through profit or loss" amounting to Rs. 17,667.665 million representing 87.81% of the net assets value of the Fund.	Our audit procedures included the following: We evaluated the design and implementation of key controls of Investment and tested controls over acquisition, disposals and year end valuation of investments portfolio.



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S.NO	Key audit matter(s)	How the matter was addressed in our audit
	As these investments represent a significant element of the statement of assets and liabilities, a discrepancy in the valuation or existence of investments could cause the NAV to be materially misstated which would also impact the Fund's reported performance as the valuation of investments is the main driver of movements in the performance of the Fund. In view of the significance of these investments in relation to the total assets and the NAV of the Fund, we have considered the existence and valuation of such investments as a key audit matter.	- We performed substantive audit procedures on year-end balance of investment portfolio including review of custodian's statement, and related reconciliations and re-performance of debt instruments valuations on the basis of prices the Mutual Fund Association of Pakistan (MUFAP) as at June 30, 2024 and matching the valuation of investment with that appearing in the financial statements. - We assessed the Fund's compliance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) in relation to the concentration of investments and exposure limits prescribed in such Regulations and reviewed the adequacy of disclosures as may be applicable in situations of non-compliance.

Information other than the financial statements and auditor's report thereon

The Management Company is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management Company and its Board of Directors

The Management Company ("Al Habib Asset Management Limited") of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and accounting and reporting 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.



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

The Management Company is responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

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



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

We also provide the Board of Directors of the Management Company 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 the Board of Directors of the Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current year 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.

Report on other legal and regulatory requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in accordance with the relevant provisions of the Trust Deed, NBFC Rules and NBFC Regulations.

The engagement partner on the audit resulting in this independent auditor's report is Tariq Feroz Khan.

KARACHI

DATED: August 30, 2024

UDIN: AR2024101668bgouZp2m

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2024

	Note	2024 (Rupees in '000)
ASSETS		
Bank balances	5	2,332,270
Investments	6	14,474,190
Receivable against sale of units	7	2,993,469
Profit receivable		275,991
Total assets		20,075,926
LIABILITIES		
Payable to AL Habib Asset Management Limited - Management Company	8	45,636
Payable to Central Depository Company of Pakistan Limited - Trustee	9	918
Payable to Securities and Exchange Commission of Pakistan	10	1,107
Payable against redemption of units		1,420
Accrued expenses and other liabilities	11	134,489
Total liabilities		183,570
NET ASSETS		19,892,356
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		19,892,356
CONTINGENCIES AND COMMITMENTS		
	12	-
		(Number of Units)
Number of units in issue		198,022,162
		(Rupees)
Net assets value per unit		100.46

The annexed notes 1 to 30 form an integral part of these financial statements.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

INCOME STATEMENT
FOR THE PERIOD FROM JUNE 13, 2023 TO JUNE 30, 2024

	For the Period from July 13, 2023 to June 30, 2024
Note	-- (Rupees in '000) --
INCOME	
Profit on bank deposits	123,043
Profit from government securities	417,167
Profit from debt securities	2,139,270
Profit on term deposit receipts	5,121
Realised (loss) on sale of investments - net	(20,746)
Unrealised diminution on revaluation of investments at fair value through profit or loss - net	(21,665)
Total income	2,642,190
EXPENSES	
Remuneration of AL Habib Asset Management Limited - Management Company	146,865
Sindh Sales Tax on Management Company's remuneration	19,093
Expenses allocated by the Management Company	14,098
Remuneration of Central Depository Company of Pakistan Limited - Trustee	6,671
Sindh Sales Tax on Trustee remuneration	867
Annual fee to the Securities and Exchange Commission of Pakistan (SECP)	9,098
Brokerage expense	4,086
Settlement and bank charges	74
Auditors' remuneration	285
Printing charges	64
Total expenses	201,201
Net income for the period before taxation	2,440,989
Taxation	-
Net income for the period after taxation	2,440,989
Allocation of net income for the period after taxation	
Net income for the period	2,440,989
Income already paid on units redeemed	(2,109,660)
	331,329
Accounting income available for distribution:	
Relating to capital gains	(42,411)
Excluding capital gains	373,740
	331,329

The annexed notes 1 to 30 form an integral part of these financial statements.

**For AL Habib Asset Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD FROM JUNE 13, 2023 TO JUNE 30, 2024

**For the Period
from July 13, 2023
to June 30, 2024**

(Rupees in '000)

Net income for the period after taxation	2,440,989
Other comprehensive income for the period	-
Total comprehensive income for the period	<u>2,440,989</u>

The annexed notes 1 to 30 form an integral part of these financial statements.

**For AL Habib Asset Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE PERIOD FROM JUNE 13, 2023 TO JUNE 30, 2024

For the Period from July 13, 2023 to June 30, 2024		
Capital value	Undistributed income / (loss)	Net Assets
----- (Rupees in '000) -----		
Issuance of 1,500,945,518 units		
- Capital value	150,094,552	150,094,552
- Element of income	2,930,367	2,930,367
Amount received on issuance of units	153,024,919	153,024,919
Redemption of 1,302,923,356 units		
- Capital value	(130,292,336)	(130,292,336)
- Element of income	(391,072)	(2,500,732)
Amount paid / payable on redemption of units	(130,683,408)	(132,793,068)
Total comprehensive income for the period	-	2,440,989
Cash distribution for the period ended June 30, 2024:	(2,539,276)	(2,780,484)
Net income for the period less distribution	(2,539,276)	(339,495)
Net assets at the end of the period	<u>19,802,235</u>	<u>19,892,356</u>
Accounting income available for distribution		
- Relating to capital gains	(42,411)	
- Excluding capital gains	373,740	
	331,329	
Cash distribution for the period ended June 30, 2024:		
Rs. 9.0659 per unit	(241,208)	
Undistributed income carried forward	<u>90,121</u>	
Undistributed income carried forward		
- Realised capital gain	111,786	
- Unrealised capital gain	(21,665)	
	<u>90,121</u>	
	(Rupees)	
Net assets value per unit at end of the period	<u>100.46</u>	

The annexed notes 1 to 30 form an integral part of these financial statements.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

CASH FLOW STATEMENT
FOR THE PERIOD FROM JUNE 13, 2023 TO JUNE 30, 2024

For the Period
from July 13, 2023
to June 30, 2024

(Rupees in '000)

CASH FLOWS FROM OPERATING ACTIVITIES

Net income for the period before taxation 2,440,989

Adjustments

Unrealised diminution on revaluation of investments at fair value through profit or loss - net 42,411
2,483,400

Increase in assets:

Investments	(14,516,607)
Receivable against sale of units	(2,993,469)
Profit receivable	(275,991)
	(17,786,067)

Increase in liabilities:

Payable to AL Habib Asset Management Limited - Management Company	45,636
Payable to Central Depository Company of Pakistan Limited - Trustee	918
Payable to Securities and Exchange Commission of Pakistan	1,107
Payable against redemption of units	1,420
Accrued expenses and other liabilities	134,489
	183,570
Net cash used in operating activities	(15,119,097)

CASH FLOWS FROM FINANCING ACTIVITIES

Receipts from issuance of units	153,024,919
Payments on redemption of units	(132,793,068)
Dividend paid	(2,780,484)
Net cash generated from financing activities	17,451,367
Net increase in cash and cash equivalents	2,332,270
Cash and cash equivalents at end of the Period	2,332,270

The annexed notes 1 to 30 form an integral part of these financial statements.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM JUNE 13, 2023 TO JUNE 30, 2024**

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** AL Habib Government Securities Fund ("the Fund") was established under a Trust Deed executed between AL Habib Asset Management Limited (AHAML) as Management Company and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on 27 October, 2022 under Regulation 67 of the Non-banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The Fund is registered under the 'Sindh Trust Act, 2020', as amended vide Sindh Trusts (Amendments) Act 2021 and was launched on July 13 2023.
- 1.2** The Management Company of the Fund has been licensed to undertake Asset Management Services as Non Banking Finance Company under the NBFC Rules by the SECP. The registered office of the Management Company is situated at 3rd Floor, MacKinnon's Building, I.I. Chundrigar Road, Karachi, Pakistan.
- 1.3** The Fund is an open-end mutual fund and is listed on the Pakistan Stock Exchange (PSX). Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund at the option of the unit holder. Title to the assets of the Fund is held in the name of Central Depository (CDC) of Pakistan Limited as a Trustee of the Fund.
- 1.4** The Fund has been formed to provide reasonable rate of return consistent with reasonable concern for safety of principal amount to the unit holders, along with facility to join or leave the Fund at their convenience. The management team would seek to enhance returns through active portfolio management using efficiency tools. The Fund has been categorized as Open- End Income Scheme as per criteria laid down by the Securities and Exchange Commission of Pakistan for categorisation of Collective Investment Scheme (CIS).
- 1.5** Title to the assets of the Fund is held in the name of Central Depository Company (CDC) of Pakistan Limited as a trustee of the Fund.
- 1.6** The Fund is registered under the Sindh Trusts Act, 2020, after the promulgation of Provincial Trust Act.

2. BASIS OF PREPARATION

2.1 Statement of compliance

- 2.1.1** These financial statements are prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies, Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, NBFC Rules and 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, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

2.2 Functional and presentation currency

These financial statement is presented in Pakistan rupee ('Rupees' or 'Rs.'), which is the Fund's functional and presentational currency.

2.3 Basis of measurement

These financial statements have been prepared under the historical cost basis except for certain investments which are required to be measured at fair value.

2.4 Use of judgments and estimates

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of approved accounting standards, as applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material judgment in the next year are as follows:

Classification and valuation of investment

For details please refer notes 4.2.1.1 and 6.3 to these financial statements.

Impairment of investment

For details please refer note 4.2.1.2 to these financial statements.

3 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

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

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

	Effective date (annual periods beginning on or after)
Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 Making Materiality Judgements- Disclosure of Accounting Policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	January 01, 2023

The Company adopted the narrow-scope amendments to the International Accounting Standard (IAS) 1, Presentation of Financial Statements which have been effective for annual reporting periods beginning on or after 1 January 2023. Although the amendments did not result in any changes to accounting policy themselves, they impacted the accounting policy information disclosed in the financial statements.

Management reviewed the accounting policies and updates to the information disclosed in Note 4 Material accounting policies (2023: Significant accounting policies) in certain instances in line with the amendments and concluded that all its accounting policies are material for disclosure.

3.2 New accounting standards, amendments and 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, amendments and interpretations are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026

	Effective date (annual periods beginning on or after)
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
IFRS 17 Insurance Contracts	January 01, 2026
IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).	
IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.	
IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.	
IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2026.	

4 SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

4.1 Cash and cash equivalents

Cash and cash equivalents comprise of balances with banks and short-term highly liquid investments with original maturities of three months or less.

4.2 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

4.2.1 Financial assets

Financial assets are classified in appropriate category at amortized cost, fair value through comprehensive income and fair value through profit and loss. The Management determines the classification of financial assets in appropriate category based on fund's business model, managing the financial assets and the contractual terms of cashflows.

4.2.2 Initial recognition and measurement

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

4.2.1.1 Classification

Debt Instruments

Amortized cost

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

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Fair value through profit or loss

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial assets:

Debt investments at amortized cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest / markup income and impairment are recognized in income statement.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in income statement. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to income statement.

Debt investments at FVTPL

These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method and impairment are recognized in income statement.

4.2.2.2 Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

The guiding principle of the expected credit loss (ECL) model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. The amount of ECLs recognised as a loss allowance or provision depends on the extent of credit deterioration since initial recognition. Under the general approach, there are two measurement bases:

- 12-month ECLs (Stage 1), which applies to all items (from initial recognition) as long as there is no significant deterioration in credit quality.
- Lifetime ECLs (Stages 2 and 3), which applies when a significant increase in credit risk has occurred on an individual or collective basis.

The Fund's financial assets include mainly Investments, deposits, advances, other receivables, profit/mark-up receivable and bank balances.

SECP through its SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 have deferred the applicability of above impairment requirements in relation to debt securities for mutual funds. Meanwhile, asset management companies shall continue to follow the requirements of Circular 33 of 2012 dated October 24, 2012 in relation to impairment of debt securities.

4.2.2.3 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.

4.2.2.4 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.

4.2.2.5 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.

4.2.3 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.

4.3 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.

4.4 Taxation

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 the form of cash among the unit holders. Provided that, for the purpose of determining distribution of at least ninety percent of its accounting income for the year, the income distributed through bonus units shall not be taken into account.

The Fund intends to continue availing the tax exemption in future years by distributing at least ninety percent of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders every year. Accordingly, no tax liability or deferred tax has been recognised in these financial statements.

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.

4.5 Proposed distributions

Distributions declared subsequent to the reporting date are considered as non-adjusting events and are not recognised before the reporting date.

4.6 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the application received during business hours on that day. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load and provision of any duties and charges if applicable. The sales load is payable to the Management Company / Distributors as processing fee.

Units redeemed are recorded at the redemption price applicable to units for which the Management Company receives redemption application during business hours of that day. The redemption price shall be equal to NAV as of the close of the business day, less an amount as the Management Company may consider to be an appropriate provision of duties and charges as processing fee.

4.7 Element of income

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

4.8 Net assets value per unit

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

4.9 Revenue recognition

- Mark-up on deposits with banks and mark-up / return on investments in debt securities are recognized using effective yield method.

AL HABIB GOVERNMENT SECURITIES FUND

- Dividend income is recognized when the right to receive dividend is established i.e. on the date of book closure of the investee company / institution declaring the dividend.
- Realized capital gains / (loss) arising on sale of investments are recognized when the risk and rewards are transferred.
- Unrealized Gains / Loss recognized on mark to market investments classified as ' financial assets at fair value through profit or loss'

	Note	June 30, 2024 --- Rupees in '000 ---
5 BANK BALANCES		
In savings accounts	5.1 & 5.2	<u>2,332,270</u>

5.1 These carries profit rates ranging from 20.50% to 21.50% per annum.

5.2 It includes balance of Rs. 2,327 million with Bank AL Habib Limited, (a related party).

6 INVESTMENTS

Government Securities

- GOP Ijara Sukuk certificates	6.1	-
- Market Treasury Bills	6.2	6,049,712
- Pakistan Investment Bonds	6.3	(8,424,484)
		<u>11,474,196</u>

6.1 GOP Ijara Sukuk Certificates

Particulars	As at June 30, 2024								
	As at July 01, 2023	Purchases during the period	Sold during the period	As at June 30, 2024	Carrying value	Market value	Unrealized appreciation / (diminution)	Market value as percentage of net assets	Market value as a percentage of total investment
	----- (Number of certificate) -----				----- (Rupees in '000) -----				
Quoted									
GOP IJARA SUKUK 1 YEAR VRR (07-08-2023)	-	36,000	36,000	-	-	-	-	0.00%	0.00%
GOP IJARA SUKUK - 1 YEAR VRR (17-04-2023)	-	23,415	23,415	-	-	-	-	0.00%	0.00%
GOP IJARA SUKUK 1 YEAR FRR (07-08-2023)	-	750	750	-	-	-	-	0.00%	0.00%
GOP IJARA SUKUK 1 YEAR FRR (09-10-2023)	-	5,000	5,000	-	-	-	-	0.00%	0.00%
GOP IJARA SUKUK 1 YEAR VRR (20-09-2023)	-	2,500	2,500	-	-	-	-	0.00%	0.00%
GOP IJARA SUKUK 1 YEAR VRR (26-06-2023)	-	4,450	4,450	-	-	-	-	0.00%	0.00%
GOP IJARA SUKUK 3 YEAR FRR (04-12-2023)	-	20	20	-	-	-	-	0.00%	0.00%
Total as at June 30, 2024					-	-	-		

6.2 Government securities - Market Treasury Bills

Particulars	As at June 30, 2024								
	As at July 01, 2023	Purchases during the period	Sold during the period	As at June 30, 2024	Carrying value	Market value	Unrealized appreciation / (diminution)	Market value as percentage of net assets	Market value as a percentage of total investment
	----- (Number of Units) -----				----- (Rupees in '000) -----				
T- BILL 03 MONTHS (02-05-2024)	-	5,000,000	5,000,000	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (02-11-2023)	-	5,000,000	5,000,000	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (05-10-2023)	-	5,000,000	5,000,000	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (07-09-2023)	-	7,250,000	7,250,000	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (10-08-2023)	-	15,500,000	15,500,000	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (11-01-2024)	-	6,250,000	6,250,000	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (13-06-2024)	-	5,000,000	-	5,000,000	482,725	482,392	(332.00)	2.43%	2.76%
T- BILL 03 MONTHS (14-12-2023)	-	5,000,000	5,000,000	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (15-06-2023)	-	2,240,000	2,240,000	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (16-05-2024)	-	5,000,000	5,000,000	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (16-11-2023)	-	11,000,000	11,000,000	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (18-04-2024)	-	7,000,000	5,000,000	2,000,000	198,895	198,878	(16.00)	1.00%	1.14%
T- BILL 03 MONTHS (19-10-2023)	-	5,000,000	5,000,000	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (21-03-2024)	-	26,500,000	26,500,000	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (21-09-2023)	-	27,610,000	27,610,000	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (22-06-2023)	-	8,780,000	8,780,000	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (25-07-2023)	-	36,290,000	36,290,000	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (30-05-2024)	-	5,000,000	5,000,000	-	-	-	-	0.00%	0.00%
T- BILL 03 MONTHS (30-11-2023)	-	5,000,000	5,000,000	-	-	-	-	0.00%	0.00%
T- BILL 06 MONTHS (02-11-2023)	-	5,000,000	5,000,000	-	-	-	-	0.00%	0.00%
T- BILL 06 MONTHS (13-06-2024)	-	5,000,000	5,000,000	-	-	-	-	0.00%	0.00%
T- BILL 06 MONTHS (16-11-2023)	-	5,000,000	5,000,000	-	-	-	-	0.00%	0.00%

AL HABIB GOVERNMENT SECURITIES FUND

Particulars	As at June 30, 2024								
	As at July 01, 2023	Purchases during the period	Sold during the period	As at June 30, 2024	Carrying value	Market value	Unrealized appreciation / (diminution)	Market value as percentage of net assets	Market value as a percentage of total investment
	(Number of Units)			(Rupees in '000)					
T- BILL 06 MONTHS (30-05-2024)	-	5,000,000	5,000,000	-	-	-	-	0.00%	0.00%
T- BILL 06 MONTHS (30-11-2023)	-	7,250,000	7,250,000	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (02-05-2024)	-	10,000,000	-	10,000,000	857,489	861,051	3,562.00	4.33%	4.93%
T- BILL 12 MONTHS (02-11-2023)	-	10,000,000	10,000,000	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (11-01-2024)	-	22,500,000	10,500,000	12,000,000	1,087,888	1,086,395	(1,493.00)	5.46%	6.22%
T- BILL 12 MONTHS (13-06-2024)	-	5,000,000	-	5,000,000	424,797	424,099	(698.00)	2.13%	2.43%
T- BILL 12 MONTHS (13-07-2023)	-	32,700,000	25,500,000	7,200,000	715,878	715,963	85.00	3.60%	4.10%
T- BILL 12 MONTHS (16-05-2024)	-	20,000,000	5,000,000	15,000,000	1,281,446	1,285,284	3,838.00	6.46%	7.36%
T- BILL 12 MONTHS (16-11-2023)	-	5,000,000	5,000,000	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (19-10-2023)	-	56,500,000	56,500,000	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (22-06-2023)	-	4,750,000	4,750,000	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (27-03-2023)	-	5,000,000	5,000,000	-	-	-	-	0.00%	0.00%
T- BILL 12 MONTHS (30-05-2024)	-	10,000,000	-	10,000,000	848,621	852,463	(3,842.00)	4.29%	4.88%
T- BILL 12 MONTHS (30-11-2023)	-	15,000,000	13,450,000	1,550,000	142,895	143,187	292.00	0.72%	0.82%
T-BILL 03 MONTHS (07-02-2024)	-	2,000,000	2,000,000	-	-	-	-	0.00%	0.00%
T-BILL 03 MONTHS (07-03-2024)	-	12,755,000	12,755,000	-	-	-	-	0.00%	0.00%
T-BILL 03 MONTHS (22-02-2024)	-	2,460,000	2,460,000	-	-	-	-	0.00%	0.00%
T-BILLS 03 MONTHS (04-04-2024)	-	14,961,000	14,961,000	-	-	-	-	0.00%	0.00%
T-BILLS 03 MONTHS (25-01-2024)	-	5,000,000	5,000,000	-	-	-	-	0.00%	0.00%
Total as at June 30, 2024					6,040,634	6,049,712	1,396		

6.3 Government Securities - Pakistan Investment Bonds

Particulars	As at June 30, 2024								
	As at July 01, 2023	Purchases during the period	Sold during the period	As at June 30, 2024	Carrying value	Market value	Unrealized appreciation / (diminution)	Market value as percentage of net assets	Market value as a percentage of total investment
	(Number of certificates)			(Rupees in '000)					
PIB 03 YEARS (04-07-2023) - FIXED	-	3,000	3,000	-	-	-	-	0.00%	0.00%
PIB 03 YEARS (19-10-2023) - FLOATER	-	16,080	16,000	80	7,872	7,846	(26)	0.04%	0.04%
PIB 03 YEARS (21-09-2023) - FLOATER	-	25,100	12,470	12,630	1,242,968	1,237,993	(4,975)	6.22%	7.09%
PIB 05 YEARS (06-04-2023) - FLOATER	-	21,750	21,750	-	-	-	-	0.00%	0.00%
PIB 05 YEARS (14-12-2023) - FLOATER	-	3,000	3,000	-	-	-	-	0.00%	0.00%
PIB 05 YEARS (17-11-2022) - FLOATER	-	32,860	30,000	2,860	278,477	277,878	(599)	1.40%	1.59%
PIB 05 YEARS (18-04-2024) - FLOATER - SA	-	12,000	4,000	8,000	773,531	772,640	(891)	3.88%	4.42%
PIB 05 YEARS (19-10-2023) - FLOATER	-	6,000	6,000	-	-	-	-	0.00%	0.00%
PIB 10 YEARS (18-06-2020) FLOATER	-	13,150	13,150	-	-	-	-	0.00%	0.00%
PIB 2 YEAR (08-09-2022) - FORTNIGHTLY RESET	-	175,100	175,100	-	-	-	-	0.00%	0.00%
PIB 2 YEAR (21-09-2023) - FORTNIGHTLY RESET	-	14,100	14,100	-	-	-	-	0.00%	0.00%
PIB 2 YEARS (06-04-2023) - FLOATER	-	48,171	18,950	29,221	2,909,247	2,894,048	(15,199)	14.55%	16.57%
PIB 2 YEARS (30-12-2021) - FLOATER	-	37,150	37,150	-	-	-	-	0.00%	0.00%
PIB 3 YEARS (07-04-2022) - FLOATER	-	10,000	-	10,000	994,068	992,000	(2,068)	4.99%	5.68%
PIB 3 YEARS (07-10-2021) - FLOATER	-	60,000	60,000	-	-	-	-	0.00%	0.00%
PIB 3 YEARS (08-09-2022) - FLOATER	-	47,700	25,000	22,700	2,249,063	2,242,079	(6,984)	11.27%	12.84%
PIB 3 YEARS (09-02-2023) - FLOATER	-	2,500	2,500	-	-	-	-	0.00%	0.00%
Total as at June 30, 2024					8,455,266	8,424,484	(30,742)		

	Note	June 30, 2024 Rupees in '000
7 PROFIT RECEIVABLE		
Bank deposits	7.1	7,394
Pakistan Investment Bonds		268,598
		<u>275,991</u>
7.1	This includes an amount receivable from Bank Alhabib Limited (a related party) amounting to Rs. 6.542 million.	
8 PAYABLE TO THE AL HABIB ASSET MANAGEMENT COMPANY LIMITED		
Remuneration payable to the AL Habib Management Company Limited	8.1	30,680
Sindh Sales Tax on AL Habib Management Company's remuneration	8.2	3,988
Reimbursement payable to AL Habib Management Company Limited.	8.3	10,968
		<u>45,636</u>

- 8.1** As per the amendments made in the NBFC Regulations, 2008 vide SRO 639 (1) / 2019 dated 20 June 2019, the Management Company shall set and disclose in the offering document the maximum rate of fee chargeable to Collective Investment Scheme within allowed expense ratio, the Management Company of the Fund is entitled to an accrued remuneration equal to an amount not exceeding 10% of gross earnings of the Fund. The Management has charged its remuneration at rate ranging from 0% to 10% of the gross earnings of the Fund, which is within the allowed expense ratio limit. The remuneration is paid to the Management Company on monthly basis in arrears.

AL HABIB GOVERNMENT SECURITIES FUND

- 8.2** The Sindh Sales Tax has been charged at 13% on the Management Company's remuneration during the period.
- 8.3** In accordance with Regulation 60(3)(s) of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme.

		June 30, 2024
		Rupees in '000
9	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	
	Trustee fee payable	812
	Sindh Sales Tax on remuneration of the Trustee	106
		<u>918</u>

- 9.1** The Trustee is entitled to a remuneration for services rendered to The Fund under the provisions of the Trust Deed based on the daily Net Asset Value of the Fund. The remuneration of the Trustee is fixed at 0.055% per annum of net assets.

- 9.2** The Sindh Sales Tax has been charged at 13% on the Trustee's remuneration charged during the period.

10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Annual fee payable	10.1	<u>1,107</u>

- 10.1** This represents annual fee payable to Securities and Exchange Commission of Pakistan at 0.075% of net assets in accordance with regulation 62 of the NBFC Regulations and pursuant to S.R.O 685(I) 2019, dated 28 June 2019.

11 ACCRUED EXPENSES AND OTHER LIABILITIES

Capital gain tax	111,990
Withholding tax	19,439
Brokerage	2,568
Auditors' remuneration	285
Dividend	122
Accounting and printing charges	49
Formation cost	30
Settlement charges	6
	<u>134,489</u>

12 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at June 30, 2024.

13 NUMBER OF UNITS IN ISSUE

Total units in issue at the beginning of the year	-
Add: Units issued	1,500,945,518
Less: Units redeemed	(1,302,923,356)
Total units in issue at the end of the year	<u>198,022,162</u>

14 PROFIT ON BANK DEPOSITS

Saving accounts	14.1	<u>123,043</u>

- 14.1** This includes profit of Rs. 106.479 million with Bank AL Habib Limited, a related party.

15 AUDITORS' REMUNERATION

Annual audit fee	162
Fee for half yearly review	97
Other certifications and out of pocket expenses	26
	<u>285</u>

16 TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders, provided that for the purpose of determining distribution of not less than 90% of its accounting income for the year, the income distributed through bonus units shall not be taken into account. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than capital gains to the unit holders. 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. Since the management

AL HABIB GOVERNMENT SECURITIES FUND

has distributed the income earned by the Fund during the year to the unit holders in the manner as explained above, accordingly, no provision for taxation has been made in these financial statements.

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.

17 EARNINGS PER UNIT

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

18 FINANCIAL INSTRUMENTS BY CATEGORY

Particulars	As at June 30, 2024		
	Fair value through profit or loss	Amortized Cost	Total
Rupees in '000			
Financial assets			
Bank balances	2,332,270	-	2,332,270
Investments			
Pakistan Investment Bonds	8,424,484	-	8,424,484
Market Treasury Bills	6,049,712	-	6,049,712
	16,806,466	-	16,806,466
Rupees in '000			
As at June 30, 2024			
Rupees in '000			
Financial Liabilities			
Payable to AL Habib Asset Management Company Limited	-	45,636	45,636
Payable to the Central Depository Company	-	918	918
Payable to Securities and Exchange Commission of Pakistan	-	1,107	1,107
Accrued expenses and other liabilities	-	3,060	3,060
	-	50,721	50,721

19 TRANSACTIONS AND BALANCES WITH RELATED/ CONNECTED PERSONS

The details of significant transactions carried out by the Fund with connected persons and balances with them at the end of reporting year are as follows:

S.No	Company Name	Relationship
1	Al Habib Asset Management Limited	Management Company
2	Bank AL Habib Limited	Parent Company of Al Habib Asset Management Limited.
3	AL Habib Capital Market Company	Subsidiary of Bank AL Habib Limited
4	AL Habib Cash Fund	Managed by AL Habib Asset Management Limited
5	AL Habib Money Market Fund	Managed by AL Habib Asset Management Limited
6	AL Habib Income Fund	Managed by AL Habib Asset Management Limited
7	AL Habib Islamic Income Fund	Managed by AL Habib Asset Management Limited
8	AL Habib Stock Fund	Managed by AL Habib Asset Management Limited
9	AL Habib Islamic Cash Fund	Managed by AL Habib Asset Management Limited
10	AL Habib Islamic Saving Fund	Managed by AL Habib Asset Management Limited
11	AL Habib Islamic Stock Fund	Managed by AL Habib Asset Management Limited
12	AL Habib Pension Fund	Managed by AL Habib Asset Management Limited
13	AL Habib Islamic Pension Fund	Managed by AL Habib Asset Management Limited
14	AL Habib Fixed Return Fund	Managed by AL Habib Asset Management Limited
15	AL Habib Islamic Munafa Fund	Managed by AL Habib Asset Management Limited
16	AL Habib Government Securities Fund	Managed by AL Habib Asset Management Limited
17	AL Habib GOKP Pension Fund	Managed by AL Habib Asset Management Limited
18	AL Habib GOKP Islamic Pension Fund	Managed by AL Habib Asset Management Limited
19	Central Depository Company	Trustee

Related parties includes directors and officers of the above entities as at 30 June 2024 and staff retirement benefit funds of the above companies.

The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with regulatory requirements and as agreed between the parties.

AL HABIB GOVERNMENT SECURITIES FUND

Details of transactions with connected persons are as follows:

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

AL Habib Asset Management Limited - Management Company

- Management Remuneration	146,865
- Sindh Sales Tax on Management Company's Remuneration	19,093
- Reimbursement to CIS payable to Management Company	14,098

Central Depository Company of Pakistan Limited - Trustee

- Trustee Remuneration	6,671
- Sindh Sales Tax on Trustee Remuneration	867

AL Habib Asset Management Limited - Management Company

- Payable to the Management Company (inclusive of Sindh Sales Tax)	45,636

Central Depository Company of Pakistan Limited - Trustee

- Remuneration payable (inclusive of Sindh Sales Tax)	918
- Other CDC charges payable	6

Bank AL Habib Limited - Parent Company of AL Habib Asset Management Limited

- Bank balances	2,326,884
- Profit receivable	6,542

Sale / redemption of units for the period ended June 30, 2024

June 30, 2024
**(Units) (Rupees in
'000)**

Units sold to:

Management Company

AL Habib Asset Management Limited	1,027,436	102,782,946

Other related parties

- Key Executives of the Management Company	61	6,117
- Directors and their relatives of the Management Company	326,127,455	33,286,928,124

Units redeemed by:

Management Company

AL Habib Asset Management Limited	287,870,099	29,339,240,089

Other related parties

- Key Executives of the Management Company	11	1,123
- Directors & Their Relatives of the Management Company	287,870,099	29,339,240,089

Units held as on June 30, 2024:

Units held by:

Management Company

AL Habib Asset Management Limited	13,902	1,396,566

Other related parties

- Key Executives of the Management Company	452	45,453
- Directors & Their Relatives of the Management Company	34,233,823	3,438,965,532

Connected Parties holding 10% or more of the units in issue

21,392,703	2,149,008,243

20 FINANCIAL RISK MANAGEMENT

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

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

The Fund primarily invests in a portfolio of investments such as Government securities, spread transactions and in other money market instruments. These activities expose the Fund to a variety of financial risks, such as market risk, credit risk and liquidity risk.

20.1 Market risk

Market risk is a 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 on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises of three types of risk; currency risk, interest rate risk and price risk. The fund is exposed to market rate risk .

20.1.2 Interest rate risk

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

a) Sensitivity analysis of variable rate instruments

The Fund is exposed to cash flow interest rate risk for balances in certain savings accounts, the interest rates on which range between 5.5% to 17.56% per annum, and against investments in Pakistan Investment Bonds and Treasury Bills, the interest rate on which range between 10.89% to 12.33% and 8.69% to 16.44% respectively.

In case of 100 basis points increase / decrease in interest rates on June 30, 2024, with all other variables held constant, the net income for the year and the net assets would have been higher / lower by Rs.137.502 million.

b) Sensitivity analysis of fixed rate instruments

The Fund's investment in Market Treasury Bills, Pakistan Investment Bonds, GOP Ijara Sukuk and Term Finance Certificates exposes it to fair value interest rate risk.

In case of 100 basis points increase / decrease in interest rates on June 30, 2024, with all other variables held constant, the net income for the year and the net assets would have been higher / lower by Rs. 60.497 million.

The composition of the Fund's investment portfolio and rates announced by Financial Market Association of Pakistan is expected to change over time. Therefore, the sensitivity analysis prepared as of June 30, 2024 is not necessarily indicative of the effect on the Fund's net assets of future movements in interest rates.

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

AL HABIB GOVERNMENT SECURITIES FUND

Particulars	As at June 30, 2024					Total
	Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and upto one year	More than one year		
	%	Rupees in '000				
On-balance sheet financial instruments						
Financial assets						
Bank balances	20.5.5 - 21.5%	2,332,270	-	-	-	2,332,270
Pakistan Investment Bonds	19.27% - 23.39%	-	-	8,424,484	-	8,424,484
Market Treasury Bills	10.78% - 22.84%	-	-	6,049,712	-	6,049,712
Profit receivable	-	-	-	275,991	-	275,991
Sub total		2,332,270	-	14,750,187	-	17,082,457
Financial liabilities						
Payable to the AL Habib Asset Management Company		-	-	-	10,968	10,968
Payable to the Central Depository Company		-	-	-	918	918
Accrued expenses and other liabilities		-	-	-	134,489	134,489
Sub total		-	-	-	146,375	146,375
On-balance sheet gap (a)		2,332,270	-	14,750,187	(146,375)	16,936,082
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		2,332,270	-	14,750,187	(146,375)	16,936,082
Cumulative interest rate sensitivity gap		2,332,270	-	14,750,187		

20.2 Credit risk

Credit risk represents the risk of a loss if the counter parties fail to perform as contracted. The Fund's credit risk is primarily attributable to investment in debt securities such as Term Finance Certificate and bank balances. Bank balances are maintained with balance with a reasonably high credit rating. The risk of default is considered minimal due to inherent systematic measures taken therein.

20.2.1 The analysis below summarises the credit rating quality of the Fund's financial assets as at June 30, 2024:

Name of Banks	Balances held as at June 30, 2024	Latest available published rating as at June 30, 2024	Rating agency
Rupees in '000			
Balances with banks by rating category			
Allied Bank Limited	-	AAA	PACRA
Bank Al Falah Limited	5,386	AAA	PACRA
Alhabib Bank Limited	2,326,884	AAA	PACRA
Total	2,332,270		

20.2.1.1 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is mainly concentrated in Government securities and bank balances, having satisfactory credit rating, therefore the fund is not exposed to any concentration of credit risk.

20.3 Liquidity risk

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

In order to manage the Fund's overall liquidity, the Fund also has the ability to withhold daily redemption requests in excess of 10% of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below 10% of the units then in issue. However, no such instances were witnessed by the Fund during the current year.

AL HABIB GOVERNMENT SECURITIES FUND

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.

Particulars	As at June 30, 2024			
	Upto three months	More than three months and upto one year	More than one year	Total
Rupees in '000				
Financial liabilities				
Payable to the Management Company	10,968	-	-	10,968
Payable to the Trustee	918	-	-	918
Accrued expenses and other liabilities	134,489	-	-	134,489
	146,375	-	-	146,375

21 UNITS HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by the net assets attributable to unit holders / redeemable units. The amount of net assets attributable to unit holders can change significantly on a daily basis as the Fund is subject to daily issuance and redemptions at the discretion of unit holders. These unit holders of the Fund are entitled to distributions and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the statement of movement in unit holders' fund. Unit holders fund risk management is carried out by the Management Company through following steps:

- Monitors the level of daily issuance and redemptions relative to the liquid assets and adjusts the amount of distributions the Fund pays to the unit holders;
- Redeems and issues units in accordance with the constitutive documents of the Fund. This includes the Fund's ability to restrict redemptions; and
- The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management Company critically track the movement of 'Assets under Management'. The Board of Directors is updated regarding key performance indicators, e.g. yield and movement of NAV and total Fund size at the end of each quarter.

The Fund has maintained and complied with the requirements of minimum fund size during the current year.

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 reporting 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.

- 22.1** As per the requirements of IFRS 7 (Financial Instruments: Disclosures) and IFRS 13 (Fair Value Measurement), 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:

- Level 1 Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 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 3 Fair value measurements using inputs for assets or liability that are not based on observable market data (i.e. unobservable inputs).

AL HABIB GOVERNMENT SECURITIES FUND

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

Particulars	June 30, 2024							
	Carrying amount			Fair value				
	Fair value through profit or loss	Amortized cost	Total	Level 1	Level 2	Level 3	Total	
Note	Rupees in '000							
On-balance sheet financial instruments								
Financial assets measured at fair value	22.2							
Pakistan Investment Bonds		8,424,484	-	8,424,484	-	8,424,484	-	8,424,484
Market Treasury Bills		6,049,712	-	6,049,712	-	6,049,712	-	6,049,712
		14,476,196	-	14,476,196	-	14,476,196	-	14,476,196

22.2 Valuation techniques

For level 2 investments at fair value through profit or loss - investment in respect of Treasury Bills, Pakistan Investment Bonds and GOP Ijarah Sukuks, Fund uses the rates which are derived from PKRV, PKFRV and PKISRV rates at reporting date per certificate multiplied by the number of certificates held as at year end and for investment in respect of Term Finance Certificates, Fund uses the rates prescribed by MUFAP.

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

22.4 Transfers during the year

No transfers were made between various levels of fair value hierarchy during the year.

23 BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID

Top ten brokers during the year ended June 30, 2024		June 30, 2024
1	Direct	41.61%
2	Continental Exchange (Pvt.) Limited	29.79%
3	Optimus Markets (Pvt) Limited	13.48%
4	Invest One Markets Limited	6.36%
5	Icon Securities (Pvt) Limited	3.48%
6	Js Global Capital Limited	2.66%
7	C&M Management Limited	1.79%
8	Paramount Capital (Pvt) Ltd.	0.49%
9	Arif Habib Limited	0.15%
10	Akd Securities Limited	0.12%
11	Bma Capital Management Ltd	0.01%
12	Summit Capital (Pvt) Limited	0.05%
		100.00%

24 PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER

Details of members of the Investment Committee of the Fund as on June 30, 2024 are as follows:

Name	Designation	Qualification	Experience
Mr. Kashif Rafi	Chief Executive Officer	MBA - IBA	23 years
Mr. Zahid Hussain Vasnani	Chief Operating Officer & Company Secretary	CA- Affiliate	24 years
Mr. Abdul Rehman	Chief Investment Officer	MBA & CFA	13 years
Mr. Ahmed Abbas	Fund Manager	MBA	16 years
Mr. Talha A.Siddiqui	Fund Manager	MA in Economics	11 years
Mr. Umar Bin Hassan	Manager Risk & Research	MS - IBA	6 years

AL HABIB GOVERNMENT SECURITIES FUND

- 24.1** Mr. Ahmed Abbas is also Fund Manager of AL Habib Cash Fund, AL Islamic Cash Fund, AL Habib Income Fund, AL Habib Islamic Savings Funds, AL Habib Islamic Income Fund, AL Habib Fixed Return Fund, AL Habib Islamic Munafa Fund & AL Habib Government Securities Fund.

25 PATTERN OF UNITHOLDING

Unit holding pattern of the fund is as follows:

Category	----- As at June 30, 2024 -----			
	No. of unit holders	Number of units held	Investment amount	Percentage
----- Rupees in '000 -----				
Associated Companies	1	13,902	1,396,566	0.01%
Insurance Companies	1	249,637	25,077,313	0.13%
Retirement Funds	1	209,158	21,011,050	0.11%
Other Corporate	12	34,250,130	3,440,603,706	17.30%
Others	347	163,299,334	16,404,267,824	82.47%
	363	198,022,162	19,892,356,459	100%

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

Four meetings of the Board of Directors were held on August 17, 2023, October 19, 2023, January 25, 2024, April 18, 2024 respectively. Information in respect of the attendance by the Directors in the meetings is given below:

S.No.	Name of Director	Attended	Leave granted	Meeting(s) not attended
1	Mr. Abbas D. Habib	3	1	99th Meeting
2	Mr. Mansoor Ali Khan	4	-	-
3	Mr. Saeed Allawala	4	-	-
4	Ms. Zarine Aziz	1	3	99th, 100th and 101st Meeting
5	Mr. Imran Azim	3	1	100th Meeting
6	Mr. Kashif Rafi (CEO)	4	-	-

27 TOTAL EXPENSE RATIO

In accordance with the SRO 1068 dated August 23, 2021 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio of the Fund for the year ended June 30, 2024 is 1.66% which includes 0.22% representing Government levy and Securities and Exchange Commission of Pakistan fee.

28 CORRESPONDING FIGURES

This is the first year of audit, therefore there is no comparative figures to be represented.

29 GENERAL

- 29.1** Figures have been rounded off to the nearest thousand Rupees, unless otherwise stated.

30 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **August 01, 2024** by the Board of Directors of the Management Company.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ANNUAL FUND MANAGER REPORT FINANCIAL YEAR 2024

Fund Objective

The objective of the Fund is to generate a competitive return with low risk, by investing primarily in Government Securities.

Fund Objective Achieved:

The Fund has achieved its stated objective.

Strategies and Policies Employed during the period under review:

The AHGSF maintained the strategy to maintain exposure in high stability and low volatility avenues as mentioned in the objectives of the Fund, wherein major portion of investment was held with Government Securities, "AAA" rated Banks and short tenor T-bills.

Performance of the fund with benchmark

The Fund outperformed it's benchmark by 199 bps as it posted YTD return of 22.82% as against the benchmark of 20.83%.

Fund Description

Fund Type & Category	Open End - Income Scheme	External Auditors	BDO Ebrahim & Co. Chartered Accountants
Launch Date	July 13, 2023	Management Fee	10% of the annual gross earnings of the Scheme
Benchmark	Six (6) months KIBOR Rates.	Sales Load	3% (Management has the discretion to reduce or waive load on any transaction)
Annual Return	22.82%	Minimum Investment	Initial investment of Rs. 5,000 Subsequently Rs. 1,000 per transaction
Benchmark	20.83%	Dealing Days/Timings	Monday to Friday 9:00 am to 4:30 pm
Net Assets	Rs. 19.892 billion (June 30, 2024)	Fund Stability Rating	N/A
NAV per unit	Rs. 100.4552 per unit (June 30, 2024)	AMC Rating	"AM2+" by PACRA
Pricing Mechanism	Forward Pricing	Trustee	Central Depository Company of Pakistan Limited.
Risk Profile	Moderate Risk (Principal at moderate risk)		

Market Review:

During FY24, Pakistan's money market witnessed significant improvements, driven by enhanced macroeconomic conditions. The most notable development was the substantial drop in headline inflation, which decreased from a peak of 29.4% in June 2023 to 12.6% by June 2024. This sharp decline in inflation created room for the State Bank of Pakistan (SBP) to adopt a more accommodative monetary policy stance. In response, the SBP reduced the policy rate by 150 basis points, bringing it down to 20.5% from the previous high of 22%. This was a strategic move, reflecting stabilizing macroeconomic indicators and an improved inflation outlook.

Key among these indicators was the narrowing of Pakistan's current account deficit, which fell dramatically from PKR 3.27 trillion in FY23 to PKR 0.68 trillion in FY24. This development, coupled with better fiscal management, played a crucial role in stabilizing the exchange rate. The Pakistani rupee (PKR) traded within a narrow range of 274.5 to 281 PKR per USD during the year. Another

AL HABIB GOVERNMENT SECURITIES FUND

notable factor is, while the SBP helped manage currency depreciation risks, it did not aim to keep the exchange rate fixed at any pre-determined level. Moreover, Pakistan recorded a Current Account deficit of 62 USD Million in the second quarter of 2024. Current Account in Pakistan averaged at -799.26 USD Million from 1976 until 2024.

The SBP's interventions in the money market included substantial injections of liquidity through Open Market Operations (OMO), the SBP injected a total of PKR 11.9 trillion in June 2024 as compared to 7.99 trillion in same period last year.

Overall, FY24 marked a year of positive shifts for Pakistan's money market, characterized by lower inflation, stable interest rates, and improved external balances. These developments indicate a favourable outlook for FY25, with expectations of continued monetary easing and enhanced market stability.

PKRV Rates			
Tenor	As at June 30, 2024	As at June 30, 2023	Change (Bps)
3 Months	19.97	22.65	-268
6 Months	19.91	22.87	-296
12 Months	18.62	22.93	-431
3 Years	16.65	19.47	-282
5 Years	15.37	16.08	-71

PKRV Rates		
Date	Policy Rate	Change (Bps)
11-Jun-24	20.5	150
27-Jun-23	22	-

Asset Allocation of Fund (as a % of total assets)

Particulars	30-Jun-24	30-Jun-23
Cash	11.62%	-
T-Bills	30.14%	-
PIBs	41.97%	-
Others	16.27%	-

Unit Holders Pattern

Size of Unit Holding (Units)	# of Unit Holders
1-1000	67
1001-5000	23
5001-10000	15
10001-50000	47
50001-100000	46
100001-500000	77
500001-1000000	28
1000001-5000000	34
5000001-10000000	7
10000001-100000000	3
Grand Total	347

Income Distribution

AHGSF made a total distribution of Rs. 19.7651 during FY24 in the form of dividend, the details of which is as follows;

Payout Date	Cum NAV Rs.	Ex-NAV Rs.	Distribution Rs.
JOct 07, 2023	105.4852	100	5.4852
Nov 04, 2023	101.7087	100	1.7087
Dec 09, 2023	101.872	100	1.872
Jan 06, 2024	101.6552	100	1.6552
Feb 10, 2024	101.8735	100	1.8735
Mar 16, 2024	101.8927	100	1.8927
Apr 20, 2024	101.8523	100	1.8523
May 11, 2024	101.1059	100	1.1059
Jun 22, 2024	102.3196	100	2.3196

During the period under question:

There has been no significant change in the state of affairs of the Fund. Al Habib Government Security Fund does not have any soft commission arrangement with any broker in the industry.

Sales and Redemptions of Units

During the year 1,500,906,142 units valued of Rs. 153.049 billion were sold, while 1,303,022,178 units valued Rs.132.607 billion were redeemed, resulting in to a net sale of 197,883,964 units valued Rs. 20.442 billion.

Unit Holders Pattern

For the breakdown of unit holding by size as on June 30, 2024, please refer to note 25 of the Annual Accounts 2024.

AHGSF Performance at a Glance

	2024
Net Assets as at June 30 (Rs. in billion)	19.892
NAV per unit as at June 30 (Rs.)	100.4552
Distribution during the year ended June 30 (Rs.)	19.7651
Annual Return	22.82%

AL HABIB PENSION FUND
Annual Report
For the year ended June 30, 2024

FUND'S INFORMATION

Management Company

AL Habib Asset Management Limited

Board of Directors of the Management Company

Mr. Abbas D. Habib	Chairman
Mr. Mansoor Ali	Director
Mr. Imran Azim	Director
Ms. Zarine Aziz	Director
Mr. Saeed Allawala	Director
Mr. Kashif Rafi	Chief Executive Officer

Chief Financial Officer

Mr. Abbas Qurban

Company Secretary & Chief Operating Officer

Mr. Zahid Hussain Vasnani

Audit Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali	Member
Mr. Imran Azim	Member

Human Resource Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali	Member
Ms. Zarine Aziz	Member
Mr. Kashif Rafi	Member

Auditors

BDO Ebrahim & Co.
Lakson Square Building No. 1, 9th Floor,
Block C Sarwar Shaheed Rd, Civil Lines,
Karachi, Karachi City, Sindh 74200

Legal Advisor

Mohsin Tayebaly & Co.
Barristers & Advocates,
2nd Floor, DIME Centre, BC-4,
Block 9, Kehkashan, Clifton, Karachi.

Trustee

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block 'B', S.M.C.H.S.,
Main Shahra-e-Faisal, Karachi.

Rating

AM2++ Management Company Quality
Rating Assigned by PACRA.

Bankers to the Fund

Bank AL Habib Limited
Bank Alfalah Limited
Allied Bank Limited
Habib Bank Limited

Registered Office: 3rd Floor, Mackinnon's Building, I.I. Chundrigar Road, Karachi.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S. Main Shahr-e-Faisal
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE PARTICIPANTS

AL HABIB PENSION FUND

**Report of the Trustee pursuant to Regulation 67D of the Non-Banking Finance Companies
and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of AL Habib Pension Fund (the Fund) are of the opinion that AL Habib Asset Management Limited being the Pension Fund Manager has in all material respects managed the Fund during the year ended June 30, 2024 in accordance with the provisions of the constitutive documents of the Fund, the Voluntary Pension System Rules, 2005 and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

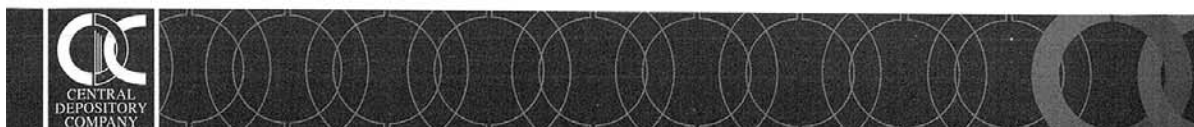
Further, in our opinion, the management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework.

Badiuddin Akber

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi, September 27, 2024





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Sarwar Shaheed Road
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Pakistan

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF AL HABIB PENSION FUND

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Al Habib Pension Fund ("the Fund"), which comprise the statement of assets and liabilities as at June 30, 2024, and the income statement, statement of comprehensive income, statement of cash flows and statement of movement in unit holders' fund for the year ended June 30, 2024, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at June 30, 2024, and its financial performance and its cash flows for the year June 30, 2024 in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for opinion

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

Information other than the financial statements and auditor's report thereon

The Management Company is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management Company and its Board of Directors

The Management Company ("Al Habib Asset Management Limited") of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and accounting and reporting 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.

BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.



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Pakistan

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

The Management Company is responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

BDO Ebrahim & Co. Chartered Accountants

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Pakistan

We also provide the Board of Directors of the Management Company 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.

Report on other legal and regulatory requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in accordance with the relevant provisions of the Trust Deed, NBFC Rules and NBFC Regulations.

The engagement partner on the audit resulting in this independent auditor's report is Tariq Feroz Khan.

KARACHI

DATED: August 30, 2024

UDIN: AR202410166Z0KFEygsP

 BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2024

		June 30, 2024				June 30, 2023			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Note		-----Rupees in '000-----							
Assets									
Bank balances	5	9,122	25,471	37,560	72,153	384	9,450	60,855	70,689
Investments	6	84,308	129,291	199,268	412,867	34,607	66,218	102,687	203,512
Dividend and profit receivable	7	82	4,551	3,686	8,319	1,844	1,962	891	4,697
Other receivables		-	113	-	113	226	233	147	606
Total assets		93,512	159,426	240,514	493,452	37,061	77,863	164,580	279,504
Liabilities									
Payable to AL Habib Asste Management Company Limited - Management Company	8	78	124	198	400	-	455	697	1,152
Payable to Central Depository Company of Pakistan Limited - Trustee	9	12	19	28	59	55	119	103	277
Payable to the Securities and Exchange Commission of Pakistan	10	23	39	64	126	14	20	20	54
Payable against purchase of securities		-	-	-	-	-	-	29,698	29,698
Accrued expenses and other liabilities	11	731	79	132	942	109	90	113	312
Total liabilities		844	261	422	1,527	178	684	30,631	31,493
Net assets		92,668	159,165	240,092	491,925	36,883	77,179	133,949	248,011
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)									
		92,668	159,165	240,092	491,925	36,883	77,179	133,949	248,011
CONTINGENCIES AND COMMITMENTS									
	12								
Number of units in issue	13	426,769	1,099,815	1,671,513		357,416	657,296	1,145,516	
Net assets value per unit		217.14	144.72	143.64		103.19	117.42	116.93	

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

**For AL Habib Asset Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

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

Note	June 30, 2024				June 30, 2023				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
	-----Rupees in '000-----								
Income									
Capital gain / (loss) on sale of investments - net	15,438	1,311	547	17,296	(671)	94	(56)	(632)	
Income from Pakistan Investment Bonds	-	11,320	2,789	14,109	-	3,290	-	3,290	
Income from Market Treasury Bills	-	6,360	27,568	33,928	-	4,461	8,472	12,933	
Divident income	5,858	-	-	5,858	3,028	-	-	3,028	
Profit on bank deposits	617	3,069	1,892	5,578	1,505	1,611	1,969	5,085	
	21,913	22,060	32,796	76,769	3,862	9,456	10,385	23,704	
Unrealised appreciation / (diminution) on re-measurement of investments	21,519	57	1,691	23,267	(2,502)	(87)	(136)	(2,725)	
	43,432	22,117	34,487	100,036	1,360	9,369	10,249	20,979	
Expenses									
Remuneration of AL Habib Asset Management Limited - Managemnet Co	8.1	510	794	1,223	2,527	-	403	617	1,020
Sindh Sales Tax on remuneration of the Management Co	8.2	66	103	159	328	-	52	80	132
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1	81	174	219	474	71	139	123	333
Sindh Sales Tax on remuneration of the Trustee	9.2	10	15	28	53	9	14	19	42
Annual fees to the Securities and Exchange Commission of Pakistan	10.1	23	40	64	127	13	20	20	53
Auditors' remuneration	14	134	115	115	364	77	76	77	230
Brokerage		241	-	-	241	131	2	1	134
Federal Excise Duty		31	-	-	31	-	-	-	-
Printing charges		22	22	22	66	22	22	22	66
Settlement and bank charges		15	42	20	77	18	11	9	38
		1,133	1,305	1,850	4,288	341	739	968	2,048
Net income for the year before taxation		42,299	20,812	32,637	95,748	1,019	8,630	9,281	18,931
Taxation		-	-	-	-	-	-	-	-
Net income for the year after taxation	16	42,299	20,812	32,637	95,748	1,019	8,630	9,281	18,930

Earnings per unit

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

**For AL Habib Asset Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

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

	June 30, 2024				June 30, 2023			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- Rupees in '000 -----							
Net income for the year after taxation	42,299	20,812	32,637	95,748	1,019	8,630	9,281	18,930
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income for the year	42,299	20,812	32,637	95,748	1,019	8,630	9,281	18,930

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

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	June 30, 2024				June 30, 2023			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	-----Rupees in '000-----							
Net assets at the beginning of the year	36,88	477,180	133,949	248,013	-	-	-	-
Issue of units*	50,648	192,775	271,468	514,891	35,875	76,362	136,376	248,613
Redemption of units*	(37,163)	(131,602)	(197,962)	(366,727)	(11)	(7,813)	(11,708)	(19,532)
	13,485	61,173	73,506	148,164	35,864	68,549	124,668	229,081
Gain on sale of investments - net	15,438	1,311	547	17,296	(671)	94	(56)	(633)
Unrealised appreciation / (diminution) on 're-measurement' of investments classified at fair value 'through profit or loss' - net	21,519	57	1,691	23,267	(2,502)	(87)	(136)	(2,725)
Other income for the year - net	5,342	19,444	30,399	55,185	4,192	8,623	9,473	22,288
Total comprehensive income for the year	42,299	20,812	32,637	95,748	1,019	8,630	9,281	18,931
Net assets at the end of the year	92,668	159,165	240,092	491,925	36,883	77,179	133,949	248,012

* Total number of units issued and redeemed during the year is disclosed in note 10 of these financial statements.

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

**For AL Habib Asset Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2024

	June 30, 2024				June 30, 2023			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- Rupees in '000 -----							
CASH FLOW FROM OPERATING ACTIVITIES								
Net income for the year before taxation	42,299	20,812	32,637	95,748	1,019	8,631	9,281	18,931
Adjustments for:								
Unrealised appreciation / (diminution) on re-measurement of investments classified at fair value through profit or loss - net	(21,519)	(57)	(1,691)	(23,267)	2,502	87	136	2,725
	20,780	20,755	30,946	72,481	3,521	8,718	9,417	21,656
(Increase) / decrease in assets								
Investments	(28,182)	(63,016)	(94,890)	(186,088)	(37,109)	(66,305)	(102,823)	(206,237)
Dividend and profit receivable	1,762	(2,589)	(2,795)	(3,622)	(1,844)	(1,962)	(891)	(4,697)
Other receivables	226	120	147	493	(226)	(233)	(147)	(606)
	(26,194)	(65,485)	(97,538)	(189,217)	(39,179)	(68,500)	(103,861)	(211,540)
Increase / (decrease) in liabilities								
Payable to AL Habib Asset Management Limited - Management Company	79	(330)	(499)	(750)	-	455	697	1,152
Payable to Central Depository Company of Pakistan Limited - Trustee	(43)	(100)	(75)	(218)	55	119	103	277
Payable to Securities and Exchange Commission of Pakistan	9	19	44	72	14	20	20	54
Payable against purchase of investments	-	-	(29,698)	(29,698)	-	-	29,698	29,698
Accrued expenses and other liabilities	622	(11)	19	630	109	89	113	311
	667	(422)	(30,209)	(29,964)	178	683	30,631	31,492
Net cash used in operating activities	(4,747)	(45,152)	(96,801)	(146,700)	(35,480)	(59,099)	(63,813)	(158,392)
CASH FLOW FROM FINANCING ACTIVITIES								
Receipts from issue of units	50,648	192,775	271,468	514,891	35,875	76,362	136,376	248,613
Payment against redemption of units	(37,163)	(131,602)	(197,962)	(366,727)	(11)	(7,813)	(11,708)	(19,532)
Net cash generated from financing activities	13,485	61,173	73,506	148,164	35,864	68,549	124,668	229,081
Net increase / (decrease) in cash and cash equivalents	8,738	16,021	(23,295)	1,464	384	9,450	60,855	70,689
Cash and cash equivalents at beginning of the year	384	9,450	60,855	70,689	-	-	-	-
Cash and cash equivalents at the end of the year	9,122	25,471	37,560	72,153	384	9,450	60,855	70,689

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

**For AL Habib Asset Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

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

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 AL Habib Pension Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered into on June 20, 2022 between AL Habib Asset Management Company Limited as the Pension Fund Manager and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Securities and Exchange Commission of Pakistan (SECP) authorised constitution of the Fund as a Pension Fund dated May 16, 2022 in accordance with the requirements of the Voluntary Pension Scheme Rules, 2005.
- 1.2 The Pension Fund Manager of the Fund has been licensed to act as a Pension Fund Manager under the Voluntary Pension Scheme Rules, 2005 (the VPS Rules) through a certificate of registration issued by the SECP. The registered office of the Pension Fund Manager is situated at 3rd Floor Mackinnon's Building I, I Chundrigar Road Karachi.
- 1.3 The units of the Sub Funds are offered to the public for subscription on a continuous basis. The units are non-transferable except in the circumstances mentioned in the Voluntary Pension System Rules, 2005 and can be redeemed by surrendering them to the Sub Funds. Further, as per the Offering Document, the Fund shall not distribute any income or dividend from the Fund whether in cash or otherwise from any of the Sub-Funds.
- 1.4 The objective of the Fund is to provide a secure source of savings and retirement income to individuals. It is a portable pension scheme allowing individuals the flexibility of contributions and portfolio customisation through allocation of such contributions in equity and fixed income investment avenues suited to their specific needs and risk profile.
- 1.5 The title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.
- 1.6 The Fund consists of three sub-funds namely, AL Habib Pension Fund Equity Sub-Fund (Equity Sub-Fund), AL Habib Pension Fund Debt Sub-Fund (Debt Sub-Fund) and AL Habib pension Fund Money Market Sub-Fund (Money Market Sub-Fund) (collectively the "Sub-Funds"). Investment policy for each of the sub-funds is as follows:

a) AL Habib Pension Fund - Equity Sub-Fund (AHAMPF - ESF)

The investment objective of the Equity Sub Fund of the Pension Fund is to earn returns from investments in Pakistani Capital Markets. Assets of Equity Sub-fund shall be invested in equity securities which are listed on the Stock Exchange of Pakistan or for the listing of which an application has been approved by a Stock Exchange and Equity sub-fund shall be eligible to invest in units of Real Estate Investment Trusts (REIT) and Exchange Traded Funds (ETF's) provided that entity/sector/group exposure limits as prescribed are complied with at least ninety percent (90%) of Net Assets of Equity Sub-fund shall remain invested in listed equity securities during the year based on rolling average investment of last ninety (90) days calculated on daily basis.

b) AL Habib Pension Fund - Debt Sub-Fund (AHAMPF - DSF)

The investment objective of the Debt Sub Fund is to earn returns from investments in debt markets of Pakistan, thus incurring a relatively lower risk than equity sub fund. The investment limits of the Debt Sub Fund are determined by the Commission. The current investment policy/limits for debt sub-fund as stated below:

The Debt Sub-fund shall consist of government securities, placement in the banks, money market placements, deposits, Certificate of Deposits (COD), Certificate of Musharakas (COM), TDRs, TFC / Sukuk or any other mode of placement, deposits/placements with any other approved debt/money market security issued from time to time.

c) AL Habib Pension Fund - Money Market Sub-Fund (AHAMPF - MMSF)

The investment objective of the Money Market Sub-Fund is to earn returns from investments in Money Markets of Pakistan, thus incurring a relatively lower risk than debt sub fund. The investment limits of the Money Market Sub Fund are determined by the Commission. The current investment policy / limits for money market sub-fund as stated below:

Investment avenues - government securities, cash and near cash instruments which include cash in bank accounts (excluding TDRs), treasury bills, money market placements, deposits, Certificate of Deposits (COD), Certificate of Musharakas (COM) or any other mode of placement, TDRs, reverse repo.

- 1.7 The Fund offers four types of allocation schemes, as prescribed by the SECP under VPS Rules 2005 vide its Circular no. 36 of 2009 dated December 10, 2009, to the participants of the Fund, namely High Volatility, Medium Volatility, Low Volatility and Lower Volatility. The participant has an option to suggest a minimum percentage of allocation to the above allocation schemes (subject to the minimum percentages prescribed in the offering document). Based on the minimum allocation, the Funds are allocated to the above stated Sub-Funds. The allocation to the sub-funds has to be done at the date of the opening of the participant's pension account and on an anniversary date thereafter.

2 BASIS OF PREPARATION**2.1 Statement of compliance**

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017; and
- The requirements of the Constitutive Documents, Voluntary Pension System Rules, 2005 (VPS Rules), The NBFC Rules, Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the 'NBFC Regulations') and requirements of the Trust Deed.

Wherever the requirements of the Constitutive Documents, the VPS Rules, NBFC Regulations or the directives issued by the SECP differ with the requirements of IFRS, the requirements of the Trust Deed, the VPS Rules (2005) or the requirements of the said directives prevail.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of approved accounting standards, as applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material judgment in the next year are as follows:

Classification and measurement of financial assets and financial liabilities

For details please refer notes 4.2.1.1 and 6 to these financial statements.

Impairment of financial assets

For details please refer notes 4.2.2 to these financial statements.

3 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS**3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2024**

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

	Effective date (annual periods beginning on or after)
Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	January 01, 2023
The Company adopted the narrow-scope amendments to the International Accounting Standard (IAS) 1, Presentation of Financial Statements which have been effective for annual reporting periods beginning on or after 1 January 2023. Although the amendments did not result in any changes to accounting policy themselves, they impacted the accounting policy information disclosed in the financial statements. The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting the Company to provide useful entity-specific accounting policy information that users need to understand other information in the financial statements. Management reviewed the accounting policies and updates to the information disclosed in Note 4 Material accounting policies (2023: Significant accounting policies) in certain instances in line with the amendments and concluded that all its accounting policies are material for disclosure.	

3.2 New accounting standards, amendments and 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, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
IFRS 17 Insurance Contracts	January 01, 2026

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2026.

4. MATERIAL ACCOUNTING POLICIES INFORMATION

The principal accounting policies applied in the preparation of these financial statements are set out below.

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.

4.2 Financial instruments

4.2.1 Financial assets

Financial assets are classified into appropriate categories at amortized cost and at fair value through profit or loss. The management determines the classification of financial assets into categories based on fund's business model for managing the financial and the contractual terms of the cash flows.

4.2.1.1 Classification

4.2.1.1.1 Equity Instruments

On initial recognition of an equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis. An equity instrument held for trading purposes or in which FVOCI election is not taken is classified as measured at FVTPL. Given the objectives of the Fund, all investments have been classified as FVTPL.

4.2.1.1.2 Debt Instruments

Amortized cost

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

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

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Fair value through profit or loss

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Subsequent, the financial measured at:

Debt investments at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest / markup income, foreign exchange gains and losses and impairment are recognised in income statement.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in income statement. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to income statement.

Debt investments at FVTPL

These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in income statement.

Equity instruments at FVOCI

Upon initial recognition, the Fund occasionally elects to classify irrevocably some of its equity investments as equity instruments at FVOCI when they meet the definition of Equity under IAS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by instrument basis. The Fund has not used this classification for its investment portfolio.

These assets are subsequently measured at their fair values. Gain/loss on remeasurement are recognised in other comprehensive income and are never recycled to profit. Dividends are recognised in income statement when the right of the payment has been established, except when the Fund benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

Equity investments at FVTPL

These assets are subsequently measured at fair value. Dividends are recognised as income in income statement unless the dividend clearly represents a recovery of part of the cost of the investment.

4.2.1.2 Regular way purchase and sale of financial asset

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 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 Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

The guiding principle of the expected credit loss (ECL) model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. The amount of ECLs recognised as a loss allowance or provision depends on the extent of credit deterioration since initial recognition. Under the general approach, there are two measurement bases:

- 12-month ECLs (Stage 1), which applies to all items (from initial recognition) as long as there is no significant deterioration in credit quality.
- Lifetime ECLs (Stages 2 and 3), which applies when a significant increase in credit risk has occurred on an individual or collective basis.

The Fund's financial assets include mainly bank balances, investments and other receivables.

4.2.3 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.

4.2.4 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 realise the assets and settle the liabilities simultaneously.

4.3 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.

4.4 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 (90%) of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders.

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.

4.5 Proposed distributions

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

4.6 Issuance and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that day. The offer price represents the net assets value per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, inapplicable.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours of that day. The redemption price represents the net assets value per unit as of the close of the business day less any back-end load (if applicable), any duties, taxes, charges on redemption and any provision for transaction costs, if applicable. Redemption of units is recorded on acceptance of application for redemption.

4.7 Net asset value per unit

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

4.8 Revenue recognition

- Realised capital gains / (losses) arising on sale of investments are included in the income statement on the date at which the transaction takes place.
- Mark-up / profit / return on Government securities, bank profits and investment in debt securities are recognized 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 in the period in which they arise.
- Dividend income from equity securities is recognised when the right to receive the dividend is established.

4.9 Transactions with related parties / connected persons

Transactions with related parties / connected persons are based at arm's length at normal commercial rates on the same terms and conditions as applicable to third party transactions.

Remuneration to the Management Company and the Trustee is determined in accordance with the provision of NBFC Rules, NBFC Regulations and the Trust Deed respectively.

	June 30, 2024				June 30, 2023			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Note	Rupees in '000							

5 BANK BALANCES

Saving accounts	5.1	9,122	25,471	37,560	72,153	384	9,450	60,855	70,689
		9,122	25,471	37,560	72,153	384	9,450	60,855	70,689

- 5.1** These carries mark-up at the rates ranging between 18% to 21.1% (2023: 15.25% to 20%) per annum for all sub funds. These represents balances held with Bank AL Habib Limited, a related party.

			June 30, 2024				June 30,2023			
			Equity	Debt	Money Market	Total	Equity	Debt	Money Market	Total
			Sub-Fund	Sub-Fund	Sub-Fund		Sub-Fund	Sub-Fund	Sub-Fund	
6	INVESTMENTS	Note	Rupees in '000							
At fair value through profit or loss										
	Listed equity securities	6.1	84,308	-	-	84,308	34,607	-	-	34,607
	Government securities:									
	Pakistan Investment Bond	6.2.1	-	69,248	68,814	138,062	-	-	-	-
	Market Treasury Bills	6.2.2	-	60,043	130,454	190,497	-	66,218	102,687	168,905
			84,308	129,291	199,268	412,867	34,607	66,218	102,687	203,512

6.1 Listed equity securities

Ordinary shares having face value of Rs. 10 each unless stated otherwise.

Name of the investee company	Number of shares/ certificates				As at June 30, 2024			Market value as a percentage of		Holding as a percentage of paid-up capital of investee company
	As at July 01, 2023	Purchased during the year	Sold during the year	As at June 30, 2024	Carrying value	Market value	Unrealised appreciation / (diminution)	Net assets of the Sub-Fund	Total investment of the Sub-Fund	
(Number of shares) Rupees in '000 %age										
AUTOMOBILE PARTS AND ACCESSORIES										
Ghandhara Tyre & Rubber Co.	-	5,000	-	5,000	2,833	2,947	114	3.18%	3.50%	0.04%
					2,833	2,947	114	3.18%	3.50%	
CEMENT										
Cherat Cement Company Limited	8,000	7,000	6,000	9,000	1,288	1,468	180	1.58%	1.74%	0.05%
Fauji Cement Company Limited	96,250	105,000	131,250	70,000	1,337	1,604	267	1.73%	1.90%	0.03%
Kohat Cement Limited	6,000	2,500	3,500	5,000	915	1,252	337	1.35%	1.49%	0.03%
Lucky Cement Limited	3,200	3,300	3,900	2,600	1,730	2,357	627	2.54%	2.80%	0.01%
Pioneer Cement Limited	10,500	10,000	10,500	10,000	1,397	1,687	290	1.82%	2.00%	0.04%
Attock Cement Pakistan Limited	5,000	14,000	10,000	9,000	824	874	50	0.94%	1.04%	0.07%
Maple Leaf Cement Factory Limited	53,862	40,000	57,000	36,862	1,219	1,401	182	1.51%	1.66%	0.04%
Bestway Cement Limited	4,500	1,500	1,500	4,500	773	1,009	236	1.09%	1.20%	0.01%
					9,483	11,652	2,169	12.56%	13.83%	
CHEMICALS										
Lotte Chemical Pakistan Limited	-	17,000	1,000	16,000	438	283	(155)	0.31%	0.34%	0.01%
Biafo Industries Ltd	-	18,500	2,500	16,000	1,705	1,632	(73)	1.76%	1.94%	0.34%
					2,143	1,915	(228)	2.07%	2.28%	
COMMERCIAL BANKS										
Habib Bank Limited	4,000	34,500	11,500	27,000	2,779	3,349	570	3.61%	3.97%	0.02%
MCB Bank Limited	6,000	3,000	-	9,000	1,134	2,043	909	2.20%	2.42%	0.01%
Faysal Bank Limited	37,000	40,000	17,000	60,000	2,366	3,146	780	3.39%	3.73%	0.04%
Bank Alfalah Limited	26,000	41,000	12,000	55,000	2,625	3,741	1,116	4.04%	4.44%	0.03%
Askari Bank Limited	-	30,000	-	30,000	746	676	(70)	0.73%	0.80%	0.02%
Meezan Bank Limited	32,000	24,000	28,000	28,000	4,510	6,703	2,193	7.23%	7.95%	0.02%
BankIslami Pakistan Limited	-	75,000	-	75,000	1,632	1,670	38	1.80%	1.98%	0.07%
United Bank Limited	3,500	21,500	9,500	15,500	2,141	3,972	1,831	4.29%	4.71%	0.01%
					17,933	25,300	7,367	27.29%	30.00%	
ENGINEERING										
Crescent Steel & Allied Products Limited	-	12,000	6,000	6,000	312	324	12	0.35%	0.38%	0.08%
					312	324	12	0.35%	0.38%	
FERTILIZER										
Engro Fertilizer Limited	31,000	33,000	34,500	29,500	3,065	4,903	1,838	5.29%	5.82%	0.02%
Fauji Fertilizer Company	20,000	15,000	25,000	10,000	1,159	1,634	475	1.76%	1.94%	0.01%
Fauji Fertilizer Bin Qasim Limited	-	110,000	45,000	65,000	2,265	2,306	41	2.49%	2.74%	0.05%
Engro Corporation Limited	8,353	11,000	8,853	10,500	3,347	3,493	146	3.77%	4.14%	0.02%
					9,836	12,336	2,500	13.31%	14.64%	
TEXTILE COMPOSITE										
Towellers Limited	-	14,000	8,000	6,000	1,045	847	(198)	0.91%	1.00%	0.35%
Interloop Limited	20,000	4,000	20,000	4,000	-	283	283	0.31%	0.34%	0.00%
					1,045	1,130	85	1.22%	1.34%	
OIL & GAS EXPLORATION COMPANIES										
Mari Petroleum Company Limited	1,100	350	-	1,450	2,484	3,933	1,449	4.24%	4.67%	0.01%
Oil & Gas Development Company Limited	16,000	48,000	19,000	45,000	4,939	6,092	1,153	6.57%	7.23%	0.01%
Pak Oilfields Limited	5,000	4,000	3,100	5,900	2,485	2,891	406	3.12%	3.43%	0.02%
Pakistan Petroleum Limited	21,500	43,000	37,500	27,000	2,420	3,162	742	3.41%	3.75%	0.01%
					12,328	16,078	3,750	17.34%	19.08%	
POWER GENERATION & DISTRIBUTION										
Hub Power Company Ltd	10,000	28,000	11,000	27,000	3,062	4,403	1,341	4.75%	5.22%	0.02%
Engro Powergen Qadirpur Ltd.	-	40,000	-	40,000	1,327	1,124	(203)	1.21%	1.33%	0.12%
					4,389	5,527	1,138	5.96%	6.55%	
AUTOMOBILE ASSEMBLER										
Sazgar Engineering Works Limited	-	49,000	42,000	7,000	1,498	5,827	4,329	6.29%	6.91%	0.12%
Baluchistan Wheels Limited	-	22,500	19,500	3,000	402	390	(12)	0.42%	0.46%	0.22%
					1,900	6,217	4,317	6.71%	7.37%	
FOOD & PERSONAL CARE PRODUCTS										
The Organic Meat Company Limited	-	25,000	-	25,000	585	880	295	0.95%	1.04%	0.17%
					585	880	295	0.95%	1.04%	
Total as at June 30, 2024					62,787	84,308	21,519	82.81%	91%	
Total as at June 30, 2023					37,109	34,607	(2,502)	90.02%	96.00%	

- 8.1** As per Rule 67F of the NBFC Regulations, 2008, Pension Fund Manager may charge variable fee or fixed fee or the combination of both which shall not exceed the limit disclosed in the offering document, further subject to the guidelines as may be issued by the Commission from time to time.

Based on offering document, the fee is being charged at the rate of 1.5% of the average annual net assets accordingly. The fee is payable monthly in arrears.

- 8.2** Sindh Government has levied Sindh Sales Tax (SST) at the rate of 13% (June 30, 2023: 13%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.

9. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

Note	June 30, 2024				June 30, 2023				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
	Rupees in '000								
Remuneration payable to Trustee	9.1	10	17	25	52	49	109	91	249
Sindh Sales Tax Payable on remuneration of the Trustee	9.2	2	2	3	7	6	10	12	28
		12	19	28	59	55	119	103	277

- 9.1** 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 there in, based on the daily Net Asset Value (NAV) of the Fund. The remuneration is paid to the trustee monthly in arrears.

Based on the Trust Deed, the tariff structure applicable to the Fund as at June 30, 2024 is as follows:

Net assets

Tariff per annum

Up to Rs. 1,000 million	Rs. 0.3 million or 0.15% of NAV, whichever is higher
Exceeding Rs. 1,000 million up to Rs. 3,000 million	Rs. 1.5 million plus 0.10% of NAV exceeding Rs. 1,000 million
Exceeding Rs. 3,000 million up to Rs. 6,000 million	Rs. 3.5 million plus 0.08% of NAV exceeding Rs. 3,000 million
Exceeding Rs. 6,000 million	Rs. 5.9 million plus 0.06% of NAV exceeding Rs. 6,000 million

- 9.2** Sindh Government has levied Sindh Sales Tax (SST) at the rate of 13% (June 30, 2023: 13%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.

10. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

		June 30, 2024				June 30, 2023			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Note		-----Rupees in '000-----							
Annual fee payable to SECP	10.1	23	39	64	126	14	20	20	54
		23	39	64	126	14	20	20	54

- 10.1** This represents annual fee payable to Securities And Exchange Commission of Pakistan in accordance with the Rule 36 of the VPS Rules whereby the Fund is required to pay SECP an amount equal to one thirtieth of 1% (June 30, 2023: one thirtieth of 1%) of average annual net asset value of each of the sub-fund.

11. ACCRUED EXPENSES AND OTHER LIABILITIES

	June 30, 2024				June 30, 2023			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	Rupees in '000							
Broker Payable	640	-	-	640	54	54	54	162
Auditors' remuneration payable	54	59	54	167	21	4	8	33
Other payable	37	20	78	135	12	10	29	51
Printing charges	-	-	-	-	22	22	22	65
	731	79	132	942	109	90	113	311

12. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at the reporting date. (June 30, 2023 : Nil)

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13. NUMBER OF UNITS IN ISSUE

	June 30, 2024				June 30, 2023			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	Rupees in '000							
Total units in issue at the beginning of the year	357,416	657,296	1,145,516	2,160,228	357,521	732,490	1,258,284	2,348,295
Add: Units issued during the year	258,660	1,380,617	1,962,854	3,602,131	-	-	-	-
Less: units redeemed during the year	(189,307)	(938,098)	(1,436,857)	(2,564,262)	(105)	(75,194)	(112,768)	(188,067)
Total units in issue at the end of the year	426,769	1,099,815	1,671,513	3,198,097	357,416	657,296	1,145,516	2,160,228

14. AUDITORS' REMUNERATION

	June 30, 2024				June 30, 2023			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	Rupees in '000							
Annual audit fee	134	115	115	364	54	54	54	162
Review of condensed interim financial information	-	-	-	-	-	-	-	-
Sales tax	-	-	-	-	-	-	-	-
Out of pocket expenses	-	-	-	-	-	-	-	-
	134	115	115	364	54	54	54	162

15. 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 its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed to the unit holders. The Fund is also exempt from section 113 (minimum tax) provision under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

During the year ended June 30, 2024, the Fund has distributed by way of cash and bonus units as dividend, as the case maybe, at minimum of 90% of accounting income for the period, as reduced by capital gains, whether realised or unrealised to the unit holders. Accordingly, no provision for taxation has been recognized in these financial statements.

16. EARNINGS PER UNIT

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

17. FINANCIAL INSTRUMENTS BY CATEGORY

	June 30, 2024								
Particular	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund		
	At fair value through profit or loss	Amortised cost	Total	At fair value through profit or loss	Amortised cost	Total	At fair value through profit or loss	Amortised cost	Total
	Rupees in '000								
Financial assets									
Bank balances	-	9,122	9,122	-	25,471	25,471	-	37,560	37,560
Investments	84,308	-	84,308	129,291	-	129,291	199,268	-	199,268
Dividend and profit receivable	-	82	82	-	4,551	4,551	-	3,686	3,686
Other receivables	-	-	-	-	113	113	-	-	-
	84,308	9,204	93,512	129,291	30,135	159,426	199,268	41,246	240,514
Financial liabilities									
Payable to AL Habib Asset Management Limited - Management Company	-	78	78	-	124	124	-	198	198
Payable to Central Depository Company of Pakistan Limited - Trustee	-	12	12	-	19	19	-	28	28
Payable to Securities and Exchange Commission of Pakistan	-	23	23	-	39	39	-	64	64
Accrued expenses and other liabilities	-	731	731	-	79	79	-	132	132
	-	844	844	-	261	261	-	422	422

June 30, 2023									
Particular	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund		
	At fair value through profit or loss	Amortised cost	Total	At fair value through profit or loss	Amortised cost	Total	At fair value through profit or loss	Amortised cost	Total
Rupees in '000									
Financial assets									
Bank balances	-	384	384	-	9,450	9,450	-	60,855	60,855
Investments	34,607	-	34,607	66,218	-	66,218	102,687	-	102,687
Dividend and profit receivable	-	1,844	1,844	-	1,962	1,962	-	891	891
Other receivables	-	226	226	-	233	233	-	147	147
	34,607	2,454	37,061	66,218	11,645	77,863	102,687	61,893	164,580
Financial liabilities									
Payable to AL Habib Asset Management Limited - Management Company	-	-	-	-	455	455	-	697	697
Payable to Central Depository Company of Pakistan Limited - Trustee	-	55	55	-	119	119	-	103	103
Payable to Securities and Exchange Commission of Pakistan	-	14	14	-	20	20	-	20	20
Payable against purchase of securities	-	-	-	-	-	-	-	29,698	29,698
Accrued expenses and other liabilities	-	109	109	-	90	90	-	113	113
	-	178	178	-	684	684	-	30,631	30,631

18. TRANSACTIONS AND BALANCES WITH RELATED PARTIES/ CONNECTED PARTIES

Related parties/ Connected persons include Al Habib Fund Managers Limited being the Management Company, Bank Al Habib 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, as disclosed in the offering document of the fund.

Related parties/connected persons include:

S.No	Company Name	Relationship
1	Al Habib Asset Management Limited	Management Company
2	Bank AL Habib Limited	Parent Company of Al Habib Asset Management Limited.
3	AL Habib Capital Market Company	Subsidiary of Bank AL Habib Limited
4	AL Habib Cash Fund	Managed by AL Habib Asset Management Limited
5	AL Habib Money Market Fund	Managed by AL Habib Asset Management Limited
6	AL Habib Income Fund	Managed by AL Habib Asset Management Limited
7	AL Habib Islamic Income Fund	Managed by AL Habib Asset Management Limited
8	AL Habib Stock Fund	Managed by AL Habib Asset Management Limited
9	AL Habib Islamic Cash Fund	Managed by AL Habib Asset Management Limited
10	AL Habib Islamic Saving Fund	Managed by AL Habib Asset Management Limited
11	AL Habib Islamic Stock Fund	Managed by AL Habib Asset Management Limited
12	AL Habib Pension Fund	Managed by AL Habib Asset Management Limited
13	AL Habib Islamic Pension Fund	Managed by AL Habib Asset Management Limited
14	AL Habib Fixed Return Fund	Managed by AL Habib Asset Management Limited
15	AL Habib Islamic Munafa Fund	Managed by AL Habib Asset Management Limited
16	AL Habib Government Securities Fund	Managed by AL Habib Asset Management Limited
17	AL Habib GOKP Pension Fund	Managed by AL Habib Asset Management Limited
18	AL Habib GOKP Islamic Pension Fund	Managed by AL Habib Asset Management Limited
19	Central Depository Company	Trustee

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

18.1 Transactions during the year

	June 30, 2024				June 30, 2023			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- Rupees in '000 -----							
Al Habib Asset Management Limited - Management Company								
Remuneration of Management company	510	794	1223	2,527	-	403	617	1,020
Sindh Sales Tax on remuneration of Management company	66	103	159	328	-	52	80	132
Central Depository Company of Pakistan Limited - Trustee								
Remuneration of the Trustee	81	174	219	474	71	139	123	333
Sindh Sales Tax on remuneration of Trustee	10	15	28	53	9	14	19	42
Bank Al Habib Limited - Sponsor								
Mark-up on bank deposits	617	3,069	1,892	5,578	1,505	1,611	1,969	5,085
AL Habib Capital Markets (Pvt) Ltd								
Brokerage	114	-	-	114	12	-	-	12

	June 30, 2024				June 30, 2023			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- Rupees in '000 -----							
Al Habib Asset Management Limited - Management Company								
Management company fee payable	69	109	176	354	-	403	617	1,020
Sindh Sales Tax payable on remuneration of Management company	9	15	22	46	-	52	80	132
Central Depository Company of Pakistan Limited - Trustee								
Trustee fee payable	10	17	25	52	49	109	91	249
Sindh Sales Tax payable on remuneration of Trustee	2	2	3	7	6	10	12	28
Bank Al Habib Limited - Sponsor								
Bank balances	9,122	25,471	37,560	72,153	384	9,450	60,855	70,689
Profit Receivable	49	4,551	3,686	8,286	102	657	891	1,650

	June 30, 2024					
	Equity Sub-Fund (Units)		Debt Sub-Fund (Rupees in '000)		Money Market Sub-Fund (Units)	
	(Units)		(Rupees in '000)		(Rupees in '000)	

Units issued to:

Directors & Their Relatives of the Management Company

- Directors of the Management Company 32,113 4,873 52,530 6,741 60,029 7,566

Directors and Key Executives 14,983 2,229 47,367 6,041 70,139 8,910

Units held by:

Management Company

- AL Habib Asset Management Limited - 65,140 - 43,416 - 43,092

Directors and Key Executives 20,906 4,539 25,302 3,662 - -

	June 30, 2023					
	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund	
	(Units)	(Rupees in '000)	(Units)	(Rupees in '000)	(Units)	(Rupees in '000)
Units issued to:						
Directors & Their Relatives of the Management Company						
- Directors of the Management Company	10,000	1,275	1,800	2,548	8,000	6,953
Directors and Key Executives	-	-	-	-	-	-
Units held by:						
Management Company						
- AL Habib Asset Management Limited	-	-	-	-	-	-
Directors and Key Executives	303,026	31,774	506,956	57,336	595,175	66,929

19. FINANCIAL RISK MANAGEMENT

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

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

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

19.1 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.

Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

19.1.1 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.

19.1.2 Interest rate risk

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

a) Sensitivity analysis for variable rate instruments

As at the reporting date, the fund does not hold any variable profit based investment except balances with banks exposing the fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in interest rates at period end with all other variables held constant, the net income for the period and the net assets of the Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund would have been higher / lower by Rs 0.934 million, Rs 1.547 million and Rs 2.368 million respectively.

b) Sensitivity analysis for fixed rate instruments

The Fund is exposed to fair value interest rate risk for investment in government securities.

In case of 100 basis points increase in interest rates on June 30, 2024, with all other variables held constant, the net income for the period and the net assets Debt Sub-Fund and Money Market Sub-Fund would have been lower / higher by Rs 1.292 million and Rs 1.992 million respectively.

Fair value interest rate risk

Yield / Interest rate sensitivity position for financial instrument is as follows:

Particulars	Effective yield / interest rate	June 30, 2024										
		Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund				
		Exposed to yield / interest risk			Exposed to yield / interest risk			Exposed to yield / interest risk			Not exposed to yield / interest risk	
		Upto three months	More than three months and upto one year	Not exposed to yield / interest rate risk	Upto three months	More than three months and upto one year	Not exposed to yield / interest rate risk	Upto three months	More than three months and upto one year	Upto three months	More than one year	Not exposed to yield / interest rate risk
%												
On-balance sheet financial instruments												
Financial assets												
Bank balances	18%-21.1%	9,122.00	-	-	25,471	-	-	-	37,560	-	-	72,153
Investments - net		-	-	84,308	-	-	-	-	-	-	199,268	412,867
Dividend and profit receivable		82.00	-	-	4,551	-	-	-	3,686.00	-	-	8,319
Other Receivable		-	-	-	113.00	-	-	-	-	-	-	113.00
		9,204	-	-	30,022	-	-	129,291	41,246	-	199,268	493,339
Financial liabilities												
Payable to AL Habib Asset Management Limited - Management Company		-	-	78	-	-	-	124	-	-	131	333
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	12	-	-	-	19	-	-	26	57
Payable to Securities and Exchange Commission of Pakistan		-	-	23	-	-	-	39	-	-	64	126
Accrued expenses and other liabilities		-	-	731	-	-	-	79	-	-	132	942
		-	-	844	-	-	-	261	-	-	417	1,522
		9,204	-	83,464	30,022	-	-	129,030	41,246	-	198,851	491,817
On-balance sheet gap (a)												
Off-balance sheet financial instruments												
Off-balance sheet gap (b)												

%

Rupees in '000

Particulars	Effective yield / interest rate	June 30, 2023										
		Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund				
		Exposed to yield / interest rate risk			Exposed to yield / interest rate risk			Exposed to yield / interest rate risk			Total	
		Upto three months	More than three months and upto one year	More than one year	Upto three months	More than three months and upto one year	More than one year	Upto three months	More than three months and upto one year	More than one year		
On-balance sheet financial instruments												
Financial assets												
Bank balances	18%-20%	384	-	-	-	9,450	-	-	-	60,855	-	70,689
Investments - net		-	-	34,607	-	-	-	-	-	66,218	-	203,512
Dividend and profit receivable		1,844	-	-	-	1,962	-	-	-	891	-	4,697
Advance and deposits		226	-	-	-	233	-	-	-	147	-	606
		2,454	-	-	34,607	-	-	-	-	61,893	-	279,504
Financial liabilities												
Payable to AL Habib Asset Management Limited - Management Company		-	-	-	-	-	-	-	-	-	-	1,152
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	55	-	-	-	-	-	-	-	277
Payable to Securities and Exchange Commission of Pakistan		-	-	14	-	-	-	-	-	-	-	54
Payable against purchase of securities		-	-	-	-	-	-	-	-	-	-	29,698
Accrued expenses and other liabilities		-	-	109	-	-	-	-	-	-	-	312
		-	-	178	-	-	-	-	-	-	-	31,493
		2,454	-	34,429	11,645	-	-	-	-	61,893	-	248,011
On-balance sheet gap (a)												
Off-balance sheet financial instruments												
Off-balance sheet gap (b)												

%

Rupees in '000

19.1.3 Other price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A summary analysis of local investments by industry sector, the percentage in relation to Fund's assets and the issued capital of the investee company is presented in note 6.1 to these financial statements. Further, the Fund's policy requires that the overall Fund position is monitored on a daily basis by the Fund Manager and is reviewed on bi-monthly basis by the Investment Committee and by the Board of Directors in every meeting of the Board. Non - compliance with the Fund's investment policies is reported to the Board of Directors.

The Fund's investments in equity securities are publicly traded and are valued at the rates quoted on the relevant stock exchanges.

In case of 5% increase / decrease in the fair value of the Fund's equity securities at fair value through profit or loss on June 30, 2024, net income for the year would increase / decrease by Rs. 4.215 million (2023: Rs. 1.73 million) and net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on equity securities at fair value through profit or loss.

The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the PSX 100 Index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the KMI index, is expected to change over the time. Accordingly, the sensitivity analysis prepared as of June 30, 2024 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of PSX 100 Index.

19.2 Credit risk

Credit risk represents the risk of a loss if the counter parties fail to perform as contracted. The Fund's credit risk is primarily attributable to bank balances (financial institutions) and receivables from banks.

Management of credit risk

The Fund keeps deposits with reputed financial institutions. All transactions in units are settled / paid for upon delivery using the system of Trustee. 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.

19.2.1 The analysis below summarises the credit quality of the Fund's financial assets as at June 30, 2024.

Bank	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Latest available published rating as at June 30, 2024	Rating agency
Rupees in '000					
Bank Al Habib Limited	9,122	25,471	37,560	A1+	PACRA
	9,122	25,471	37,560		

19.2.2 The analysis below summarizes the credit quality of the Fund's credit exposure:

Rating by rating category

A1+

There is no exposure other than bank balance as disclosed above as at June 30, 2024.

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 major asset balances are held with a single bank. The management believes that these banks are reputed institution.

19.3 Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations arising from its financial liabilities that are settled by delivering cash or another financial asset, or that such obligations will have to be settled in a manner disadvantageous to the Fund.

The Fund is exposed to non-payment of redemptions request on a regular basis. Units are redeemable at the holder's option based on the Fund's net asset value per unit at the time of redemption calculated in accordance with the Fund's constitutive document and guidelines laid down by the SECP.

Management of liquidity risk

The Fund's policy is to manage this risk by investing majority of its assets in investments that are traded in an active market and can be readily disposed off.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is, therefore, to invest the majority of its assets either in short term instruments or in investments that are traded in an active market and can be readily disposed and are considered readily realisable in order to maintain liquidity.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

The table below summarises the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

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

June 30, 2024									
Particulars	EquitySub-Fund			DebtSub-Fund			Money Market Sub-Fund		
	Upto three months	More than three months and upto one year	Over one year	Upto three months	More than three months and upto one year	Over one year	Upto three months	More than three months and upto one year	Over one year
Rupees in '000									
Financial liabilities									
Payable to the Management Company	78	-	-	124	-	-	198	-	-
Payable to the Trustee (CDC)	12	-	-	19	-	-	28	-	-
Payable to Securities and Exchange Commission of Pakistan	23	-	-	39	-	-	64	-	-
Accrued expenses and other liabilities	731	-	-	79	-	-	132	-	-
Total Liabilities	844	-	-	261	-	-	422	-	-

20 UNITHOLDERS' FUND RISK MANAGEMENT

The unitholders' fund is represented by the net assets attributable to unitholders / redeemable units. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily issuance and redemptions at the discretion of unit holders. These unitholders of the Fund are entitled to distributions and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the statement of movement in unitholders' fund. Unitholders fund risk management is carried out by the Management Company through following steps:

- Monitors the level of daily issuance and redemptions relative to the liquid assets and adjusts the amount of distributions the Fund pays to the unitholders;
- Redeems and issues units in accordance with the constitutive documents of the Fund. This includes the Fund's ability to restrict redemptions; and
- The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management Company critically track the movement of 'Assets under Management'. The Board of Directors is updated regarding key performance indicators, e.g. yield and movement of NAV and total Fund size at the end of each quarter.

The Fund has maintained and complied with the requirements of minimum fund size during the current period.

21 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 amount 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.

As per the requirements of IFRS 7 (Financial Instruments: Disclosures) and IFRS 13 (Fair Value Measurement), 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 table below analyse financial instruments measured at the end of the reporting year by the level in the fair value hierarchy into which the fair value measurement is categorised:

	June 30, 2024			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Investments at fair value through profit or loss				
Equity Sub-Fund				
Listed equity securities	84,308	-	-	84,308
Debt Sub-Fund				
Government Secuirty-T Bills	-	129,291	-	129,291
Money Market Sub-Fund				
Government Secuirty-T Bills	-	199,268	-	199,268
	84,308	328,559	-	412,867
	June 30, 2023			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Investments at fair value through profit or loss				
Equity Sub-Fund				
Listed equity securities	34,607	-	-	34,607
Debt Sub-Fund				
Government Secuirty-T Bills	-	66,218	-	66,218
Money Market Sub-Fund				
Government Secuirty-T Bills	-	102,687	-	102,687
	34,607	168,905	-	203,512

AL HABIB PENSION FUND

21.1 VALUATION TECHNIQUES

For level 2 investments at fair value through profit or loss in units of mutual funds, Fund uses PKRV and PKFRV rates which are taken from MUFAP, for the purpose of computation of Market value at the reporting date.

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

21.3 TRANSFERS DURING THE YEAR

No transfer were made between various levels of fair value hierarchy during the year.

22. PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER

Details of members of the Investment Committee of the Fund as on June 30, 2024 are as follows:

Name	Designation	Qualification	Experience
Mr. Kashif Rafi	Chief Executive Officer	MBA - IBA	23 years
Mr. Zahid Hussain Vasnani	Chief Operating Officer & Company Secretary	CA- Affiliate	24 years
Mr. Abdul Rehman	Chief Investment Officer	MBA & CFA	13 years
Mr. Ahmed Abbas	Fund Manager	MBA	16 years
Mr. Talha A.Siddiqui	Fund Manager	MA in Economics	11 years
Mr. Umar Bin Hassan	Manager Risk & Research	MS - IBA	6 years

23. ATTENDANCE AT MEETINGS OF THE BOARD OF DIRECTORS

Four meetings of the Board of Directors were held on August 17, 2023 and October 19, 2023, January 25, 2024, April 18, 2024 respectively. Information in respect of the attendance by the Directors in the meetings is given below:

S.No.	Name of Director	Number of meetings			Meeting(s) not attended
		Held	Attended	Leave	
1	Mr. Abbas D. Habib	4	3	1	99th Meeting
2	Mr. Mansoor Ali Khan	4	4	-	-
3	Mr. Saeed Allawala	4	4	-	-
4	Ms. Zarine Aziz	4	1	3	99th, 100th and 101st Meeting
5	Mr. Imran Azim	4	3	1	100th Meeting
6	Mr. Kashif Rafi (CEO)	4	4	-	-

24. TOTAL EXPENSE RATIO

In accordance with the S.R.O 1068 (I) / 2021 dated August 23, 2021 issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio of the equity sub fund, debt sub fund and money market sub fund for the year ended June 30, 2024 is 1.97%, 1.30% and 1.17% (June 30, 2023: 1.82%, 0.74% and 0.69%) respectively which includes 0.17%, 0.16% and 0.15% (June 30, 2023: 0.11%, 0.05% and 0.05%) respectively representing Government levy and SECP fee.

25. 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.

26. GENERAL

- 26.1 Figures have been rounded off to the nearest thousand rupees, unless otherwise stated.

27. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 01, 2024 by the Board of Directors of the Management Company.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

ANNUAL FUND MANAGER REPORT FINANCIAL YEAR 2024

Fund Objective:

The objective of AHPF is to provide individuals with an individualized, funded (based on defined contribution) as well as flexible pension scheme which is managed by professional investment managers to assist them to plan and provide for their retirement. The design of the scheme empowers the participants to invest their pensions as per their desired asset allocations.

Strategies and Policies Employed during the period under review:

The AHPF maintained its strategy of reaping maximum benefits emanating from volatility experienced in both equity and debt markets. The selection criterion for equity securities is based upon hybrid investment approach with companies having sound financial history backed by strong fundamentals. The exposure in debt portion was also in line with the investment objectives with preference given to highly rated and liquid debt securities.

Fund Description

Fund Type & Category	Open Ended - Voluntary Pension Scheme	External Auditors	BDO Ebrahim & Co. Chartered Accountants
Launch Date	June 30, 2022	Management Fee	Up to 1.5% p.a. on average Net Assets of each Sub-Fund.
Pricing Mechanism	Forward Pricing	Sales Load	Up to 3% on all Contributions
Dealing Days/Timings	Monday to Thursday 9:00 am to 3:30 pm Friday 9:00 am to 4:30 pm	Minimum Investment	Initial investment of Rs. 1,000/- Subsequently Rs. 1,000/- per transaction
AMC Rating	"AM2+" by PACRA	Risk Profile	Allocation Dependent
Trustee	Central Depository Company of Pakistan Limited.		

	Net Assets (Rs. Mn) 30, 2024	NAV (Rs. Per unit) June 30, 2023	NAV (Rs. Per unit) June 30, 2024	Performance since inception
AHPF-Debt	159.17	117.41	144.72	19.65%
AHPF-Money Market	240.09	116.93	143.63	19.54%
AHPF-Equity	92.67	103.19	217.13	3.23%

Market Review:

During FY24, Pakistan's money market witnessed significant improvements, driven by enhanced macroeconomic conditions. The most notable development was the substantial drop in headline inflation, which decreased from a peak of 29.4% in June 2023 to 12.6% by June 2024. This sharp decline in inflation created room for the State Bank of Pakistan (SBP) to adopt a more accommodative monetary policy stance. In response, the SBP reduced the policy rate by 150 basis points, bringing it down to 20.5% from the previous high of 22%. This was a strategic move, reflecting stabilizing macroeconomic indicators and an improved inflation outlook.

Key among these indicators was the narrowing of Pakistan's current account deficit, which fell dramatically from PKR 3.27 trillion in FY23 to PKR 0.68 trillion in FY24. This development, coupled with better fiscal management, played a crucial role in stabilizing the exchange rate. The Pakistani rupee (PKR) traded within a narrow range of 274.5 to 281 PKR per USD during the year. Another notable factor is, while the SBP helped manage currency depreciation risks, it did not aim to keep the exchange rate fixed at any pre-determined level. Moreover, Pakistan recorded a Current Account deficit of 62 USD Million in the second quarter of 2024. Current Account in Pakistan averaged at -799.26 USD Million from 1976 until 2024.

AL HABIB PENSION FUND

The SBP's interventions in the money market included substantial injections of liquidity through Open Market Operations (OMO), the SBP injected a total of PKR 11.9 trillion in June 2024 as compared to 7.99 trillion in same period last year.

Overall, FY24 marked a year of positive shifts for Pakistan's money market, characterized by lower inflation, stable interest rates, and improved external balances. These developments indicate a favourable outlook for FY25, with expectations of continued monetary easing and enhanced market stability.

PKRV Rates			
Tenor	As at June 30, 2024	As at June 30, 2023	Change (Bps)
3 Months	19.97	22.65	-268
6 Months	19.91	22.87	-296
12 Months	18.62	22.93	-431
3 Years	16.65	19.47	-282
5 Years	15.37	16.08	-71

PKRV Rates		
Date	Policy Rate	Change (Bps)
11-Jun-24	20.5	150
27-Jun-23	22	-

Asset Allocation of Fund (as a % of total assets)

AHPF-Debt Sub Fund	30-Jun-24	30-Jun-23
Cash	15.99%	12.21%
T-Bills	37.70%	85.54%
PIBs	43.47%	-
Others	2.84%	2.25%

AHPF-Money Market Sub Fund	30-Jun-24	30-Jun-23
Cash	15.64%	20.91%
T-Bills	54.27%	76.53%
PIBs	28.63%	-
Others	1.46%	2.57%

AHPF-Equity Sub Fund	30-Jun-24	30-Jun-23
Cash	11.59%	1.04%
Equity	88.33%	93.38%
Others	0.09%	5.59%

Unit Holding Pattern

Debt Sub Fund:

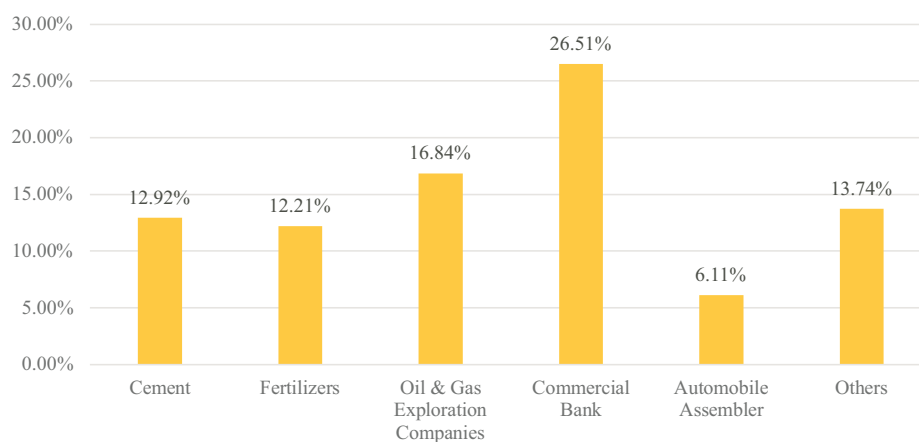
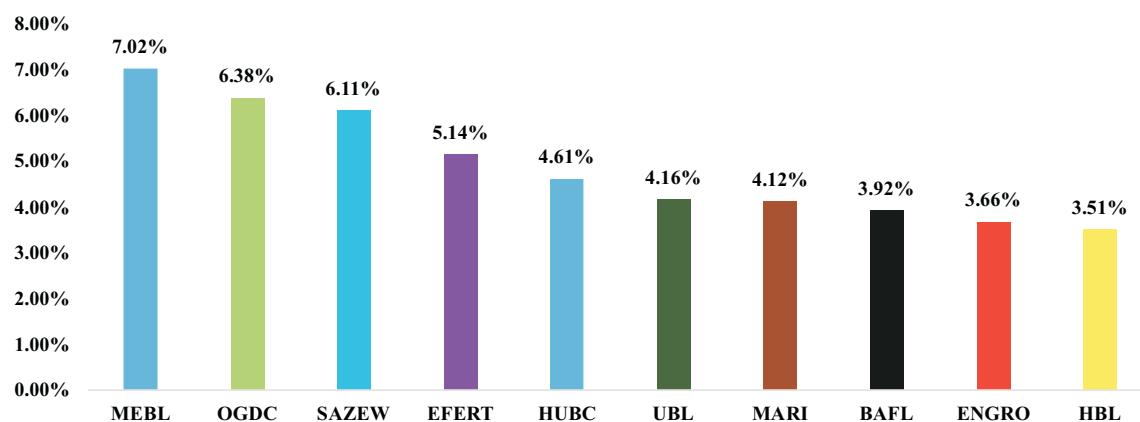
Size of Unit Holding (Units)	# of Unit Holders
1-1000	81
1001-5000	28
5001-10000	13
10001-50000	16
50001-100000	5
100001-500000	1
Grand Total	144

Money Market Sub Fund:

Size of Unit Holding (Units)	# of Unit Holders
1-1000	86
1001-5000	29
5001-10000	10
10001-50000	21
50001-100000	7
100001-500000	3
Grand Total	156

Equity Sub Fund:

Size of Unit Holding (Units)	# of Unit Holders
1-1000	64
1001-5000	11
5001-10000	2
10001-50000	4
100001-500000	1
Grand Total	82

Sector Allocation (%age of Total Assets) June 30, 2024**Top Ten holding (%age of Total Asset) June 30, 2024**

AL HABIB PENSION FUND

During the period under question:

During the period there has been no significant change in the state of affairs of the Fund, other than stated above. During the year there were no circumstances that materially affected any interests of the unit holders. The fund does not have any soft commission arrangement with any broker in the industry.

Sales and Redemptions of Units (Debt Sub Fund)

During the period, 1,380,566 units valued Rs. 192.771 million were sold, while 938,099 units valued Rs. 131.602 million were redeemed, resulting in to a net redemption of 442,467 units valued Rs. 61.168 million.

Sales and Redemptions of Units (Equity Sub Fund)

During the period, 258,661 units valued Rs. 50.648 million were sold, while 189,308 units valued Rs. 37.163 million were redeemed, resulting in to a net redemption of 69,353 units valued Rs. 13,484 million.

Sales and Redemptions of Units (Money Market Sub Fund)

During the period, 1,962,820 units valued Rs. 271.464 million were sold, while 1,436,858 units valued Rs. 197.962 million were redeemed, resulting in to a net redemption of 525,962 units valued Rs. 73.502 million.

AL HABIB ISLAMIC PENSION FUND
Annual Report
For the year ended June 30, 2024

FUND'S INFORMATION

Management Company

AL Habib Asset Management Limited

Board of Directors of the Management Company

Mr. Abbas D. Habib	Chairman
Mr. Mansoor Ali	Director
Mr. Imran Azim	Director
Ms. Zarine Aziz	Director
Mr. Saeed Allawala	Director
Mr. Kashif Rafi	Chief Executive Officer

Chief Financial Officer

Mr. Abbas Qurban

Company Secretary & Chief Operating Officer

Mr. Zahid Hussain Vasnani

Audit Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali	Member
Mr. Imran Azim	Member

Human Resource Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali	Member
Ms. Zarine Aziz	Member
Mr. Kashif Rafi	Member

Auditors

BDO Ebrahim & Co.
Lakson Square Building No. 1, 9th Floor,
Block C Sarwar Shaheed Rd, Civil Lines,
Karachi, Karachi City, Sindh 74200

Legal Advisor

Mohsin Tayebaly & Co.
Barristers & Advocates,
2nd Floor, DIME Centre, BC-4,
Block 9, Kehkashan, Clifton, Karachi.

Trustee

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block 'B', S.M.C.H.S.,

Rating

AM2++ Management Company Quality
Rating Assigned by PACRA.

Main Shahra-e-Faisal, Karachi.

Bankers to the Fund

Bank AL Habib Limited
Allied Bank Limited
Habib Bank Limited

Registered Office: 3rd Floor, Mackinnon's Building, I.I. Chundrigar Road, Karachi.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S. Main Shakra-e-Faisal
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



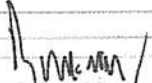
TRUSTEE REPORT TO THE PARTICIPANTS

AL HABIB ISLAMIC PENSION FUND

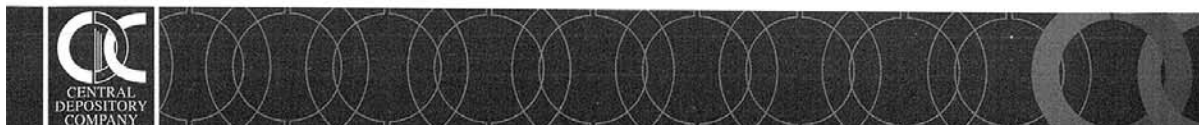
**Report of the Trustee pursuant to Regulation 67D of the Non-Banking Finance Companies
and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of AL Habib Islamic Pension Fund (the Fund) are of the opinion that AL Habib Asset Management Limited being the Pension Fund Manager has in all material respects managed the Fund during the year ended June 30, 2024 in accordance with the provisions of the constitutive documents of the Fund, the Voluntary Pension System Rules, 2005 and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Further, in our opinion, the management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 27, 2024



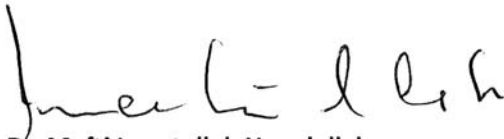
REVIEW REPORT OF THE SHARIAH ADVISOR

As a Shariah Advisor of the **AL Habib Islamic Pension Fund (AHIPF)**, I am issuing this report. The scope of the report is to express an opinion on the Shariah compliance of the fund's activities.

It is the responsibility of the management of aforesaid fund to establish and maintain a system of internal control to ensure compliance with Shariah guidelines. My responsibility is to express an opinion, based on my review of the representation made by the management, to the extent where such compliance can be objectively verified.

A review is limited primarily to inquire to the Management Company's personnel and review of various documents prepared by the management company to comply with prescribed criteria. In the light of the above, I hereby certify that:

- I have reviewed and approved the modes of investment of AHIPF in the light of the Shariah guidelines.
- All the provisions of the scheme and investments made on account of AHIPF by Management Company are Shariah Compliant and in accordance with the criteria established.
- On the basis of information provided by the Management Company, all the operations of AHIPF for the period from July 01, 2023 to June 30, 2024 have been in compliance with Shariah principles.



Dr. Mufti Ismatullah Hamdullah
Shariah Advisor

Date: June 30, 2024



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 Pakistan

INDEPENDENT ASSURANCE REPORT TO THE UNITHOLDERS ON THE STATEMENT OF COMPLIANCE WITH THE SHARIAH PRINCIPLES

Scope of our Work

We have performed an independent assurance engagement of Al Habib Islamic Pension Fund (the Fund), to express an opinion on the annexed Statement of Compliance with the Shariah Principles (the Statement) for the period ended June 30, 2024. Our engagement was carried out as required under Trust Deed and Shariah Principles of the Fund.

Applicable Criteria

The criteria for the assurance engagement against which the underlying statement (the subject matter) is assessed comprises of compliance with the Shariah Principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor (criteria). Therefore, the underlying subject matter may not be suitable for another purpose. Our engagement was carried out as required under Trust Deed and Shariah Principles of the Fund.

Management Company's responsibility

Management Company (Al Habib Asset Management Limited) of the Fund is responsible for the preparation and fair presentation of the Statement (the subject matter) and for compliance with the Shariah Principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor (criteria). This responsibility includes designing, implementing and maintaining internal control to ensure that operations of the Fund and the investments made by the Fund are in compliance with the Shariah Principles.

Our Independence and Quality Control

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. The firms apply International Standard on Quality Management (ISQM) 1 "Quality Management for Firms That Perform Audits and Reviews of Financial Statements, And Other Assurance and Related Services Engagements" and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibility of independent assurance providers

Our responsibility is to express our conclusion on the Statement based on our independent assurance engagement, performed in accordance with the International Standards on Assurance Engagement (ISAE 3000) (Revised) 'Assurance Engagements other than Audits or Reviews of Historical Financial Information'. This standard requires that we plan and perform the engagement to obtain reasonable assurance whether the Statement reflects the status of the Fund's compliance with the Shariah Principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor and is free from material misstatement.

The procedures selected depend on our judgment, including the assessment of the risks of material non-compliance with the Shariah Principles whether due to fraud or error. In making those risk assessments, we have considered internal controls relevant to the Fund's compliance with the principles in order to design procedures that are appropriate in the circumstances, for gathering sufficient appropriate evidence to determine that the Fund was not materially non-compliant with the principles. Our engagement was not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

Page - 1

BDO Ebrahim & Co. Chartered Accountants

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The procedures performed included:

- Checking compliance of specified guidelines issued by the Shariah Advisor relating to charity, maintaining bank accounts and for making investments of the Fund; and
- Checking that the Shariah Advisor has certified that the operations of the Fund and investments made by the Fund during the period ended June 30, 2024 are in compliance with the Shariah Principles and where required, purification of income from non-compliant sources has been made in consultation with the Shariah Advisor.

Conclusion

In our opinion, the Statement, in all material respects, presents fairly the status of the Fund's compliance with the Shariah principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor for the period ended June 30, 2024.

KARACHI

DATED: SEPTEMBER 30, 2024


BDO EBRAHIM & CO
CHARTERED ACCOUNTANTS



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Pakistan

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF AL HABIB ISLAMIC PENSION FUND

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Al Habib Islamic Pension Fund ("the Fund"), which comprise the statement of assets and liabilities as at June 30, 2024, and the income statement, statement of comprehensive income, statement of cash flows and statement of movement in unit holders' fund for the year ended June 30, 2024, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at June 30, 2024, and its financial performance and its cash flows for the year June 30, 2024 in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for opinion

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

Information other than the financial statements and auditor's report thereon

The Management Company is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management Company and its Board of Directors

The Management Company ("Al Habib Asset Management Limited") of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and accounting and reporting 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.

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Pakistan

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

The Management Company is responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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We also provide the Board of Directors of the Management Company 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.

Report on other legal and regulatory requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in accordance with the relevant provisions of the Trust Deed, NBFC Rules and NBFC Regulations.

The engagement partner on the audit resulting in this independent auditor's report is Tariq Feroz Khan.

KARACHI

DATED: August 30, 2024

UDIN: AR202410166qirF3Ew8j

 BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

BDO Ebrahim & Co. Chartered Accountants

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STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2024

		June 30, 2024				June 30, 2023			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	Note	Rupees in '000							
ASSETS									
Bank balances	5	13,353	17,274	14,010	44,637	1,712	26,814	81,587	110,113
Investments	6	96,310	98,037	107,549	301,896	33,274	42,021	-	75,295
Dividend and profit receivable	7	222	8,898	9,678	18,798	488	6,292	5,288	12,068
TOTAL ASSETS		109,885	124,209	131,237	365,331	35,474	75,127	86,875	197,476
LIABILITIES									
Payable to AL Habib Asset Management Limited - Management Company	8	78	113	131	322	-	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	9	12	28	26	66	72	87	91	250
Payable to Securities and Exchange Commission of Pakistan	10	25	37	43	105	11	14	14	39
Payable against purchase of investments		-	-	-	-	-	5,000	-	5,000
Accrued expenses and other liabilities	11	4,163	74	95	4,332	113	81	77	271
TOTAL LIABILITIES		4,278	252	295	4,825	196	5,182	182	5,560
NET ASSETS		105,607	123,957	130,942	360,506	35,278	69,945	86,693	191,916
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)									
		105,607	123,957	130,942	360,506	35,278	69,945	86,693	191,916
CONTINGENCIES AND COMMITMENTS									
	12								
Number of units in issue	13	492,323	887,318	953,526	2,333,167	336,424	618,459	770,924	1,725,807
Net assets value per unit		214.51	139.70	137.32		104.86	113.10	112.45	

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

**For AL Habib Asset Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

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

					For the period from			
					September 05, 2022 to June 30, 2023			
					Equity	Debt	Money	
					Sub-Fund	Sub-Fund	Market	Total
					Sub-Fund	Sub-Fund	Sub-Fund	
Note	Rupees in '000							
Income								
Gain on sale of investments - net	21,005	908	100	22,013	229	281	-	510
Profit on Government Ijarah Sukuks	-	14,496	14,529	29,025	-	2,709	-	2,709
Dividend income	4,488	-	-	4,488	2,397	-	-	2,397
Mark-up on bank deposits	639	5,166	8,345	14,150	637	3,113	5,881	9,631
	26,132	20,570	22,974	69,676	3,263	6,103	5,881	15,247
Unrealised appreciation / (diminution) on re-measurement of investments classified at 'fair value through profit or loss' - net	18,410	19	40	18,469	(1,350)	208	-	(1,142)
	44,542	20,589	23,014	88,145	1,913	6,311	5,881	14,105
Expenses								
Remuneration of AL Habib Asset Management Limited - Management Company	8.1	512	763	873	2,148	-	-	-
Sindh Sales Tax on remuneration of Management Company	8.2	67	99	113	279	-	-	-
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1	93	142	157	392	71	84	88
Sindh Sales Tax on remuneration of Trustee	9.2	12	18	20	50	9	11	31
Annual fee to the Securities and Exchange Commission of Pakistan	10.1	26	38	44	108	11	14	39
Auditors' remuneration	14	138	87	91	316	54	54	54
Securities transaction costs		493	6	2	501	146	3	-
Printing charges		8	20	25	53	22	22	22
Bank charges		5	-	15	20	-	-	-
Charity		75	-	-	75	36	-	-
Other expense		83	59	-	142	-	-	-
		1,512	1,232	1,340	4,084	349	188	189
Net income for the year / period before taxation		43,030	19,357	21,674	84,061	1,564	6,123	5,692
Taxation		-	-	-	-	-	-	-
Net income for the year / period after taxation		43,030	19,357	21,674	84,061	1,564	6,123	5,692

Earnings per unit

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

**For AL Habib Asset Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

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

	June 30, 2024				For the period from September 05, 2022 to June 30, 2023			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- Rupees in '000 -----							
Net income for the year / period after taxation	43,030	19,357	21,674	84,061	1,564	6,123	5,692	13,379
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income for the year / period	<u>43,030</u>	<u>19,357</u>	<u>21,674</u>	<u>84,061</u>	<u>1,564</u>	<u>6,123</u>	<u>5,692</u>	<u>13,379</u>

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

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	June 30, 2024				For the period from September 05, 2022 to June 30, 2023			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- Rupees in '000 -----							
Net assets at the beginning of the year / period	35,278	69,945	86,693	191,916	-	-	-	-
Issue of units*	235,293	188,301	271,756	695,350	33,714	63,823	81,001	178,538
Redemption of units*	(207,994)	(153,646)	(249,181)	(610,821)	-	(1)	-	(1)
	27,299	34,655	22,575	84,529	33,714	63,822	81,001	178,537
Gain on sale of investments - net	21,005	908	100	22,013	-	-	-	-
Unrealised appreciation / (diminution) on re-measurement of investments classified at 'fair value through profit or loss' - net	18,410	19	40	18,469	(1,350)	208	-	(1,142)
Other income for the year / period - net	3,615	18,430	21,534	43,579	2,914	5,915	5,692	14,521
Total comprehensive income for the year / period	43,030	19,357	21,674	84,061	1,564	6,123	5,692	13,379
Net assets at the end of the year / period	105,607	123,957	130,942	360,506	35,278	69,945	86,693	191,916

* Total number of units issued and redeemed during the year / period is disclosed in note 13 of these financial statements.

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

**For AL Habib Asset Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2024

	June 30, 2024				For the period from September 05, 2022 to June 30, 2023			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Rupees in '000								
CASH FLOWS FROM OPERATING ACTIVITIES								
Net income for the year / period before taxation	43,030	19,357	21,674	84,061	1,564	6,123	5,692	13,379
Adjustments for:								
Mark-up on bank deposits	(639)	(5,166)	(8,345)	(14,150)	(637)	(3,113)	(5,881)	(9,631)
Dividend income	(4,488)			(4,488)	(2,397)			(2,397)
Profit on Government Ijarah Sukuks	-	(14,496)	(14,529)	(29,025)	-	(2,709)	-	(2,709)
Unrealised appreciation / (diminution) on re-measurement of investments classified at 'fair value through profit or loss' - net	(18,410)	(19)	(40)	(18,469)	1,350	(208)	-	1,142
	19,493	(324)	(1,240)	17,929	(120)	93	(189)	(216)
Increase / (Decrease) in liabilities								
Payable to AL Habib Asset Management Limited - Management Company	78	113	131	322	-	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	(60)	(59)	(65)	(184)	72	87	91	250
Payable to Securities and Exchange Commission of Pakistan	14	23	29	66	11	14	14	39
Payable against purchase of investments	-	(5,000)	-	(5,000)	-	-	-	-
Accrued expenses and other liabilities	4,050	(7)	18	4,061	113	81	77	271
	4,082	(4,930)	113	(735)	196	182	182	560
Interest received	1,005	17,056	18,484	36,545	149	(470)	593	272
Dividend received	4,388	-	-	4,388	2,397	-	-	2,397
Amount paid for purchase of investments	(44,626)	(55,997)	(107,509)	(208,132)	(34,624)	(36,814)	-	(71,438)
Net cash (used in) / generated from operating activities	(15,658)	(44,195)	(90,152)	(150,005)	(32,002)	(37,009)	586	(68,425)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts from issue of units	235,293	188,301	271,756	695,350	33,714	63,823	81,001	178,538
Payment against redemption of units	(207,994)	(153,646)	(249,181)	(610,821)	-	-	-	-
Net cash generated from financing activities	27,299	34,655	22,575	84,529	33,714	63,823	81,001	178,538
Net increase / (decrease) in cash and cash equivalents during the year / period	11,641	(9,540)	(67,577)	(65,476)	1,712	26,814	81,587	110,113
Cash and cash equivalents at the beginning of the year / period	1,712	26,814	81,587	110,113	-	-	-	-
Cash and cash equivalents at the end of the year / period	13,353	17,274	14,010	44,637	1,712	26,814	81,587	110,113

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

**For AL Habib Asset Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Al Habib Islamic Pension Fund (the Fund) was established under a Trust Deed executed between AL Habib Asset Management Company Limited as the Management Company, and Central Depository Company of Pakistan Limited (CDC), as the Trustee. The Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter No. SCD/AMCW/AHFRF/7/2022 dated September 21, 2022 and the Trust Deed was executed on November 17, 2022.
- 1.2** The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is situated at 3rd floor, Mackinnons Building, I, I Chundrigar Road Karachi, Pakistan.
- 1.3** The Fund is an Open-End Shariah complaint Collective Investment Scheme (CIS) as per SECP's Circular No.3 of 2022 dated February 10, 2022 with Allocation Plans. The Allocation Plans under the Fund may have different Shariah compliant investment avenues and different maturity dates. The Allocation Plans under the Fund may have a set timeframe or perpetual.
- 1.4** The core objective of the Fund is to provide competitive returns to its investors through active investments in low risk portfolio of short duration, while maintaining high liquidity.
- 1.5** The Fund consists of three sub-funds namely, AL Habib Islamic Pension Fund Equity Sub-Fund (Equity Sub-Fund), AL Habib Islamic Pension Fund Debt Sub-Fund (Debt Sub-Fund) and AL Habib Islamic Pension Fund Money Market Sub-Fund (Money Market Sub-Fund) (collectively the "Sub-Funds"). Investment policy for each of the sub-funds is as follows:

1.5.1 AL Habib Islamic Pension Fund - Equity Sub-Fund

The investment objective of the Equity Sub Fund of the Islamic Pension Fund is to earn returns from investments in Pakistani Capital Markets. Assets of Equity Sub-fund shall be invested in equity securities which are listed on Pakistan Stock Exchange (PSX) or for the listing of which an application has been approved by PSX and the Equity Sub Fund also eligible to invest in units of Real Estate Investment Trusts (REITs) and Exchange Traded Funds (ETFs) provided that entity/sector/group exposure limits as prescribed are complied with at least ninety percent (90%) of Net Assets of Equity Sub Fund shall remain invested in listed equity securities during the year based on rolling average investment of last ninety (90) days calculated on daily basis.

1.5.2 AL Habib Islamic Pension Fund - Debt Sub-Fund

The investment objective of the Debt Sub Fund is to earn returns from investments in debt markets of Pakistan, thus incurring a relatively lower risk than Equity Sub Fund. The Investment limits of the Debt Sub Fund are determined by the Commission. The current Investment policy/limits for Debt Sub Fund consist of Shariah Compliant government securities issued from time to time.

1.5.3 AL Habib Islamic Pension Fund - Money Market Sub-Fund

The Investment Objective of the Money Market Sub Fund is to earn returns from investments in Money Markets of Pakistan, thus incurring a relatively lower risk than Debt Sub Fund. The Investment limits of the Money Market Sub Fund are determined by the Commission. The current Investment policy/limits for Money Market Sub Fund consist of Shariah Compliant government securities issued from time to time.

- 1.6** The Fund offers four types of allocation schemes, as prescribed by the SECP under VPS Rules 2005 vide its Circular no. 36 of 2009 dated December 10, 2009, to the participants of the Fund, namely High Volatility, Medium Volatility, Low Volatility and Lower Volatility. The participant has an option to suggest a minimum percentage of allocation to the above allocation schemes (subject to the minimum percentages prescribed in the offering document). Based on the minimum allocation, the Funds are allocated to the above stated Sub Funds. The allocation to the sub-funds has to be done at the date of the opening of the participant's pension account and on an anniversary date thereafter.
- 1.7** PACRA Credit Rating Agency has assigned a management quality rating of 'AM2' (Stable outlook) to the Management Company while the fund is currently not rated.
- 1.8** Title to the assets of the Fund is held in the name of CDC as trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017; and
- The requirements of the Constitutive Documents, Voluntary Pension System Rules, 2005 (VPS Rules), The NBFC Rules, Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the 'NBFC Regulations') and requirements of the Trust Deed.

Wherever the requirements of the Constitutive Documents, the VPS Rules, NBFC Regulations or the directives issued by the SECP differ with the requirements of IFRS, the requirements of the Trust Deed, the VPS Rules (2005) or the requirements of the said directives prevail.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of approved accounting standards, as applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material judgment in the next year are as follows:

2.4.1 Classification and measurement of financial assets and financial liabilities

For details please refer notes 4.2.1.1 and 6 to these financial statements.

2.4.2 Impairment of financial assets

For details please refer notes 4.2.2 to these financial statements.

3 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

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

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

	Effective date (annual periods beginning on or after)
Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	January 01, 2023

The Company adopted the narrow-scope amendments to the International Accounting Standard (IAS) 1, Presentation of Financial Statements which have been effective for annual reporting periods beginning on or after 1 January 2023. Although the amendments did not result in any changes to accounting policy themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting the Company to provide useful entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and updates to the information disclosed in Note 4 Material accounting policies (2023: Significant accounting policies) in certain instances in line with the amendments and concluded that all its accounting policies are material for disclosure.

3.2 New accounting standards, amendments and 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, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
IFRS 17 Insurance Contracts	January 01, 2026

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2026.

4 MATERIAL ACCOUNTING POLICY INFORMATION

The principal accounting policies applied in the preparation of these financial statements are set out below.

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.

4.2 Financial instruments

4.2.1 Financial assets

Financial assets are classified into appropriate categories at amortized cost and at fair value through profit or loss. The management determines the classification of financial assets into categories based on fund's business model for managing the financial and the contractual terms of the cash flows.

4.2.1.1 Classification

4.2.1.1.1 Equity Instruments

On initial recognition of an equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis. An equity instrument held for trading purposes or in which FVOCI election is not taken is classified as measured at FVTPL. Given the objectives of the Fund, all investments have been classified as FVTPL.

4.2.1.1.2 Debt Instruments

Amortized cost

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

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

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Fair value through profit or loss

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Subsequent, the financial measured at:

Debt investments at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest / markup income, foreign exchange gains and losses and impairment are recognised in income statement.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in income statement. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to income statement.

Debt investments at FVTPL

These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in income statement.

Equity instruments at FVOCI

Upon initial recognition, the Fund occasionally elects to classify irrevocably some of its equity investments as equity instruments at FVOCI when they meet the definition of Equity under IAS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis. The Fund has not used this classification for its investment portfolio.

These assets are subsequently measured at their fair values. Gain/loss on remeasurement are recognised in other comprehensive income and are never recycled to profit. Dividends are recognised in income statement when the right of the payment has been established, except when the Fund benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

Equity investments at FVTPL

These assets are subsequently measured at fair value. Dividends are recognised as income in income statement unless the dividend clearly represents a recovery of part of the cost of the investment.

4.2.1.2 Regular way purchase and sale of financial asset

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 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 Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

The guiding principle of the expected credit loss (ECL) model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. The amount of ECLs recognised as a loss allowance or provision depends on the extent of credit deterioration since initial recognition. Under the general approach, there are two measurement bases:

- 12-month ECLs (Stage 1), which applies to all items (from initial recognition) as long as there is no significant deterioration in credit quality.
- Lifetime ECLs (Stages 2 and 3), which applies when a significant increase in credit risk has occurred on an individual or collective basis.

The Fund's financial assets include mainly bank balances, investments and other receivables.

4.2.3 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.

4.2.4 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 realise the assets and settle the liabilities simultaneously.

4.3 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.

4.4 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 (90%) of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders.

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.

4.5 Proposed distributions

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

4.6 Issuance and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that day. The offer price represents the net assets value per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, inapplicable.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours of that day. The redemption price represents the net assets value per unit as of the close of the business day less any back-end load (if applicable), any duties, taxes, charges on redemption and any provision for transaction costs, if applicable. Redemption of units is recorded on acceptance of application for redemption.

4.7 Net asset value per unit

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

4.8 Revenue recognition

- Realised capital gains / (losses) arising on sale of investments are included in the income statement on the date at which the transaction takes place.
- Mark-up / profit / return on Government securities, bank profits and investment in debt securities are recognized 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 in the period in which they arise.
- Dividend income from equity securities is recognised when the right to receive the dividend is established.

4.9 Transactions with related parties / connected persons

Transactions with related parties / connected persons are based at arm's length at normal commercial rates on the same terms and conditions as applicable to third party transactions.

Remuneration to the Management Company and the Trustee is determined in accordance with the provision of NBFC Rules, NBFC Regulations and the Trust Deed respectively.

		June 30, 2024				June 30, 2023			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Note		Rupees in '000							
5. BANK BALANCES									
Saving accounts	5.1	13,353	17,274	14,010	44,637	1,712	26,814	81,587	110,113
		13,353	17,274	14,010	44,637	1,712	26,814	81,587	110,113

5.1 These carries mark-up at the rates ranging between 18% to 21.1% (2023: 18% to 20%) per annum for all sub funds. These represents balances held with Bank AL Habib Limited, a related party.

6. INVESTMENTS

Financial assets classified at
fair value through profit or loss

Listed equity securities	6.1	96,310	-	-	96,310	33,274	-	-	33,274
Government Ijara sukuk	6.2	-	98,037	107,549	205,586	-	42,021	-	42,021
		96,310	98,037	107,549	301,896	33,274	42,021	-	75,295

6.1 Listed equity securities

Ordinary shares having face value of Rs. 10 each unless stated otherwise.

Name of the Investee	As at July 01, 2023	Purchased / bonus / right received during the year	Sold during the year	As at June 30, 2024	Carrying value	Market value	Unrealised gain / (loss)	Market Value as a percentage of Net Asset of Equity Sub Fund	Market Value as a percentage of Investment of Equity Sub Fund	Holding as a percentage of paid-up capital of investee company
	No. of shares				(Rupees in '000)			(%)		
AUTOMOBILE ASSEMBLER										
Millat Tractors Limited	88	44	132	-	-	-	-	0.00%	0.00%	0.00%
Sazgar Engineering Works	-	74,500	62,500	12,000	3,755	9,990	6,235	9.46%	10.37%	0.02%
	88	74,544	62,632	12,000	3,755	9,990	6,235			
AUTOMOBILE PARTS & ACCESSORIES										
Atlas Battery Limited	2,000	5,500	7,500	-	-	-	-	0.00%	0.00%	0.00%
Balochistan Wheels Limited	-	50,000	50,000	-	-	-	-	0.00%	0.00%	0.00%
Exide Pakistan Limited	-	5,500	-	5,500	3,009	3,241	232	3.07%	3.37%	0.07%
	2,000	61,000	57,500	5,500	3,009	3,241	232			
CEMENT										
Attock Cement Pakistan Limited	8,500	26,000	30,000	4,500	394	437	43	0.41%	0.45%	0.00%
Bestway Cement Limited	4,000	6,000	7,000	3,000	463	673	210	0.64%	0.70%	0.00%
Cherat Cement Pakistan Limited	9,000	16,000	16,000	9,000	1,327	1,468	141	1.39%	1.52%	0.00%
Fauji Cement Co Limited	93,000	143,000	156,000	80,000	1,665	1,833	168	1.74%	1.90%	0.00%
Kohat Cement Limited	6,000	8,000	7,029	6,971	1,273	1,746	473	1.65%	1.81%	0.00%
Lucky Cement Limited	2,000	14,000	11,300	4,700	3,727	4,262	535	4.04%	4.43%	0.00%
Maple Leaf Cement Factory Limited	50,000	186,000	186,000	50,000	1,920	1,900	(20)	1.80%	1.97%	0.00%
Pioneer Cement Limited	8,500	21,000	19,500	10,000	1,391	1,687	296	1.60%	1.75%	0.00%
	181,000	420,000	432,829	168,171	12,160	14,006	1,846			
CHEMICAL										
Biafo Industries Ltd.	-	21,500	14,500	7,000	759	714	(45)	0.68%	0.74%	0.02%
Engro Polymer and Chemicals Limited	8,000	30,000	38,000	-	-	-	-	0.00%	0.00%	0.00%
Lotte Chemical Pakistan Ltd.	-	81,000	81,000	-	-	-	-	0.00%	0.00%	0.00%
	8,000	132,500	133,500	7,000	759	714	(45)			
COMMERCIAL BANKS										
Bank Islami Pakistan Limited	41,500	520,000	291,500	270,000	6,281	6,010	(271)	5.69%	6.24%	0.02%
Faysal Bank Limited	25,000	252,000	107,000	170,000	7,926	8,915	989	8.44%	9.26%	0.01%
Meezan Bank Limited	42,000	104,000	90,000	56,000	9,775	13,406	3,631	12.69%	13.92%	0.00%
	108,500	876,000	488,500	496,000	23,982	28,331	4,349			
ENGINEERING										
Mughal Iron & Steel Industries Limited	14,000	7,000	21,000	-	-	-	-	0.00%	0.00%	0.00%
	14,000	7,000	21,000	-	-	-	-			
FERTILIZER										
Engro Corporation Limited	11,200	26,800	21,000	17,000	5,468	5,656	188	5.36%	5.87%	0.00%
Engro Fertilizers Limited	32,000	74,000	76,000	30,000	3,457	4,987	1,530	4.72%	5.18%	0.00%
Fauji Fertilizer Bin Qasim Limited	-	150,000	75,000	75,000	2,431	2,660	229	2.52%	2.76%	0.01%
Fauji Fertilizer Company Limited	-	5,000	5,000	-	-	-	-	0.00%	0.00%	0.00%
	43,200	255,800	177,000	122,000	11,356	13,303	1,947			
FOOD & PERSONAL CARE PRODUCTS										
The Organic Meat Co Ltd	23,000	45,000	23,000	45,000	1,116	1,584	468	1.50%	1.64%	0.03%
	23,000	45,000	23,000	45,000	1,116	1,584	468			
GLASS & CERAMICS										
Ghani Glass Limited	-	36,000	36,000	-	-	-	-	0.00%	0.00%	0.00%
Tariq Glass Industries Limited	15,625	13,000	28,625	-	-	-	-	0.00%	0.00%	0.00%
	15,625	49,000	64,625	-	-	-	-			
MISCELLANEOUS										
Pakistan Aluminium Beverage Cans Ltd.	-	20,000	12,500	7,500	506	554	48	0.52%	0.58%	0.00%
	-	20,000	12,500	7,500	506	554	48			
OIL & GAS EXPLORATION COMPANIES										
Mari Petroleum Company Limited	850	2,300	850	2,300	4,900	6,238	1,338	5.91%	6.48%	0.00%
Oil and Gas Development Company Limited	16,500	71,500	88,000	-	-	-	-	0.00%	0.00%	0.00%
Pakistan Oilfields Limited	7,700	2,600	10,300	-	-	-	-	0.00%	0.00%	0.00%
Pakistan Petroleum Limited	21,000	111,000	63,000	69,000	6,956	8,081	1,125	7.65%	8.39%	0.00%
	46,050	187,400	162,150	71,300	11,856	14,319	2,463			
OIL & GAS MARKETING COMPANIES										
Attock Petroleum Limited	2,250	1,000	1,250	2,000	651	772	121	0.73%	0.80%	0.00%
Pakistan State Oil Company Limited	-	18,000	18,000	-	-	-	-	0.00%	0.00%	0.00%
Sui Nourthern Gas Pipelines Limied	22,945	80,055	68,000	35,000	2,270	2,221	(49)	2.10%	2.31%	0.01%
	25,195	99,055	87,250	37,000	2,921	2,993	72			
PHARMACEUTICALS										
Abbott Laboratories	500	-	500	-	-	-	-	0.00%	0.00%	0.00%
Hightnoon Laboratories Limited	600	1,659	2,259	-	-	-	-	0.00%	0.00%	0.00%
The Searl Company Limited	6,000	-	6,000	-	-	-	-	0.00%	0.00%	0.00%
	7,100	1,659	8,759	-	-	-	-			
POWER GENERATION & DISTRIBUTION										
Hub Power Company Limited	-	65,500	29,500	36,000	4,817	5,870	1,053	5.56%	6.09%	0.00%
Engro Powergen Qadirpur Limited	-	50,000	-	50,000	1,663	1,405	(258)	1.33%	1.46%	0.02%
	-	115,500	29,500	86,000	6,480	7,275	795			

AL HABIB ISLAMIC PENSION FUND

Name of the Investee	As at July 01, 2023	Purchased / bonus / right received during the year	Sold during the year	As at June 30, 2024	Carrying value	Market value	Unrealised gain / (loss)	Market Value as a percentage of Net Asset of Equity Sub Fund	Market Value as a percentage of Investment of Equity Sub Fund	Holding as a percentage of paid-up capital of investee company
	No. of shares				(Rupees in '000)			(%)		
REFINERY										
Attock Refinery Limited	-	9,500	9,500	-	-	-	-	0.00%	0.00%	0.00%
	-	9,500	9,500	-	-	-	-			
TECHNOLOGY & COMMUNICATION										
Avanceon Limited	22,800	4,200	27,000	-	-	-	-	0.00%	0.00%	0.00%
System Limited	4,450	12,500	16,950	-	-	-	-	0.00%	0.00%	0.00%
	27,250	16,700	43,950	-	-	-	-			
TEXTILE COMPOSITE										
Interloop Limited	7,000	31,500	38,500	-	-	-	-	0.00%	0.00%	0.00%
Towelers Limited	-	18,000	18,000	-	-	-	-	0.00%	0.00%	0.00%
	7,000	49,500	56,500	-	-	-	-			
Total equity securities as at June 30, 2024					1,057,471	77,900	96,310	18,410		
Total equity securities as at June 30, 2023					508,008	34,624	33,274	(1,350)		

6.2 Government Ijara Sukuk

6.2.1 Debt Sub Fund

Particulars	As at July 01, 2023	Purchased during the year	Sold/ matured during the year	As at June 30, 2024	Carrying value	Market value	Unrealised appreciation / (diminution)	Market Value as a percentage of Net Asset of Debt Sub Fund	Market Value as a percentage of Investment of Debt Sub Fund
	No. of instruments				(Rupees in '000)			(%)	
GOP IJARA SUKUK - 01 YEAR FRR (07-08-2023)	-	720	-	720	72,023	72,021	(2)	58.10%	73.46%
GOP IJARA SUKUK - 01 YEAR VRR (17-04-2023)	370	540	910	-	-	-	-	0.00%	0.00%
GOP IJARA SUKUK - 01 YEAR VRR (20-09-2023)	-	250	250	-	-	-	-	0.00%	0.00%
GOP IJARA SUKUK - 01 YEAR VRR (26-06-2023)	50	500	550	-	-	-	-	0.00%	0.00%
GOP IJARA SUKUK - 01 YEAR VRR (07-08-2023)	-	270	10	260	25,995	26,016	21	20.99%	26.54%
GOP IJARA SUKUK - 03 YEAR VRR (05-01-2023)	-	219	219	-	-	-	-	0.00%	0.00%
Total GOP Ijarah Sukuk as at June 30, 2024					980	98,018	98,037	19	
Total GOP Ijarah Sukuk as at June 30, 2023					420	41,813	42,021	208	

6.2 Government Ijara Sukuk

Particulars	As at July 01, 2023	Purchased during the year	Sold/ matured during the year	As at June 30, 2024	Carrying value	Market value	Unrealised appreciation / (diminution)	Market Value as a percentage of Net Asset of Money Market Sub Fund	Market Value as a percentage of Investment of Money Market Sub Fund
	No. of instruments				(Rupees in '000)			(%)	
GOP IJARA SUKUK - 01 YEAR FRR (07-08-2023)	-	520	-	520	52,019	52,016	(3)	39.72%	48.36%
GOP IJARA SUKUK - 01 YEAR VRR (08-03-2023)	-	720	720	-	-	-	-	0.00%	0.00%
GOP IJARA SUKUK - 01 YEAR VRR (17-04-2023)	-	490	490	-	-	-	-	0.00%	0.00%
GOP IJARA SUKUK - 01 YEAR VRR (22-05-2023)	-	600	600	-	-	-	-	0.00%	0.00%
GOP IJARA SUKUK - 01 YEAR VRR (26-06-2023)	-	570	570	-	-	-	-	0.00%	0.00%
GOP IJARA SUKUK - 01 YEAR VRR (07-08-2023)	-	640	85	555	55,490	55,533	43	42.41%	51.64%
Total GOP Ijarah Sukuk as at June 30, 2024					1,075	107,509	107,549	40	
Total GOP Ijarah Sukuk as at June 30, 2023					-	-	-	-	

7. DIVIDEND AND PROFIT RECEIVABLE

	June 30, 2024				June 30, 2023			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	Rupees in '000							
Dividend on:								
Listed securities		100	-	-	100	-	-	-
Profit receivable on:								
GoP Ijara Sukuk	-	8,502	9,270	17,772	-	3,601	-	3,601
Savings deposits	122	396	408	926	488	2,691	5,288	8,467
	222	8,898	9,678	18,798	488	6,292	5,288	12,068

8 PAYABLE TO AL HABIB ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY

	June 30, 2024				June 30, 2023			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	Rupees in '000							
Remuneration payable to Management Company	68	100	117	285	-	-	-	-
Sindh Sales Tax payable	10	13	14	37	-	-	-	-
	78	113	131	322	-	-	-	-

- 8.1** As per Rule 67F of the NBFC Regulations, 2008, Pension Fund Manager may charge variable fee or fixed fee or the combination of both which shall not exceed the limit disclosed in the offering document, further subject to the guidelines as may be issued by the Commission from time to time.

Based on offering document, the fee is being charged at the rate of 1.5% of the average annual net assets accordingly. The fee is payable monthly in arrears.

- 8.2** Sindh Government has levied Sindh Sales Tax (SST) at the rate of 13% (June 30, 2023: 13%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.

9. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

	Note	June 30, 2024				June 30, 2023			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
		Rupees in '000							
Remuneration payable to Trustee	9.1	11	19	117	47	64	84	81	229
Sindh Sales Tax payable	9.1	1	9	9	19	8	3	10	21
		12	28	26	66	72	87	91	250

- 9.1** 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 there in, based on the daily Net Asset Value (NAV) of the Fund. The remuneration is paid to the trustee monthly in arrears.

Based on the Trust Deed, the tariff structure applicable to the Fund as at June 30, 2024 is as follows:

Net assets**Tariff per annum**

Up to Rs. 1,000 million
Exceeding Rs. 1,000 million up to Rs. 3,000 million
Exceeding Rs. 3,000 million up to Rs. 6,000 million
Exceeding Rs. 6,000 million

Rs. 0.3 million or 0.15% of NAV, whichever is higher
Rs. 1.5 million plus 0.10% of NAV exceeding Rs. 1,000 million
Rs. 3.5 million plus 0.08% of NAV exceeding Rs. 3,000 million
Rs. 5.9 million plus 0.06% of NAV exceeding Rs. 6,000 million

- 9.2** Sindh Government has levied Sindh Sales Tax (SST) at the rate of 13% (June 30, 2023: 13%) on the remuneration of the Trustee through Sindh Sales Tax on Services Act, 2011.

10. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

	Note	June 30, 2024				June 30, 2023			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
		Rupees in '000							
Annual fee payable to SECP	10.1	25	37	43	105	11	14	14	39
		25	37	43	105	11	14	14	39

- 10.1** This represents annual fee payable to Securities and Exchange Commission of Pakistan in accordance with the Rule 36 of the VPS Rules whereby the Fund is required to pay SECP an amount equal to one thirtieth of one percent (June 30, 2023: one thirtieth of one percent) of average annual net asset value of each of the sub-fund.

11. ACCRUED EXPENSES AND OTHER LIABILITIES

Withholding tax	-	1	-	1	1	1	1	3
Auditors' remuneration payable	55	54	54	163	54	54	54	162
Printing charges	21	19	41	81	22	22	22	66
Charity Payable	54	-	-	54	36	-	-	36
Others	4,033	-	-	4,033	-	4	-	4
	4,163	74	95	4,332	113	81	77	271

AL HABIB ISLAMIC PENSION FUND

12. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at the reporting date. (June 30, 2023: Nil)

	June 30, 2024				June 30, 2023			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	Rupees in '000							
Withholding tax	-	1	-	1	1	1	1	3
Auditors' remuneration payable	55	54	54	163	54	54	54	162
Printing charges	21	19	41	81	22	22	22	66
Charity Payable	54	-	-	54	36	-	-	36
Others	4,033	-	-	4,033	-	4	-	4
	4,163	74	95	4,332	113	81	77	271

13. NUMBER OF UNITS IN ISSUE

Total units in issue at the beginning of the year	336,424	618,459	770,924	1,725,807	-	-	-	-
Add: Units issued during the year	1,583,269	1,446,082	2,105,481	5,134,832	336,426	618,464	770,926	1,725,816
Less: units redeemed during the year	(1,427,370)	(1,177,223)	(1,922,879)	(4,527,472)	(2)	(5)	(2)	(9)
Total units in issue at the end of the year	492,323	887,318	953,526	2,333,167	336,424	618,459	770,924	1,725,807

14. AUDITORS' REMUNERATION

	June 30, 2024				For the period from September 05, 2022 to June 30, 2023			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	Rupees in '000							
Annual audit fee	138	87	91	316	54	54	54	162

15. 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 its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed to the unit holders. The Fund is also exempt from section 113 (minimum tax) provision under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

During the period ended June 30, 2023, the Fund has distributed by way of cash and bonus units as dividend, as the case maybe, at minimum of 90% of accounting income for the period, as reduced by capital gains, whether realised or unrealised to the unit holders. Accordingly, no provision for taxation has been recognized in these financial statements."

16. EARNINGS PER UNIT

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

17. FINANCIAL INSTRUMENTS BY CATEGORY

	June 30, 2024								
Particular	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund		
	At fair value through profit or loss	Amortised cost	Total	At fair value through profit or loss	Amortised cost	Total	At fair value through profit or loss	Amortised cost	Total
	Rupees in '000								
Financial assets									
Bank balances	-	13,353	13,353	-	17,274	17,274	-	14,010	14,010
Investments	96,310	-	96,310	98,037	-	98,037	107,549	-	107,549
Dividend and profit receivable	-	222	222	-	8,898	8,898	-	9,678	9,678
	96,310	13,575	109,885	98,037	26,172	124,209	107,549	23,688	131,237
Financial liabilities									
Payable to AL Habib Asset Management Limited - Management Company	-	78	78	-	113	113	-	131	131
Payable to Central Depository Company of Pakistan Limited - Trustee	-	12	12	-	28	28	-	26	26
Payable to Securities and Exchange Commission of Pakistan	-	25	25	-	37	37	-	43	43
Accrued expenses and other liabilities	-	4,163	4,163	-	74	74	-	95	95
	-	4,278	4,278	-	252	252	-	295	295

AL HABIB ISLAMIC PENSION FUND

Particular	June 30, 2023								
	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund		
	At fair value through profit or loss	Amortised cost	Total	At fair value through profit or loss	Amortised cost	Total	At fair value through profit or loss	Amortised cost	Total
-----Rupees in '000-----									
Financial assets									
Bank balances	-	1,712	1,712	-	26,814	26,814	-	81,587	81,587
Investments	33,274	-	33,274	42,021	-	42,021	-	-	-
Dividend and profit receivable	-	488	488	-	6,292	6,292	-	5,288	5,288
	33,274	2,200	35,474	42,021	33,106	75,127	-	86,875	86,875
Financial liabilities									
Payable to AL Habib Asset Management Limited - Management Company	-	-	-	-	-	-	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	-	72	72	-	87	87	-	91	91
Payable to Securities and Exchange Commission of Pakistan	-	11	11	-	14	14	-	14	14
Payable against purchase of investments	-	-	-	-	5,000	5,000	-	-	-
Accrued expenses and other liabilities	-	113	113	-	81	81	-	77	77
	-	196	196	-	5,182	5,182	-	182	182

18. TRANSACTIONS AND BALANCES WITH RELATED PARTIES/ CONNECTED PARTIES

Related parties/ Connected persons include AL Habib Asset Management Limited being the Management Company, Bank AL Habib 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, as disclosed in the offering document of the fund.

Related parties/connected persons include:

S.No	Company Name	Relationship
1	AL Habib Asset Management Limited	Management Company
2	Bank AL Habib Limited	Parent Company of AL Habib Asset Management Limited.
3	AL Habib Capital Market Company	Subsidiary of Bank AL Habib Limited
4	AL Habib Cash Fund	Managed by AL Habib Asset Management Limited
5	AL Habib Money Market Fund	Managed by AL Habib Asset Management Limited
6	AL Habib Income Fund	Managed by AL Habib Asset Management Limited
7	AL Habib Islamic Income Fund	Managed by AL Habib Asset Management Limited
8	AL Habib Stock Fund	Managed by AL Habib Asset Management Limited
9	AL Habib Islamic Cash Fund	Managed by AL Habib Asset Management Limited
10	AL Habib Islamic Saving Fund	Managed by AL Habib Asset Management Limited
11	AL Habib Islamic Stock Fund	Managed by AL Habib Asset Management Limited
12	AL Habib Pension Fund	Managed by AL Habib Asset Management Limited
13	AL Habib Islamic Pension Fund	Managed by AL Habib Asset Management Limited
14	AL Habib Fixed Return Fund	Managed by AL Habib Asset Management Limited
15	AL Habib Islamic Munafa Fund	Managed by AL Habib Asset Management Limited
16	AL Habib Government Securities Fund	Managed by AL Habib Asset Management Limited
17	AL Habib GOKP Pension Fund	Managed by AL Habib Asset Management Limited
18	AL Habib GOKP Islamic Pension Fund	Managed by AL Habib Asset Management Limited
19	Central Depository Company	Trustee

AL HABIB ISLAMIC PENSION FUND

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

18.1 Transactions during the period

	June 30, 2024				For the period from September 05, 2022 to June 30, 2023			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	Rupees in '000							
Al Habib Asset Management Limited - Management Company								
Remuneration of Management company		512	763	873	2,148	-	-	-
Sindh Sales Tax		67	99	113	279	-	-	-
Central Depository Company of Pakistan Limited - Trustee								
Remuneration of the Trustee		93	142	157	392	71	84	88
Sindh Sales Tax		12	18	20	50	9	11	11
Bank Al Habib Limited - Sponsor								
Mark-up on bank deposits		639	5,166	8,345	14,150	637	3,113	5,881
AL Habib Capital Markets (Pvt) Ltd								
Brokerage		114	-	-	114	12	-	-

18.2 Balances outstanding

	June 30, 2024				June 30, 2023			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	Rupees in '000							
Al Habib Asset Management Limited - Management Company								
Management company fee payable		68	100	117	285	-	-	-
Sindh Sales Tax		10	13	14	37	-	-	-
Central Depository Company of Pakistan Limited - Trustee								
Trustee fee payable		11	19	17	47	64	84	81
Sindh Sales Tax		1	9	9	19	8	3	10
Bank Al Habib Limited - Sponsor								
Bank balances		13,353	17,274	14,010	44,637	1,712	26,814	81,587
Profit Receivable		122	396	408	926	488	2,691	5,288

	June 30, 2024						June 30, 2023					
	Equity Sub-Fund (Units)	(Rupees in '000)	Debt Sub-Fund (Units)	(Rupees in '000)	Money Market Sub-Fund (Units)	(Rupees in '000)	Equity Sub-Fund (Units)	(Rupees in '000)	Debt Sub-Fund (Units)	(Rupees in '000)	Money Market Sub-Fund (Units)	(Rupees in '000)
Units issued to:												
Management Company												
- AL Habib Asset Management Limited	-	-	-	-	-	-	300,000	31,457	300,000	33,929	300,000	33,736
Directors & Their Relatives of the Management Company												
- Directors & their relatives	1,464,560	212,499	454,328	56,170	1,033,740	131,661	-	-	-	-	-	-
Key Management Personnel of the Management Company												
-Key Management Personnel	29,424	5,085	117,641	15,753	33,487	4,071	3,026	317	206,956	23,406	295,175	33,193
Units redeemed by:												
Management Company												
- AL Habib Asset Management Limited	-	-	-	-	-	-	300,000	31,457	300,000	33,929	300,000	33,736
Directors & Their Relatives of the Management Company												
- Directors & their relatives	1,330,375	190,336	509,217	62,811	1,116,385	142,083	-	-	-	-	-	-
Key Management Personnel of the Management Company												
-Key Management Personnel	32,395	6,004	87,692	11,586	41,719	5,118	-	-	-	-	-	-
Units held by:												
Management Company												
- AL Habib Asset Management Limited	300,000	64,352	300,000	41,197	300,000	41,197	300,000	31,457	300,000	33,929	300,000	33,736
Directors & Their Relatives of the Management Company												
- Directors & their relatives	127,196	27,284	15	2	10	1	-	-	-	-	-	-
Key Management Personnel of the Management Company												
-Key Management Personnel	3,898	836	42,917	5,894	332	46	3,026	317	23,406	206,956	295,175	33,193
Connected persons holding 10% or more of the units in issue):	-	-	-	-	686,767	94,310	336,424	35,276	618,459	69,946	770,924	86,692

19. FINANCIAL RISK MANAGEMENT

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

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

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

19.1 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.

Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

19.1.1 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 is not exposed to currency risk.

19.1.2 Interest rate risk

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

a) Sensitivity analysis for variable rate instruments

As at the reporting date, the fund holds variable profit based investment and bank balances exposing the fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in interest rates at period end with all other variables held constant, the net income for the period and the net assets of the Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund would have been higher / lower by Rs. 0.134 million, Rs. 0.433 million and Rs. 0.695 million respectively (June 30, 2023: Rs. 0.039 million, Rs. 0.279 million and Rs. 0.962 million respectively).

b) Sensitivity analysis for fixed rate instruments

As at the reporting date, the fund holds fixed profit based investment exposing the fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in interest rates at period end with all other variables held constant, the net income for the period and the net assets of the Debt Sub-Fund and Money Market Sub-Fund would have been higher / lower by Rs. 0.72 million and Rs. 0.52 million respectively (June 30, 2023: Rs. 0.328 million and Rs. 0.354 million respectively).

In case of 100 basis points increase in interest rates on June 30, 2023, with all other variables held constant, the net income for the period and the net assets Debt Sub-Fund and Money Marker Sub-Fund would have been lower / higher by Rs 0.328 million and Rs 0.354 million respectively.

19.1.3 Other price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A summary analysis of local investments by industry sector, the percentage in relation to Fund's assets and the issued capital of the investee company is presented in note 6.1 to these financial statements. Further, the Fund's policy requires that the overall Fund position is monitored on a daily basis by the Fund Manager and is reviewed on bi-monthly basis by the Investment Committee and by the Board of Directors in every meeting of the Board. Non - compliance with the Fund's investment policies is reported to the Board of Directors.

The Fund's investments in equity securities are publicly traded and are valued at the rates quoted on the relevant stock exchanges.

In case of 5% increase / decrease in the fair value of the Fund's equity securities at fair value through profit or loss on June 30, 2024, the net income for the year would increase / decrease by Rs. 4.815 million (2023: Rs. 1.663 million) and net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on equity securities at fair value through profit or loss.

AL HABIB ISLAMIC PENSION FUND

The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the PSX 100 Index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the KMI index, is expected to change over the time. Accordingly, the sensitivity analysis prepared as of June 30, 2024 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of PSX 100 Index.

19.2 Credit risk

Credit risk represents the risk of a loss if the counter parties fail to perform as contracted. The Fund's credit risk is primarily attributable to bank balances (financial institutions) and receivables from banks.

Management of credit risk

The Fund keeps deposits with reputed financial institutions. All transactions in units are settled / paid for upon delivery using the system of Trustee. 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.

19.2.1 The analysis below summarises the credit quality of the Fund's financial assets as at June 30, 2024.

Bank	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Latest available published rating as at June 30, 2024	Rating agency
Rupees in '000					
Bank Al Habib Limited	13,353	17,274	14,010	A1+	PACRA
	13,353	17,274	14,010		

Bank	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Latest available published rating as at June 30, 2024	Rating agency
Rupees in '000					
Bank Al Habib Limited	1,712	26,814	81,587	A1+	PACRA
	1,712	26,814	81,587		

19.2.2 The analysis below summarizes the credit quality of the Fund's credit exposure:

	June 30, 2024			June 30, 2023		
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund
	(%)					
Ratings						
A1+	100%	100%	100%	100%	100%	100%
	100%	100%	100%	100%	100%	100%

As of the previous report date, the sovereign entity had never defaults on any of its securities. Therefore, the fund has determined that it is not exposed to credit risk.

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 major asset balances are held with a single bank, and management believes that there is no concentration of credit risk as this bank is reputed institution.

19.3 Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations arising from its financial liabilities that are settled by delivering cash or another financial asset, or that such obligations will have to be settled in a manner disadvantageous to the Fund.

The Fund is exposed to non-payment of redemptions request on a regular basis. Units are redeemable at the holder's option based on the Fund's net asset value per unit at the time of redemption calculated in accordance with the Fund's constitutive document and guidelines laid down by the SECP.

Management of liquidity risk

The Fund's policy is to manage this risk by investing majority of its assets in investments that are traded in an active market and can be readily disposed off.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is, therefore, to invest the majority of its assets either in short term instruments or in investments that are traded in an active market and can be readily disposed and are considered readily realisable in order to maintain liquidity.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

The table below summarises the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

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

Particulars	June 30, 2024								
	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund		
	Upto three months	More than three months and upto	More than one year	Upto three months	More than three months and upto	More than one year	Upto three months	More than three months and upto	More than one year
----- Rupees in '000 -----									
Financial liabilities									
Payable to AL Habib Asset Management Limited - Management Company	78	-	-	113	-	-	131	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	12	-	-	28	-	-	26	-	-
Payable to Securities and Exchange Commission of Pakistan	25	-	-	37	-	-	43	-	-
Accrued expenses and other liabilities	4,163	-	-	74	-	-	95	-	-
Total liabilities	4,278	-	-	252	-	-	295	-	-

20 UNITHOLDERS' FUND RISK MANAGEMENT

The unitholders' fund is represented by the net assets attributable to unitholders / redeemable units. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily issuance and redemptions at the discretion of unit holders. These unitholders of the Fund are entitled to distributions and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the statement of movement in unitholders' fund. Unitholders fund risk management is carried out by the Management Company through following steps:

- Monitors the level of daily issuance and redemptions relative to the liquid assets and adjusts the amount of distributions the Fund pays to the unitholders;
- Redeems and issues units in accordance with the constitutive documents of the Fund. This includes the Fund's ability to restrict redemptions; and
- The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management Company critically track the movement of 'Assets under Management'. The Board of Directors is updated regarding key performance indicators, e.g. yield and movement of NAV and total Fund size at the end of each quarter.

The Fund has maintained and complied with the requirements of minimum fund size during the current period.

21 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 amount 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.

As per the requirements of IFRS 7 (Financial Instruments: Disclosures) and IFRS 13 (Fair Value Measurement), 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 table below analyse financial instruments measured at the end of the reporting year by the level in the fair value hierarchy into which the fair value measurement is categorised:

June 30, 2024				
Fair value				
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
Investments at fair value through profit or loss				
Equity Sub-Fund				
Listed equity securities	96,310	-	-	96,310
Debt Sub-Fund				
GoP Ijarah Sukuk Certificates	-	98,037	-	98,037
Money Market Sub-Fund				
GoP Ijarah Sukuk Certificates	-	107,549	-	107,549
	<u>96,310</u>	<u>205,586</u>	<u>-</u>	<u>301,896</u>
June 30, 2023				
Fair value				
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
Investments at fair value through profit or loss				
Equity Sub-Fund				
Listed equity securities	33,274	-	-	33,274
Debt Sub-Fund				
GoP Ijarah Sukuk Certificates	-	42,021	-	42,021
Money Market Sub-Fund				
GoP Ijarah Sukuk Certificates	-	-	-	-
	<u>33,274</u>	<u>42,021</u>	<u>-</u>	<u>75,295</u>

22. PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER

Details of members of the Investment Committee of the Fund as on June 30, 2024 are as follows:

Name	Designation	Qualification	Experience
Mr. Kashif Rafi	Chief Executive Officer	MBA - IBA	23 years
Mr. Zahid Hussain Vasnani	Chief Operating Officer & Company Secretary	CA- Affiliate	24 years
Mr. Abdul Rehman	Chief Investment Officer	MBA & CFA	13 years
Mr. Ahmed Abbas	Fund Manager	MBA	16 years
Mr. Talha A. Siddiqui	Fund Manager	MA in Economics	11 years
Mr. Umar Bin Hassan	Manager Risk & Research	MS - IBA	6 years

23. ATTENDANCE AT MEETINGS OF THE BOARD OF DIRECTORS

Four meetings of the Board of Directors were held on August 17, 2023 and October 19, 2023, January 25, 2024, April 18, 2024 respectively. Information in respect of the attendance by the Directors in the meetings is given below:

S.No.	Name of Director	Attended	Leave granted	Meeting(s) not attended
1	Mr. Abbas D. Habib	3	1	99th Meeting
2	Mr. Mansoor Ali Khan	4	-	-
3	Mr. Saeed Allawala	4	-	-
4	Ms. Zarine Aziz	1	3	99th, 100th and 101st Meeting
5	Mr. Imran Azim	3	1	100th Meeting
6	Mr. Kashif Rafi (CEO)	4	-	-

24. PATTERN OF UNITHOLDING

Category	June 30, 2024			
	Number of unit holders	Number of units held	Investment amount	Percentage
----- Rupees in '000 -----				
AL Habib Islamic Pension Fund - Debt Sub Fund				
Director	-	-	-	0.00%
Associated Companies	1	300,000	41,911,650	33.81%
Retirement Funds	-	-	-	0.00%
Other Corporate	-	-	-	0.00%
Others	107	587,318	82,051,591	66.19%
	108	887,318	123,963,241	100.00%
AL Habib Islamic Pension Fund - Equity Sub Fund				
Director	-	-	-	0.00%
Associated Companies	1	300,000	64,351,440	60.94%
Retirement Funds	-	-	-	0.00%
Other Corporate	-	-	-	0.00%
Others	72	192,323	41,254,286	39.06%
	73	492,323	105,605,726	100.00%
AL Habib Islamic Pension Fund - Money Market Sub Fund				
Director	-	-	-	0.00%
Associated Companies	1	300,000	41,196,960	31.46%
Retirement Funds	-	-	-	0.00%
Other Corporate	-	-	-	0.00%
Others	110	653,526	89,744,325	68.54%
	111	953,526	130,941,285	100.00%

25. TOTAL EXPENSE RATIO

In accordance with the S.R.O 1068 (I) / 2021 dated August 23, 2021 issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio of the equity sub fund, debt sub fund and money market sub fund for the year ended June 30, 2024 is 2.39%, 1.31% and 1.22% (June 30, 2023: 1.82%, 0.74% and 0.69%) respectively which includes 0.17%, 0.16% and 0.15% (June 30, 2023: 0.11%, 0.05% and 0.05%) respectively representing Government levy and SECP fee.

26. CORRESPONDING FIGURES

26.1 Corresponding figures have also been rearranged and reclassified, wherever necessary, for better presentation. However, there has been no material reclassification to report.

27. GENERAL

27.1 Figures have been rounded off to the nearest thousand rupees, unless otherwise stated.

28. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 01, 2024 by the Board of Directors of the Management Company.

**For AL Habib Asset Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

ANNUAL FUND MANAGER REPORT FINANCIAL YEAR 2024

Fund Objective:

The objective of AHIPF is to provide individuals with an individualized, funded (based on defined contribution) as well as flexible pension scheme which is managed by professional Investment managers to assist them to plan and provide for their retirement. The design of the scheme empowers the participants to invest their pensions as per their desired asset allocations

Strategies and Policies Employed during the period under review:

The AHIPF maintained its strategy of reaping maximum benefits emanating from volatility experienced in both equity and debt markets. The selection criterion for equity securities is based upon hybrid investment approach with companies having sound financial history backed by strong fundamentals. The exposure in debt portion was also in line with the investment objectives with preference given to highly rated and liquid debt securities.

Fund Description

Fund Type & Category	Open Ended - Voluntary Pension Scheme	External Auditors	BDO Ebrahim & Co. Chartered Accountants
Launch Date	September 05, 2022	Management Fee	Up to 1.5% p.a. on average Net Assets of each Sub-Fund.
Pricing Mechanism	Forward Pricing	Sales Load	Up to 3% on all Contributions
Dealing Days/Timings	Monday to Thursday 9:00 am to 3:30 pm Friday 9:00 am to 4:30 pm	Minimum Investment	Initial investment of Rs. 1,000/- Subsequently Rs. 1,000/- per transaction
AMC Rating	"AM2+" by PACRA	Risk Profile	Allocation Dependent
Trustee	Central Depository Company of Pakistan Limited.		

	Net Assets (Rs. Mn) 30, 2024	NAV (Rs. Per unit) June 30, 2024	NAV (Rs. Per unit) June 30, 2023	Performance since inception
AHIPF-Debt	123.96	139.7055	113.0979	21.79%
AHIPF-Money Market	130.94	137.3232	112.4525	20.49%
AHIPF-Equity	105.61	214.5048	104.8561	114.50%

Market Review:

During FY24, Pakistan's money market witnessed significant improvements, driven by enhanced macroeconomic conditions. The most notable development was the substantial drop in headline inflation, which decreased from a peak of 29.4% in June 2023 to 12.6% by June 2024. This sharp decline in inflation created room for the State Bank of Pakistan (SBP) to adopt a more accommodative monetary policy stance. In response, the SBP reduced the policy rate by 150 basis points, bringing it down to 20.5% from the previous high of 22%. This was a strategic move, reflecting stabilizing macroeconomic indicators and an improved inflation outlook.

Key among these indicators was the narrowing of Pakistan's current account deficit, which fell dramatically from PKR 3.27 trillion in FY23 to PKR 0.68 trillion in FY24. This development, coupled with better fiscal management, played a crucial role in stabilizing the exchange rate. The Pakistani rupee (PKR) traded within a narrow range of 274.5 to 281 PKR per USD during the year. Another notable factor is, while the SBP helped manage currency depreciation risks, it did not aim to keep the exchange rate fixed at any pre-determined level. Moreover, Pakistan recorded a Current Account deficit of 62 USD Million in the second quarter of 2024. Current Account in Pakistan averaged at -799.26 USD Million from 1976 until 2024.

AL HABIB ISLAMIC PENSION FUND

The SBP's interventions in the money market included substantial injections of liquidity through Open Market Operations (OMO), the SBP injected a total of PKR 11.9 trillion in June 2024 as compared to 7.99 trillion in same period last year.

Overall, FY24 marked a year of positive shifts for Pakistan's money market, characterized by lower inflation, stable interest rates, and improved external balances. These developments indicate a favourable outlook for FY25, with expectations of continued monetary easing and enhanced market stability.

PKRV Rates			
Tenor	As at June 30, 2024	As at June 30, 2023	Change (Bps)
3 Months	19.97	22.65	-268
6 Months	19.91	22.87	-296
12 Months	18.62	22.93	-431
3 Years	16.65	19.47	-282
5 Years	15.37	16.08	-71

PKRV Rates		
Date	Policy Rate	Change (Bps)
11-Jun-24	20.5	150
27-Jun-23	22	-

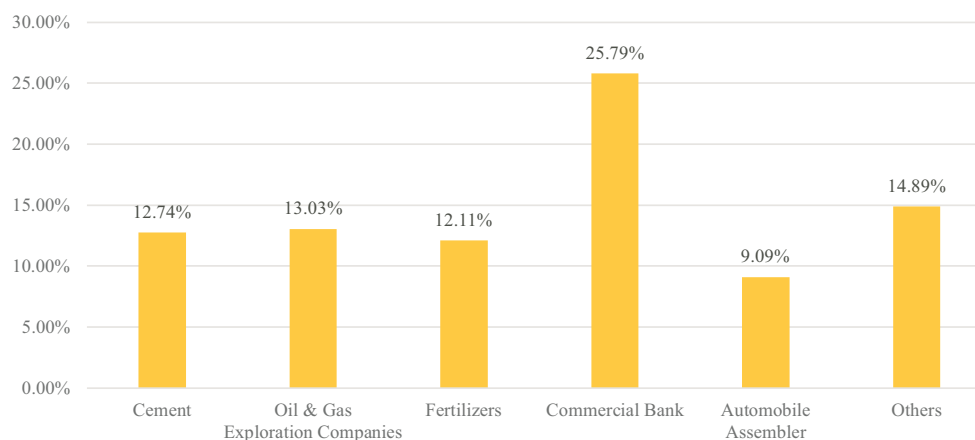
Asset Allocation of Fund (as a % of total assets)

AHPF-Debt Sub Fund	30-Jun-24	30-Jun-23
Cash	13.92%	35.69%
GOP Ijarah	78.97%	55.93%
Others	7.11%	8.38%

AHPF-Money Market Sub Fund	30-Jun-24	30-Jun-23
Cash	10.69%	93.91%
GOP Ijarah	82.03%	55.93%
Others	7.28%	6.09%

AHPF-Equity Sub Fund	30-Jun-24	30-Jun-23
Cash	12.15%	4.83%
Equity	87.64%	93.80%
Others	0.21%	1.37%

Sector Allocation (%age of Total Assets) June 30, 2024



Unit Holding Pattern**Debt Sub Fund:**

Size of Unit Holding (Units)	# of Unit Holders
1-1000	73
1001-5000	10
5001-10000	6
10001-50000	6
50001-100000	1
100001-500000	2
Grand Total	98

Money Market Sub Fund:

Size of Unit Holding (Units)	# of Unit Holders
1-1000	73
1001-5000	10
5001-10000	1
10001-50000	9
100001-500000	2
Grand Total	95

Equity Sub Fund:

Size of Unit Holding (Units)	# of Unit Holders
1-1000	57
1001-5000	5
5001-10000	1
10001-50000	2
100001-500000	2
Grand Total	67

Sales and Redemptions of Units (Debt Sub fund)

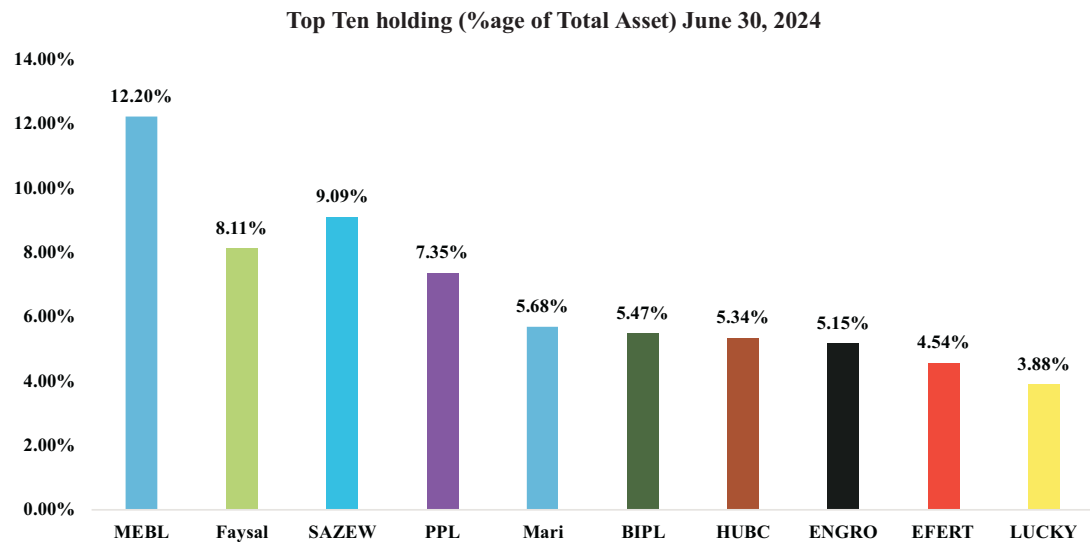
During the period, 1,446,082 units valued Rs. 188.301 million were sold, while 1,177,223 units valued Rs. 153.646 million were redeemed, resulting in to a net redemption of 268,859 units valued Rs. 34.654 million.

Sales and Redemptions of Units (Equity Sub fund)

During the period, 1,583,270 units valued Rs. 235.297 million were sold, while 1,427,370 units valued Rs. 207.994 million were redeemed, resulting in to a net redemption of 155,900 units valued Rs. 27.302 million.

Sales and Redemptions of Units (Money Market Sub Fund)

During the period, 2,105,481 units valued Rs. 271.757 million were sold, while 1,922,879 units valued Rs. 249.181 million were redeemed, resulting in to a net redemption of 182,602 units valued Rs. 22.575 million.



During the period under question:

During the period there has been no significant change in the state of affairs of the Fund, other than stated above. During the year there were no circumstances that materially affected any interests of the unit holders. The fund does not have any soft commission arrangement with any broker in the industry.

Unit Holders Pattern

For the breakdown of unit holding by size as on June 30, 2024, please refer to note 24 of the Annual Accounts 2024.

AL HABIB GOKP PENSION FUND
Annual Report
For the year ended June 30, 2024

FUND'S INFORMATION**Management Company**

AL Habib Asset Management Limited

Board of Directors of the Management Company

Mr. Abbas D. Habib	Chairman
Mr. Mansoor Ali	Director
Mr. Imran Azim	Director
Ms. Zarine Aziz	Director
Mr. Saeed Allawala	Director
Mr. Kashif Rafi	Chief Executive Officer

Chief Financial Officer

Mr. Abbas Qurban

Company Secretary & Chief Operating Officer

Mr. Zahid Hussain Vasnani

Audit Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali	Member
Mr. Imran Azim	Member

Human Resource Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali	Member
Ms. Zarine Aziz	Member
Mr. Kashif Rafi	Member

Auditors

BDO Ebrahim & Co.
Lakson Square Building No. 1, 9th Floor,
Block C Sarwar Shaheed Rd, Civil Lines,
Karachi, Karachi City, Sindh 74200

Legal Advisor

Mohsin Tayebaly & Co.
Barristers & Advocates,
2nd Floor, DIME Centre, BC-4,
Block 9, Kehkashan, Clifton, Karachi.

Trustee

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block 'B', S.M.C.H.S.,
Main Shahra-e-Faisal, Karachi.

Rating

AM2++ Management Company Quality
Rating Assigned by PACRA.

Bankers to the Fund

Bank AL Habib Limited
Bank Alfalah Limited
Allied Bank Limited
Habib Bank Limited

Registered Office: 3rd Floor, Mackinnon's Building, I.I. Chundrigar Road, Karachi.

CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S. Main Shakra-e-Faisal
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



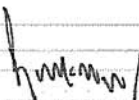
TRUSTEE REPORT TO THE PARTICIPANTS

AL HABIB GOKP PENSION FUND

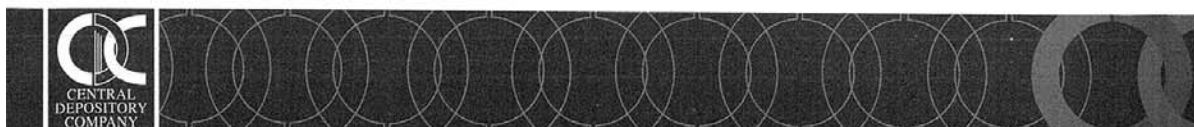
**Report of the Trustee pursuant to Regulation 67D of the Non-Banking Finance Companies
and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of AL Habib GOKP Pension Fund (the Fund) are of the opinion that AL Habib Asset Management Limited being the Pension Fund Manager has in all material respects managed the Fund during the period from January 04, 2024 to June 30, 2024 in accordance with the provisions of the constitutive documents of the Fund, the Voluntary Pension System Rules, 2005 and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Further, in our opinion, the management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 27, 2024





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Sarwar Shaheed Road
Karachi-74200
Pakistan

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF AL HABIB GOKP PENSION FUND - MONEY MARKET SUB FUND

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Al Habib GOKP Pension Fund - Money Market Sub Fund ("the Fund"), which comprise the statement of assets and liabilities as at June 30, 2024, and the income statement, statement of comprehensive income, statement of cash flows and statement of movement in unit holders' fund for the period ended June 30, 2024, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at June 30, 2024, and its financial performance and its cash flows for the period June 30, 2024 in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for opinion

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

Information other than the financial statements and auditor's report thereon

The Management Company is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management Company and its Board of Directors

The Management Company ("Al Habib Asset Management Limited") of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and accounting and reporting 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.

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BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.



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 Pakistan

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

The Management Company is responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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BDO Ebrahim & Co. Chartered Accountants

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Pakistan

Report on other legal and regulatory requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in accordance with the relevant provisions of the Trust Deed, NBFC Rules and NBFC Regulations.

The engagement partner on the audit resulting in this independent auditor's report is Tariq Feroz Khan.

KARACHI

DATED: August 30, 2024

UDIN: AR202410166REyB8Tur6

**BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS**

STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2024

		2024
	Note	--- Rupees in '000 ---
ASSETS		
Bank Balances	5	1,240
Investments	6	32,618
Profit receivable		800
TOTAL ASSETS		<u>34,658</u>
LIABILITIES		
Payable to AL Habib Asset Management Limited Management Company	7	7
Payable to Central Depository Company of Pakistan Limited- Trustee Fee	8	3
Payable to the Securities and Exchange Commission of Pakistan	9	7
Accrued expenses and other liabilities	10	65
TOTAL LIABILITIES		<u>82</u>
NET ASSETS		<u>34,576</u>
UNIT HOLDER OF SUB- FUND (AS PER ATTACHMENT)		<u>34,576</u>
CONTINGENCIES AND COMMITMENTS	11	
Number of units in issue	12	<u>312,802</u>
		(Rupees)
Net asset value per unit		<u>110.5407</u>
The annexed notes 1 to 28 form an integral part of these financial		

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 --- Rupees in '000 ---
INCOME		
Profit on bank deposit	13	380
Income from government securities		2,465
Unrealised appreciation/(diminution) on remeasurement of investment classified as financial asset at fair value through profit and loss		482
Total Income		<u>3,327</u>
EXPENSES		
Remuneration of AL Habib Asset Management Limited - Management Company		6
Sindh sales tax on Management Company's remuneration		1
Remuneration of Central Depository Company of Pakistan Limited - Trustee		23
Sindh Sales Tax on remuneration of the Trustee		3
Annual fees to the Securities and Exchange Commission of Pakistan		7
Auditors' remuneration	14	49
Accrued expenses		6
Bank charges expense		7
Total expenses		<u>102</u>
Net income for the period before taxation		<u>3,225</u>
Taxation	15	-
Net income for the period after taxation		<u><u>3,225</u></u>
Earnings per unit	16	

The annexed notes 1 to 28 form an integral part of these financial information.

**For AL Habib Asset Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

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

	2024 --- Rupees in '000 ---
Net income for the period after taxation	3,225
Other comprehensive income	-
Total comprehensive income for the period	<u>3,225</u>

The annexed notes 1 to 28 form an integral part of these financial information.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	2024 --- Rupees in '000 ---
Net assets at the beginning of the period	
Issuance of units (312,802)	31,351
	31,351
Unrealised appreciation on re-measurement of investments classified at fair value through profit or loss' - net	482
Other income for the period - net	2,743
Total comprehensive income for the period	3,225
Net assets at the end of the period	34,576

The annexed notes 1 to 28 form an integral part of these financial information.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2024

	2024 --- Rupees in '000 ---
CASH FLOWS FROM OPERATING ACTIVITIES	
Net income for the period before taxation	3,225
Adjustments for:	
Unrealised appreciation/(diminution) on remeasurement of investment classified as financial asset at fair value through profit	(482)
	2,743
(Increase) in assets	
Investments	(32,136)
Profit receivable	(800)
	(32,936)
Increase in liabilities	
Payable to AL Habib Asset Management Limited - Management Company	7
Payable to Central Depository Company of Pakistan Limited - Trustee	3
Payable to the Securities and Exchange Commission of Pakistan	7
Accrued expenses and other liabilities	65
	82
Net cash used in operating activities	(30,111)
CASH FLOW FROM FINANCING ACTIVITIES	
Receipts from issuance of units	31,351
Net cash generated from financing activities	31,351
Cash and cash equivalents at the end of the period	1,240

The annexed notes 1 to 28 form an integral part of these financial information.

**For AL Habib Asset Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** AL Habib GOKP Pension Fund is established under a Trust deed executed between AL Habib Asset Management Company Limited as a Pension Fund Manager and Central Depository Company of Pakistan Limited as the Trustee. The Trust Deed is approved by the Securities and Exchange Commission of Pakistan (SECP) on June 27, 2023 under the Voluntary Pension System (VPS) Rules, 2005. Central Depository Company of Pakistan Limited was appointed as a trustee for the Fund by SECP on June 27, 2023. The Fund is registered under the Sindh Trust Act, 2020, as amended vide Sindh Trusts (Amendment) Act, 2021 and was launched on January 04, 2024.
- 1.2** The Pension Fund Manager is a Non-Banking Finance Company licensed by the Commission under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 through and Non-Banking Finance Companies and Notified Entities Regulations 2008 ("Regulations") through license No. SECP/LRD/2/AMC/AHML/2022/98 dated April 18, 2023 to carry out Asset Management Services and is registered with the Commission under the Voluntary Pension System Rules, 2005 under Certificate of Registration No. 44/SEC/PRDD/VPS/ALHAML/2022 dated May 16, 2022 as a Pension Fund Manager and is a designated fund manager appointed by the Government of Khyber Pakhtunkhwa (the "KPK Government") through the Secretary to the Government Finance Department through an Agreement dated December 22, 2022 pursuant to Khyber Pakhtunkhwa Contributory Provident Fund Rules, 2022 (the "KPK Rules" as amended from time to time). The registered office of the Pension Fund Manager is situated at 3rd Floor Mackinnon's Building I, I Chundrigar Road Karachi.
- 1.3** All Employees of KPK Government appointed/recruited under the Khyber Pakhtunkhwa Civil Servants (Amendment) Act 2022 or an employee of the KPK Government, regularized as civil servant through any legal instrument, issued after coming into force of the Khyber Pakhtunkhwa Civil Servants (Amendment) Act, 2022 irrespective of the effective date of regularization shall be eligible to contribute to the Pension Fund.
- 1.4** The objective of Fund is to provide participants with an individualized, funded (based on defined contribution) as well as flexible pension scheme which is managed by professional investment managers to assist them to plan and provide for their retirement. The design of the scheme empowers the participants to invest their pensions as per their desired asset allocations.
- 1.5** The title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.
- 1.6** The Fund consists of four sub-funds namely, AL Habib GoKP- Equity Sub Fund (the Equity Sub Fund) , AL Habib GoKP - Debt Sub Fund (the Debt Sub Fund), AL Habib GoKP - Money Market Sub Fund (the Money Market Sub Fund) and AL Habib GoKP - Equity Index Sub Fund (the Equity Index Sub Fund) (collectively the "Sub-Funds"). Investment policy for each of the sub-funds is as follows:
- 1.7 AL Habib GOKP Pension Fund - Money Market Sub-Fund**
- The objective of Fund is to provide Participants with an individualized, funded (based on defined contribution) as well as flexible pension scheme which is managed by professional investment managers to assist them to plan and provide for their retirement. The design of the scheme empowers the participants to invest their pensions as per their desired asset allocations.
- 1.8** The Fund offers four types of allocation schemes, as prescribed by the SECP under VPS Rules 2005 vide its Circular no. 36 of 2009 dated December 10, 2009, to the participants of the Fund, namely High Volatility, Medium Volatility, Low Volatility and Lower Volatility. The participant has an option to suggest a minimum percentage of allocation to the above allocation schemes (subject to the minimum percentages prescribed in the offering document). Based on the minimum allocation, the Funds are allocated to the above stated Sub-Funds. The allocation to the sub-funds has to be done at the date of the opening of the participant's pension account and on an anniversary date thereafter.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), the NBFC Regulations and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, the NBFC Rules and 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, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost basis, except investments that are stated at fair values.

2.3 Functional and presentation currency

These financial statements are presented in Pakistani rupee ("Rupees" or "Rs."), which is the Fund's functional currency and presentation currency.

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of approved accounting standards, as applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material judgment in the next year are as follows:

2.4.1 Classification and valuation of investment

For details please refer notes 4.2.1.1 and 6 to these financial statements.

2.4.2 Impairment of investment

For details please refer note 4.2.2 to these financial statements.

3 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

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

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

	"Effective date (annual periods beginning on or after)"
"Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 Making Materiality Judgements- Disclosure of Accounting Policies"	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	January 01, 2023

The Company adopted the narrow-scope amendments to the International Accounting Standard (IAS) 1, Presentation of Financial Statements which have been effective for annual reporting periods beginning on or after 1 January 2023. Although the amendments did not result in any changes to accounting policy themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting the Company to provide useful entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and updates to the information disclosed in Note 4 Material accounting policies (2023: Significant accounting policies) in certain instances in line with the amendments and concluded that all its accounting policies are material for disclosure.

3.2 New accounting standards, amendments and 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, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	"Effective date (annual periods beginning on or after)"
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
IFRS 17 Insurance Contracts	January 01, 2026
IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).	
IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.	
IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.	
IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2026.	

4 MATERIAL ACCOUNTING POLICIES

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

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.

4.2 Financial instruments

4.2.1 Financial assets

Financial assets are classified into appropriate categories at amortized cost and at fair value through profit or loss.

The management determines the classification of financial assets into categories based on fund's business model for managing the financial and the contractual terms of the cash flows.

4.2.1.1 Classification

4.2.1.1.1 Debt Instruments

Amortized cost

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

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

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Fair value through profit or loss

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Subsequent, the financial measured at:

Debt investments at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest / markup income, foreign exchange gains and losses and impairment are recognised in income statement.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in income statement. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to income statement.

Debt investments at FVTPL

These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in income statement.

4.2.1.2 Regular way purchase and sale of financial asset

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 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 Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

The guiding principle of the expected credit loss (ECL) model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. The amount of ECLs recognised as a loss allowance or provision depends on the extent of credit deterioration since initial recognition. Under the general approach, there are two measurement bases:

- 12-month ECLs (Stage 1), which applies to all items (from initial recognition) as long as there is no significant deterioration in credit quality.
- Lifetime ECLs (Stages 2 and 3), which applies when a significant increase in credit risk has occurred on an individual or collective basis.

The Fund's financial assets include mainly bank balances, investments and other receivables.

4.2.3 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.

4.2.4 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 realise the assets and settle the liabilities simultaneously.

4.3 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.

4.4 Taxation

The income of the Fund is exempt from income tax under Clause 57(3)(viii) of Part I of the Second Schedule to the Income Tax Ordinance, 2001. 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.

4.5 Proposed distributions

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

4.6 Issuance and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that day. The offer price represents the net assets value per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, inapplicable.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours of that day. The redemption price represents the net assets value per unit as of the close of the business day less any back-end load (if applicable), any duties, taxes, charges on redemption and any provision for transaction costs, if applicable. Redemption of units is recorded on acceptance of application for redemption.

4.7 Net asset value per unit

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

4.8 Revenue recognition

- Realised capital gains / (losses) arising on sale of investments are included in the income statement on the date at which the transaction takes place.
- Mark-up / profit / return on Government securities, bank profits and investment in debt securities are recognized 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 in the period in which they arise.
- Dividend income from equity securities is recognised when the right to receive the dividend is established.

		2024
5	BANK BALANCES	--- Rupees in '000 ---
		Note
	Saving accounts	5.1
		<u>1,240</u>
5.1	These carries markup ranging from 19.5% to 21.50% per annum.	

6 INVESTMENTS**Financial assets at fair value through profit or loss**

Government securities

- Government of Pakistan (GoP) Ijara Sukuk	6.1	3,503
- Pakistan investment Bond	6.2	8,976
- Market Treasury Bills	6.3	20,139
		<u>32,618</u>

6.1 Government of Pakistan (GoP) Ijara Sukuk

Description					As at June 30, 2024				
	As at July 1, 2023	Purchased during the period	Sold / matured during the period	As at June 30, 2024	Carrying value	Market value	Unrealised appreciation (diminution)	Market value	
								Market value as a percentage of net assets	Market value as a percentage of total investments
----- (Number of Units) -----				----- (Rupees in '000) -----			----- % -----		
GOP IJARA SUKUK - 01 YEAR VVR (07-08-2023)	-	35	-	35	3,236	3,503	267	10.13%	10.74%
					3,236	3,503	267		

6.1.1 These carries markup ranging from 22.68% to 25.54% per annum.

6.2 Pakistan Investment Bonds

Description					As at June 30, 2024				
	As at July 1, 2023	Purchased during the period	Sold / matured during the period	As at June 30, 2024	Carrying value	Market value	Unrealised appreciation (diminution)	Market value	
								Market value as a percentage of net assets	Market value as a percentage of total investments
PIB 03 YEAR (07-10-2021) - FLOATER	-	90	-	90	8,761	8,976	215	25.96%	27.52%
					<u>8,761</u>	<u>8,976</u>	<u>215</u>		

6.2.1 These carries markup at the rate of 21.6% per annum.

AL HABIB GOKP PENSION FUND

6.3 Market Treasury Bills

Description					As at June 30, 2024				
	As at July 1, 2023	Purchased during the period	Sold / matured during the period	As at June 30, 2024	Carrying value	Market value	Unrealised appreciation/(diminution)	Market value	
								Market value as a percentage of net assets	Market value as a percentage of total investments
T-BILL 12 MONTHS (16-11-2023)	-	50,000	-	50,000	4,652	4,651	(1)	13.45%	14.26%
T-BILL 03 MONTH (18-04-2024)	-	100,000	-	100,000	9,944	9,945	1.00	28.76%	30.49%
T-BILL 12 MONTHS (30-11-2023)	-	60,000	-	60,000	5,541	5,543	2	16.03%	16.99%
					20,137	20,139	2		

6.3.1 These carries markup ranging from 20.1% to 21.64% per annum.

7	PAYABLE TO AL HABIB ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	2024
			---Rupees in '000---
	Managenent remuneration	7.1	6
	Sales Tax payable	7.2	1
			<u>7</u>

7.1 As per Rule 67F of the NBFC Regulations, 2008, Pension Fund Manager may charge variable fee or fixed fee or the combination of both which shall not exceed the limit disclosed in the offering document. Further subject to the guidelines as may be issued by the Commission from time to time.

Based on offering document, the fee is being charged at the rate of 1% of the average annual net assets accordingly. The fee is payable monthly in arrears.

7.2 Sindh Sales Tax at the rate of 13% was charged on the management company's remuneration.

8 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

Trustee Remuneration	8.1	3
Sales Tax Payable on Trustee Remuneration	8.2	-
		<u>3</u>

8.1 The Trustee is entitled to a remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified below, based on the daily Net Asset Value (NAV) of the Fund. The remuneration is paid to the trustee monthly in arrears.

Based on the Trust Deed, the tariff structure applicable to the Fund as at June 30, 2024 is as follows:

Net Assets (Rupees)	Tariff
Up to 1 billion	Rs.0.3 million or 0.15% p.a. of Net Assets, whichever is higher.
1 billion to 3 billion	Rs.1.5 million plus 0.10% p.a. of Net Assets, on amount exceeding Rs.1 billion
3 billion to 6 billion	Rs.3.5 million plus 0.08% p.a. of Net Assets, on amount exceeding Rs.3 billion.
Over 6 billion	Rs.5.9 million plus 0.06% p.a. of Net Assets on amount exceeding Rs.6 billion.

8.2 The Sindh Sales Tax at the rate of 13% was charged on the Trustee's remuneration.

		2024
		---Rupees in '000---
9	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note
	Fee payable	9.1
		7
		7
9.1	This represents annual fee payable to Securities And Exchange Commission of Pakistan in accordance with the Rule 36 of the VPS Rules whereby the Fund is required to pay SECP an amount equal to one thirtieth (1/30) of 1% of average annual net asset value of each of the sub-fund.	
10	ACCRUED EXPENSES AND OTHER LIABILITIES	
	Auditors' remuneration payable	49
	Other payable	6
	Formation cost payable	10
		65
11	CONTINGENCIES AND COMMITMENTS	
	There were no contingencies and commitments outstanding as at June 30, 2024.	
12	NUMBER OF UNITS IN ISSUE	
	Issue of units during the period	312,802
	Total units in issue at the end of the period	312,802
13	PROFIT ON BANK DEPOSIT	
	Profit on saving account	380
		380
13.1	This includes profit on bank deposits with Bank AL Habib Limited, a related party of Rs. 380 million.	
14	AUDITOR'S REMUNERATION	
	Audit fee	49
		49
15	TAXATION	
	The income of the Fund is exempt from tax under clause 57(3)(viii) of Part I of the Second Schedule to the Income Tax Ordinance, 2001. Further through Finance Act, 2011, effective from July 01, 2011, pension funds are included in the list of entities on which the provisions of section 113 regarding minimum tax shall not apply.	
16	EARNINGS PER UNIT	
	Earnings per unit (EPU) has not been disclosed in these financial statements as in the opinion of the Management Company the determination of the cumulative weighted average number of outstanding units is not practicable.	

AL HABIB GOKP PENSION FUND

17 FINANCIAL INSTRUMENTS BY CATEGORY

Particulars	--- As at June 30, 2024 ---	
	Fair value through profit or loss	Amortised cost
----- (Rupees in '000) -----		
Financial Assets		
Bank balances	-	1,240
Investments	32,618	
Profit receivable	-	800
	<u>32,618</u>	<u>2,040</u>
Financial liabilities		
Payable to AL Habib Asset Management Limited - Management Company	-	7
Payable to Central Depository Company of Pakistan Limited - Trustee	-	3
Payable to the Securities and Exchange Commission of Pakistan	-	7
Accrued expenses and other liabilities	-	65
	<u>-</u>	<u>82</u>

18 TRANSACTIONS AND BALANCES WITH RELATED/CONNECTED PERSONS

Related parties/ Connected persons include Al Habib Asset Management Limited being the Management Company, Bank Al Habib 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, as disclosed in the offering document of the fund.

Connected persons / related parties include:

S.No	Company Name	Relationship
1	AL Habib Asset Management Limited	Management Company
2	Bank Al Habib Limited	Parent Company of AL Habib Asset Management Limited
3	Al Habib Capital Market (Private) Limited	Subsidiary of Bank Al Habib Limited
4	AL Habib Income Fund	Managed by AL Habib Asset Management Limited
5	AL Habib Islamic Income Fund	Managed by AL Habib Asset Management Limited
6	AL Habib Stock Fund	Managed by AL Habib Asset Management Limited
7	AL Habib Islamic Stock Fund	Managed by AL Habib Asset Management Limited
8	AL Habib Pension Fund	Managed by AL Habib Asset Management Limited
9	AL Habib Cash Fund	Managed by AL Habib Asset Management Limited
10	AL Habib Islamic Cash Fund	Managed by AL Habib Asset Management Limited
11	AL Habib GOKP Pension Fund	Managed by AL Habib Asset Management Limited
12	AL Habib Islamic GOKP Pension Fund	Managed by AL Habib Asset Management Limited
13	AL Habib Asset Allocation Fund	Managed by AL Habib Asset Management Limited
14	AL Habib Money Market Fund	Managed by AL Habib Asset Management Limited
15	AL Habib Islamic Saving Fund	Managed by AL Habib Asset Management Limited
16	AL Habib Fixed Return Fund	Managed by AL Habib Asset Management Limited
17	AL Habib Islamic Munafa Fund	Managed by AL Habib Asset Management Limited
18	AL Habib Government Securities Fund	Managed by AL Habib Asset Management Limited
19	Central depository Company of Pakistan	Trustee

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

		2024
	Note	---Rupees in '000---
18.1 Details of transactions with connected persons / related parties during the period are as follows:		
AL Habib Asset Management Limited - Management Company		
Remuneration of the management company		6
Sindh Sales Tax on remuneration of the management company		1
		<u>7</u>
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee		23
Sindh Sales Tax on remuneration of the Trustee		3
		<u>26</u>
Bank AL Habib Limited		
Bank charges		-
Profit on savings account		380
		<u>380</u>
18.2 Details of balances with connected persons / related parties as at period end are as follows:		
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable (Inclusive of Sindh sales tax)		3
		<u>3</u>
Bank AL Habib Limited		
Bank Balance		1,240
Profit receivable on savings account		380
		<u>1,620</u>
Units held by:		
Management Company		
AL Habib Asset Management Company Limited - Pension Fund Manager		30,000
		<u>30,000</u>

19 FINANCIAL RISK MANAGEMENT

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

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

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

19.1 Market risk

Market risk is a 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 on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises of three types of risk; currency risk, interest rate risk and other price risk.

19.1.1 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 is not exposed to currency risk.

19.1.2 Interest rate risk

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

a) Sensitivity analysis for variable rate instruments

The Fund is exposed to cash flow interest rate risk for balances in certain savings accounts, the interest rates on which is 19.5% to 21.50% per annum, and against investments in GOP Ijara Sukuk, Pakistan Investment Bonds and Market Treasury Bills, the interest rate on which range between 22.68% to 25.54%, 21.6% and 20.1% to 21.64% respectively.

In case of 100 basis points increase / decrease in interest rates on June 30, 2024, with all other variables held constant, the net income for the year and the net assets would have been higher / lower by Rs. 33.27 million.

b) Sensitivity analysis for fixed rate instruments

The Fund's investment in GOP Ijara Sukuk, Pakistan Investment Bonds and Market Treasury Bills exposes it to fair value interest rate risk.

In case of 100 basis points increase / decrease in interest rates on June 30, 2024, with all other variables held constant, the net income for the year and the net assets would have been higher / lower by Rs. 29.47 million.

The composition of the Fund's investment portfolio and rates announced by Financial Market Association of Pakistan is expected to change over time. Therefore, the sensitivity analysis prepared as of June 30, 2024 is not necessarily indicative of the effect on the Fund's net assets of future movements in interest rates.

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

Particulars	As at June 30, 2024					Total
	Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and upto one year	More than one year		
	%	Rupees in '000				
On-balance sheet financial instruments						
Financial assets						
Bank balances	21.50	1,240	-	-	-	1,240
Investments						
Government of Pakistan (GOP) Ijara Sukuk	22.68 - 25.54	0	-	3,503	-	3,503
Pakistan investment Bond	21.6	-	-	8,976	-	8,976
Market Treasury Bills	20.1 - 21.64	9,945	-	10,194	-	20,139
Profit receivable		-	-	-	800	800
Sub total		11,185	-	22,673	800	34,658
Financial liabilities						
Payable to AL Habib Asset Management Limited Management Company		-	-	-	7	7
Payable to Central Depository Company of Pakistan Limited- Trustee Fee		-	-	-	3	3
Payable to the Securities and Exchange Commission of Pakistan		-	-	-	7	7
Accrued expenses and other liabilities		-	-	-	65	65
Sub total		-	-	-	82	82
On-balance sheet gap (a)		11,185	-	22,673	718	34,576
Off-balance sheet financial instruments						
		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		11,185	-	22,673	718	34,576
Cumulative interest rate sensitivity gap		11,185	-	22,673		
Sub total						

19.2 Credit risk

Credit risk represents the risk of a loss if the counter parties fail to perform as contracted. The Fund's credit risk is primarily attributable to bank balances (financial institutions) and receivables from banks.

Management of credit risk

The Fund keeps deposits with reputed financial institutions. All transactions in units are settled / paid for upon delivery using the system of Trustee. 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.

19.2.1 The analysis below summarises the credit rating quality of the Fund's financial assets as at June 30, 2024 and June 30, 2023:

Name of Banks	Balances held as at June 30, 2024	Latest available published rating as at June 30, 2024	Rating agency
Rupees in '000			

Balances with banks by rating category

Bank Al Habib Limited	1,240	AAA	PACRA

Rating by rating category**30-Jun-24**

AAA	100%
	100%

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is mainly concentrated in Government securities and bank balances, having satisfactory credit rating, therefore the fund is not exposed to any concentration of credit risk.

19.3 Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations arising from its financial liabilities that are settled by delivering cash or another financial asset, or that such obligation will have to be settled in a manner disadvantageous to the Fund.

The Fund is exposed to cash redemptions of its units on a regular basis. Units are redeemable at the holder's option based on the Fund's net asset value per unit at the time of redemption calculated in accordance with the Fund's constitutive document and guidelines laid down by Securities and Exchange Commission of Pakistan (SECP).

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.

Particulars	As at June 30, 2024			
	Upto three months	More than three months and upto one year	More than one year	Total
Rupees in '000				
Financial liabilities				
Payable to AL Habib Asset Management Limited Management Company	7	-	-	7
Payable to Central Depository Company of Pakistan Limited - Management Fees	3	-	-	3
Payable to the Securities and Exchange Commission of Pakistan	7	-	-	7
Accrued expenses and other liabilities	65	-	-	65
	82	-	-	82

21.1 Valuation techniques

For level 2 investments at fair value through profit or loss - investment in respect of Treasury Bills, Pakistan Investment Bonds and GOP Ijarah Sukuks, Fund uses the rates which are derived from PKRV, PKFRV and PKISRV rates at reporting date per certificate multiplied by the number of certificates held as at period end.

AL HABIB GOKP PENSION FUND

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

22 PARTICULARS OF INVESTMENT COMMITTEE AND FUND MANAGER

Details of investment committee members of the Fund are as follows:

Name	Designation	Qualification	Experience
Mr. Kashif Rafi	Chief Executive Officer	MBA - IBA	23 years
Mr. Zahid Hussain Vasnani	Chief Operating Officer & Company Secretary	CA- Affiliate	24 years
Mr. Abdul Rehman	Chief Investment Officer	MBA & CFA	13 years
Mr. Ahmed Abbas	Fund Manager	MBA	16 years
Mr. Talha A.Siddiqui	Fund Manager	MA in Economics	11 years
Mr. Umar Bin Hassan	Manager Risk & Research	MS - IBA	6 years

22.1 Mr. Ahmed Abbas is also Fund Manager of AL Habib Cash Fund, AL Islamic Cash Fund, AL Habib Income Fund, AL Habib Islamic Savings Funds, AL Habib Islamic Income Fund, AL Habib Fixed Return Fund & AL Habib Islamic Munafa Fund.

23 PATTERN OF UNITHOLDING

Unit holding pattern of the Fund as at 30 June 2024 is as follows:

Category	Number of unit holders	Number of units	Investment amount (Rupees in '000)	Percentage of total investment
Associated Companies	1	300,000	33,159	95.91%
Individuals	49	12,802	1,415	4.09%
	50	312,802	34,574	100.00%

24 ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

Four meetings of the Board of Directors were held on August 17, 2023 and October 19, 2023 , January 25, 2024, April 18, 2024 respectively. Information in respect of the attendance by the Directors in the meetings is given below:

S.No.	Name of Director	Attended	Leave granted	Meeting(s) not attended
1	Mr. Abbas D. Habib	4	1	99th Meeting
2	Mr. Mansoor Ali Khan	4	-	-
3	Mr. Saeed Allawala	4	-	-
4	Ms. Zarine Aziz	4	3	99th, 100th and 101st Meeting
5	Mr. Imran Azim	4	1	100th Meeting
6	Mr. Kashif Rafi (CEO)	4	-	-

25 TOTAL EXPENSE RATIO

In accordance with the S.R.O 1068 (I) / 2021 dated August 23, 2021 issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio of the equity sub fund, debt sub fund and money market sub fund for the period ended June 30, 2024 is 0.28 % which includes 0.31% representing Government Levy and SECP fee.

26 CORRESPONDING FIGURES

This is the first year of opeartion of the fund, therefore, there is no comparative figures reported.

27 GENERAL

27.1 Figures have been rounded off to the nearest thousand Rupees, unless otherwise stated.

28 DATE OF AUTHORIZATION FOR ISSUE

28.1 These financial statements were authorised for issue on **August 01, 2024** by the Board of Directors of the Management Company.

**For AL Habib Asset Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

ANNUAL FUND MANAGER REPORT FINANCIAL YEAR 2024

Fund Objective:

The objective of AHGOKPPF is to provide Participants with an individualized, funded (based on defined contribution) as well as flexible pension scheme which is managed by professional investment managers to assist them to plan and provide for their retirement. The design of the scheme empowers the participants to invest their pensions as per their desired asset allocations

Strategies and Policies Employed during the period under review:

The AHGOKP maintained its strategy of reaping maximum benefits emanating from volatility experienced in debt markets. The selection criterion for equity securities is based upon hybrid investment approach with companies having sound financial history backed by strong fundamentals. The exposure in debt portion was also in line with the investment objectives with preference given to highly rated and liquid debt securities.

Fund Description

Fund Type & Category	Open Ended - Voluntary Pension Scheme	External Auditors	BDO Ebrahim & Co. Chartered Accountants
Launch Date	Jan 04, 2024	Management Fee	Up to 1.5% p.a. on average Net Assets of each Sub-Fund.
Pricing Mechanism	Forward Pricing	Sales Load	Up to 3% on all Contributions
Dealing Days/Timings	Monday to Thursday 9:00 am to 3:30 pm Friday 9:00 am to 4:30 pm	Minimum Investment	Initial investment of Rs. 1,000/- Subsequently Rs. 1,000/- per transaction
AMC Rating	"AM2+" by PACRA	Risk Profile	Allocation Dependent
Trustee	Central Depository Company of Pakistan Limited.		

Market Review:

During FY24, Pakistan's money market witnessed significant improvements, driven by enhanced macroeconomic conditions. The most notable development was the substantial drop in headline inflation, which decreased from a peak of 29.4% in June 2023 to 12.6% by June 2024. This sharp decline in inflation created room for the State Bank of Pakistan (SBP) to adopt a more accommodative monetary policy stance. In response, the SBP reduced the policy rate by 150 basis points, bringing it down to 20.5% from the previous high of 22%. This was a strategic move, reflecting stabilizing macroeconomic indicators and an improved inflation outlook.

Key among these indicators was the narrowing of Pakistan's current account deficit, which fell dramatically from PKR 3.27 trillion in FY23 to PKR 0.68 trillion in FY24. This development, coupled with better fiscal management, played a crucial role in stabilizing the exchange rate. The Pakistani rupee (PKR) traded within a narrow range of 274.5 to 281 PKR per USD during the year. Another notable factor is, while the SBP helped manage currency depreciation risks, it did not aim to keep the exchange rate fixed at any pre-determined level. Moreover, Pakistan recorded a Current Account deficit of 62 USD Million in the second quarter of 2024. Current Account in Pakistan averaged at -799.26 USD Million from 1976 until 2024.

The SBP's interventions in the money market included substantial injections of liquidity through Open Market Operations (OMO), the SBP injected a total of PKR 11.9 trillion in June 2024 as compared to 7.99 trillion in same period last year.

Overall, FY24 marked a year of positive shifts for Pakistan's money market, characterized by lower inflation, stable interest rates, and improved external balances. These developments indicate a favourable outlook for FY25, with expectations of continued monetary easing and enhanced market stability.

PKRV Rates			
Tenor	As at June 30, 2024	As at June 30, 2023	Change (Bps)
3 Months	19.97	22.65	-268
6 Months	19.91	22.87	-296
12 Months	18.62	22.93	-431
3 Years	16.65	19.47	-282
5 Years	15.37	16.08	-71

PKRV Rates		
Date	Policy Rate	Change (Bps)
11-Jun-24	20.5	150
27-Jun-23	22	-

Asset Allocation of Fund (as a % of total assets)

AHGOKP	30-Jun-24	30-Jun-23
Cash	3.58%	-
GOP Ijarah	10.11%	-
PIBs	25.90%	-
TBills	58.11%	-
Others	2.31%	-

Unit Holding Pattern
Money Market Sub Fund:

Size of Unit Holding (Units)	# of Unit Holders
1-1000	49
100001-500000	1
Grand Total	50

Sales and Redemptions of Units

During the year, 312,802 units valued Rs. 31.351 million were sold, while none units were redeemed resulting in to a net sale of 312,802 units valued Rs. 31.351 million during the year.

During the period under question:

There has been no significant change in the state of affairs of the Fund. Furthermore the fund does not have any soft commission arrangement with any broker in the industry.

Unit Holders Pattern

For the breakdown of unit holding by size as on June 30, 2024, please refer to note 23 of the Annual Accounts 2024.

Fund Performance at a Glance

	2024
Net Assets as at June 30 (Rs. in Million)	34.57
NAV per unit as at June 30 (Rs.)	100.4454
Annual Return	21.47%

**AL HABIB ISLAMIC GOKP
PENSION FUND
Annual Report
For the year ended June 30, 2024**

FUND'S INFORMATION

Management Company

AL Habib Asset Management Limited

Board of Directors of the Management Company

Mr. Abbas D. Habib	Chairman
Mr. Mansoor Ali	Director
Mr. Imran Azim	Director
Ms. Zarine Aziz	Director
Mr. Saeed Allawala	Director
Mr. Kashif Rafi	Chief Executive

Chief Financial Officer

Mr. Abbas Qurban

Company Secretary & Chief Operating Officer

Mr. Zahid Hussain Vasnani

Audit Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali	Member
Mr. Imran Azim	Member

Human Resource Committee

Mr. Saeed Allawala	Chairman
Mr. Mansoor Ali	Member
Ms. Zarine Aziz	Member
Mr. Kashif Rafi	Member

Auditors

BDO Ebrahim & Co.
Lakson Square Building No. 1, 9th Floor,
Block C Sarwar Shaheed Rd, Civil Lines,
Karachi, Karachi City, Sindh 74200

Legal Advisor

Mohsin Tayebaly & Co.
Barristers & Advocates,
2nd Floor, DIME Centre, BC-4,
Block 9, Kehkashan, Clifton, Karachi.

Trustee

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block 'B', S.M.C.H.S.,
Main Shakra-e-Faisal, Karachi.

Rating

AM2++ Management Company Quality
Rating Assigned by PACRA.

Bankers to the Fund

Bank AL Habib Limited
Bank Alfalah Limited
Allied Bank Limited
Habib Bank Limited

Registered Office: 3rd Floor, Mackinnon's Building, I.I. Chundrigar Road, Karachi.

CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S. Main Shakra-e-Faisal
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcPakistan.com
Email: info@cdcpak.com



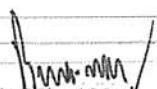
TRUSTEE REPORT TO THE PARTICIPANTS

AL HABIB ISLAMIC GOKP PENSION FUND

Report of the Trustee pursuant to Regulation 67D of the Non-Banking Finance Companies
and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of AL Habib Islamic GOKP Pension Fund (the Fund) are of the opinion that AL Habib Asset Management Limited being the Pension Fund Manager has in all material respects managed the Fund during the period from January 04, 2024 to June 30, 2024 in accordance with the provisions of the constitutive documents of the Fund, the Voluntary Pension System Rules, 2005 and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Further, in our opinion, the management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework.


Badiuddin Akber

Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 27, 2024



REVIEW REPORT OF THE SHARIAH ADVISOR

As a Shariah Advisor of the **AL Habib GOKP Islamic Money Market Fund (AHGOKPMMF)**, I am issuing this report. The scope of the report is to express an opinion on the Shariah compliance of the fund's activities.

It is the responsibility of the management of aforesaid fund to establish and maintain a system of internal control to ensure compliance with Shariah guidelines. My responsibility is to express an opinion, based on my review of the representation made by the management, to the extent where such compliance can be objectively verified.

A review is limited primarily to inquire to the Management Company's personnel and review of various documents prepared by the management company to comply with prescribed criteria. In the light of the above, I hereby certify that:

- I have reviewed and approved the modes of investment of AHGOKPMMF in the light of the Shariah guidelines.
- All the provisions of the scheme and investments made on account of AHGOKPMMF by Management Company are Shariah Compliant and in accordance with the criteria established.
- On the basis of information provided by the Management Company, all the operations of AHGOKPMMF for the period from January 04, 2024 to June 30, 2024 have been in compliance with Shariah principles.



Dr. Mufti Ismatullah Hamdullah
Shariah Advisor

Date: June 30, 2024



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Pakistan

INDEPENDENT ASSURANCE REPORT TO THE UNITHOLDERS ON THE STATEMENT OF COMPLIANCE WITH THE SHARIAH PRINCIPLES

Scope of our Work

We have performed an independent assurance engagement of Al Habib GoKP Pension Fund (the Fund), to express an opinion on the annexed Statement of Compliance with the Shariah Principles (the Statement) for the period ended June 30, 2024. Our engagement was carried out as required under Trust Deed and Shariah Principles of the Fund.

Applicable Criteria

The criteria for the assurance engagement against which the underlying statement (the subject matter) is assessed comprises of compliance with the Shariah Principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor (criteria). Therefore, the underlying subject matter may not be suitable for another purpose. Our engagement was carried out as required under Trust Deed and Shariah Principles of the Fund.

Management Company's responsibility

Management Company (Al Habib Asset Management Limited) of the Fund is responsible for the preparation and fair presentation of the Statement (the subject matter) and for compliance with the Shariah Principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor (criteria). This responsibility includes designing, implementing and maintaining internal control to ensure that operations of the Fund and the investments made by the Fund are in compliance with the Shariah Principles.

Our Independence and Quality Control

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. The firms apply International Standard on Quality Management (ISQM) 1 "Quality Management for Firms That Perform Audits and Reviews of Financial Statements, And Other Assurance and Related Services Engagements" and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibility of independent assurance providers

Our responsibility is to express our conclusion on the Statement based on our independent assurance engagement, performed in accordance with the International Standards on Assurance Engagement (ISAE 3000) (Revised) 'Assurance Engagements other than Audits or Reviews of Historical Financial Information'. This standard requires that we plan and perform the engagement to obtain reasonable assurance whether the Statement reflects the status of the Fund's compliance with the Shariah Principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor and is free from material misstatement.

The procedures selected depend on our judgment, including the assessment of the risks of material non-compliance with the Shariah Principles whether due to fraud or error. In making those risk assessments, we have considered internal controls relevant to the Fund's compliance with the principles in order to design procedures that are appropriate in the circumstances, for gathering sufficient appropriate evidence to determine that the Fund was not materially non-compliant with the principles. Our engagement was not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

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BDO Ebrahim & Co. Chartered Accountants

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The procedures performed included:

- Checking compliance of specified guidelines issued by the Shariah Advisor relating to charity, maintaining bank accounts and for making investments of the Fund; and
- Checking that the Shariah Advisor has certified that the operations of the Fund and investments made by the Fund during the period ended June 30, 2024 are in compliance with the Shariah Principles and where required, purification of income from non-compliant sources has been made in consultation with the Shariah Advisor.

Conclusion

In our opinion, the Statement, in all material respects, presents fairly the status of the Fund's compliance with the Shariah principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor for the period ended June 30, 2024.

KARACHI

DATED: SEPTEMBER 30, 2024


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INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF AL HABIB ISLAMIC GOKP PENSION FUND

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Al Habib Islamic GOKP Pension Fund ("the Fund"), which comprise the statement of assets and liabilities as at June 30, 2024, and the income statement, statement of comprehensive income, statement of cash flows and statement of movement in unit holders' fund for the period ended June 30, 2024, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at June 30, 2024, and its financial performance and its cash flows for the period June 30, 2024 in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for opinion

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

Information other than the financial statements and auditor's report thereon

The Management Company is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management Company and its Board of Directors

The Management Company ("Al Habib Asset Management Limited") of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and accounting and reporting 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.

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

The Management Company is responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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We also provide the Board of Directors of the Management Company 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.

Report on other legal and regulatory requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in accordance with the relevant provisions of the Trust Deed, NBFC Rules and NBFC Regulations.

The engagement partner on the audit resulting in this independent auditor's report is Tariq Feroz Khan.

KARACHI

DATED: August 30, 2024

UDIN: AR202410166ZBly0sUwx

 **BDO EBRAHIM & CO.**
CHARTERED ACCOUNTANTS

BDO Ebrahim & Co. Chartered Accountants

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STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2024

	Note	Rupees in 000
ASSETS		
Bank balances	5	1,792
Investments	6	30,220
Profit receivable	7	2,803
TOTAL ASSETS		<u>34,815</u>
LIABILITIES		
Payable to AL Habib Asset Management Limited - Management Company	8	1
Payable to Central Depository Company of Pakistan Limited - Trustee	9	3
Payable to Securities and Exchange Commission of Pakistan	10	7
Accrued expenses and other liabilities	11	65
TOTAL LIABILITIES		<u>76</u>
NET ASSETS		<u><u>34,739</u></u>
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		<u><u>34,739</u></u>
CONTINGENCIES AND COMMITMENTS	12	
Number of units in issue	13	<u><u>314,711</u></u>
Net assets value per unit		<u><u>110.38</u></u>

The annexed notes from 1 to 26 form an integral part of these financial statements.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2024

	Note	Rupees in 000
Income		
Gain on sale of investments - net		2
Profit on Government Ijarah Sukuks		2,726
Mark-up on bank deposits		533
		<u>3,261</u>
Unrealised appreciation on re-measurement of investments classified at 'fair value through profit or loss' - net		20
		<u>3,281</u>
Expenses		
Remuneration of AL Habib Asset Management Limited - Management Company	8.1	1
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1	23
Sindh Sales Tax on remuneration of Trustee	9.2	3
Annual fee to the Securities and Exchange Commission of Pakistan	10.1	7
Auditors' remuneration	13	49
Bank charges		3
Other expense		5
		<u>91</u>
Net income for the period before taxation		3,190
Taxation		-
Net income for the period after taxation	15	<u><u>3,190</u></u>
Earnings per unit		

The annexed notes from 1 to 26 form an integral part of these financial statements.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

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

	Rupees in 000
Net income for the period after taxation	3,190
Other comprehensive income	-
Total comprehensive income for the period	<u>3,190</u>

The annexed notes from 1 to 26 form an integral part of these financial statements.

**For AL Habib Asset Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Rupees in 000
Net assets at the beginning of the period	-
Issuance of units (314,711 units)	31,549
Gain on sale of investments - net	2
Unrealised appreciation on re-measurement of investments classified at 'fair value through profit or loss' - net	20
Income for the period - net	3,168
Total comprehensive income for the period	3,190
Net assets at the end of the period	<u>34,739</u>

The annexed notes from 1 to 26 form an integral part of these financial statements.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2024

	Rupees in 000
CASH FLOWS FROM OPERATING ACTIVITIES	
Net income for the period before taxation	3,190
Adjustments for:	
Unrealised appreciation on re-measurement of investments classified at 'fair value through profit or loss' - net	(20)
	3,170
Increase in assets	
Investments	(30,200)
Profit receivable	(2,803)
	(33,003)
Increase in liabilities	
Payable to AL Habib Asset Management Limited - Management Company	1
Payable to Central Depository Company of Pakistan Limited - Trustee	3
Payable to Securities and Exchange Commission of Pakistan	7
Accrued expenses and other liabilities	65
	76
Net cash used in operating activities	(29,757)
CASH FLOWS FROM FINANCING ACTIVITIES	
Receipts from issue of units	31,549
Net cash generated from financing activities	31,549
	1,792
Cash and cash equivalents at the end of the period	1,792

The annexed notes from 1 to 26 form an integral part of these financial statements.

For AL Habib Asset Management Limited
(Management Company)

Chief Executive Officer

Chief Financial Officer

Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** AL Habib Islamic GOKP Pension Fund is established under a Trust deed executed between AL Habib Asset Management Company Limited as a Pension Fund Manager and Central Depository Company of Pakistan Limited as the Trustee. The Trust Deed is approved by the Securities and Exchange Commission of Pakistan (SECP) on June 27, 2023 under the Voluntary Pension System (VPS) Rules, 2005. Central Depository Company of Pakistan Limited was appointed as a trustee for the Fund by SECP on June 27, 2023. The Fund is registered under the Sindh Trust Act, 2020, as amended vide Sindh Trusts (Amendment) Act, 2021 and was launched on January 04, 2024.
- 1.2** The Pension Fund Manager is a Non-Banking Finance Company licensed by the Commission under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 through and Non-Banking Finance Companies and Notified Entities Regulations 2008 ("Regulations") through license No. SECP/LRD/2/AMC/AHML/2022/98 dated April 18, 2023 to carry out Asset Management Services and is registered with the Commission under the Voluntary Pension System Rules, 2005 under Certificate of Registration No. 44/SEC/PRDD/VPS/ALHAML/2022 dated May 16, 2022 as a Pension Fund Manager and is a designated fund manager appointed by the Government of Khyber Pakhtunkhwa (the "KPK Government") through the Secretary to the Government Finance Department through an Agreement dated December 22, 2022 pursuant to Khyber Pakhtunkhwa Contributory Provident Fund Rules, 2022 (the "KPK Rules" as amended from time to time).
- 1.3** The Pension Fund Manager of the Fund has been licensed to act as a Pension Fund Manager under the Voluntary Pension Scheme Rules, 2005 (the VPS Rules) through a certificate of registration issued by the SECP. The registered office of the Pension Fund Manager is situated at 3rd Floor Mackinnon's Building I, I Chundrigar Road Karachi.
- 1.4** All Employees of KPK Government appointed/recruited under the Khyber Pakhtunkhwa Civil Servants (Amendment) Act, 2022 or an employee of the KPK Government, regularized as civil servant through any legal instrument, issued after coming into force of the Khyber Pakhtunkhwa Civil Servants (Amendment) Act, 2022 irrespective of the effective date of regularization shall be eligible to contribute to the Pension Fund.
- 1.5** The objective of the Fund is to provide a secure source of retirement savings and regular income after retirement to the Employee(s) .
- 1.6** The title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.
- 1.7** The objective of AL Habib Islamic GOKP Pension Fund is to provide participants with an individualized, funded (based on defined contribution) as well as flexible pension scheme which is managed by professional investment managers to assist them to plan and provide for their retirement. The design of the scheme empowers the participants to invest their pensions as per their desired asset allocations.
- 1.8** The Fund offers four types of allocation schemes, as prescribed by the SECP under VPS Rules 2005 vide its Circular no. 36 of 2009 dated December 10, 2009, to the participants of the Fund, namely High Volatility, Medium Volatility, Low Volatility and Lower Volatility. The participant has an option to suggest a minimum percentage of allocation to the above allocation schemes (subject to the minimum percentages prescribed in the offering document). Based on the minimum allocation, the Funds are allocated to the above stated Sub-Funds. The allocation to the sub-funds has to be done at the date of the opening of the participant's pension account and on an anniversary date thereafter.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017; and
- The requirements of the Constitutive Documents, Voluntary Pension System Rules, 2005(VPS Rules), The NBFC Rules, Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the 'NBFC Regulations') and requirements of the Trust Deed.

Wherever the requirements of the Constitutive Documents, the VPS Rules, NBFC Regulations or the directives issued by the SECP differ with the requirements of IFRS, the requirements of the Trust Deed, the VPS Rules (2005) or the requirements of the said directives prevail.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of approved accounting standards, as applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material judgment in the next year are as follows:

2.4.1 Classification and measurement of financial assets and financial liabilities

For details please refer notes 4.2.1.1 and 6 to these financial statements.

2.4.2 Impairment of financial assets

For details please refer notes 4.2.2 to these financial statements.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

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

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

	"Effective date (annual periods beginning on or after)"
"Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 Making Materiality Judgements- Disclosure of Accounting Policies"	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	January 01, 2023

The Company adopted the narrow-scope amendments to the International Accounting Standard (IAS) 1, Presentation of Financial Statements which have been effective for annual reporting periods beginning on or after 1 January 2023. Although the amendments did not result in any changes to accounting policy themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting the Company to provide useful entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and updates to the information disclosed in Note 4 Material accounting policies (2023: Significant accounting policies) in certain instances in line with the amendments and concluded that all its accounting policies are material for disclosure.

3.2 New accounting standards, amendments and 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, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	"Effective date (annual periods beginning on or after)"
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
IFRS 17 Insurance Contracts	January 01, 2026
IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).	
IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.	
IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.	
IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2026.	

4 MATERIAL ACCOUNTING POLICY INFORMATION

The principal accounting policies applied in the preparation of these financial statements are set out below.

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.

4.2 Financial instruments

4.2.1 Financial assets

Financial assets are classified into appropriate categories at amortized cost and at fair value through profit or loss.

The management determines the classification of financial assets into categories based on fund's business model for managing the financial and the contractual terms of the cash flows.

4.2.1.1 Classification**4.2.1.1.1 Debt Instruments****Amortized cost**

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

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

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Fair value through profit or loss

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Subsequent, the financial measured at:**Debt investments at amortised cost**

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest / markup income, foreign exchange gains and losses and impairment are recognised in income statement.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in income statement. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to income statement.

Debt investments at FVTPL

These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in income statement.

4.2.1.2 Regular way purchase and sale of financial asset

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 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 Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

The guiding principle of the expected credit loss (ECL) model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. The amount of ECLs recognised as a loss allowance or provision depends on the extent of credit deterioration since initial recognition. Under the general approach, there are two measurement bases:

- 12-month ECLs (Stage 1), which applies to all items (from initial recognition) as long as there is no significant deterioration in credit quality.
- Lifetime ECLs (Stages 2 and 3), which applies when a significant increase in credit risk has occurred on an individual or collective basis.

The Fund's financial assets include mainly bank balances, investments and other receivables.

4.2.3 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.

4.2.4 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 realise the assets and settle the liabilities simultaneously.

4.3 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.

4.4 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 (90%) of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders.

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.

4.5 Proposed distributions

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

4.6 Issuance and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that day. The offer price represents the net assets value per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, inapplicable.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours of that day. The redemption price represents the net assets value per unit as of the close of the business day less any back-end load (if applicable), any duties, taxes, charges on redemption and any provision for transaction costs, if applicable. Redemption of units is recorded on acceptance of application for redemption.

4.7 Net asset value per unit

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

4.8 Revenue recognition

- Realised capital gains / (losses) arising on sale of investments are included in the income statement on the date at which the transaction takes place.
- Mark-up / profit / return on Government securities, bank profits and investment in debt securities are recognized 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 in the period in which they arise.

5. BANK BALANCES	Note	June 30, 2024 Rupees in 000
Saving accounts	5.1	1,792
		<u>1,792</u>

5.1 This carry mark-up at the rates ranging between 18% to 21.1% per annum. This represent balances held with Bank AL Habib Limited, a related party.

6. INVESTMENTS

Financial assets classified at fair value through profit or loss
Government Ijara sukuk

6.1	30,220
	<u>30,220</u>

6.1 Government Ijara Sukuk

Particulars	As at July 01, 2023	Purchased during the period	Sold/ matured during the period	As at June 30, 2024	Carrying value	Market value	Unrealised appreciation	Market Value as a percentage of Net Asset	Market Value as a percentage of Investment
	No. of instruments				(Rupees in '000)			(%)	
GOP IJARA SUKUK - 01 YEAR VRR (08-03-2023)	-	50	50	-	-	-	-	0%	0%
GOP IJARA SUKUK - 01 YEAR VRR (12-07-2023)	-	52	-	52	5,201	5,205	4	15%	17%
GOP IJARA SUKUK - 01 YEAR VRR (17-04-2023)	-	185	185	-	-	-	-	0%	0%
GOP IJARA SUKUK - 01 YEAR VRR (26-06-2023)	-	200	200	-	-	-	-	0%	0%
GOP IJARA SUKUK - 01 YEAR VRR (07-08-2023)	-	250	-	250	24,999	25,015	16	72%	83%
Total GOP Ijarah Sukuk as at June 30, 2024				302	30,200	30,220	20		

7. PROFIT RECEIVABLE	Note	June 30,2024 Rupees in 000
Profit receivable on:		
GOP Ijara Sukuk		2,689
Savings deposits		114
		<u>2,803</u>

8. PAYABLE TO AL HABIB ASSET MANAGEMENT

Remuneration payable to Management Company	1
	<u>1</u>

8.1 As per Rule 67F of the NBFC Regulations, 2008, Pension Fund Manager may charge variable fee or fixed fee or the combination of both which shall not exceed the limit disclosed in the offering document, further subject to the guidelines as may be issued by the Commission from time to time.

Based on offering document, the fee is being charged at the rate of 1.5% of the average annual net assets accordingly. The fee is payable monthly in arrears.

8.2 Sindh Government has levied Sindh Sales Tax (SST) at the rate of 13% on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.

9. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED

Remuneration payable to Trustee	9.1	3
		<u>3</u>

9.1 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 there in, based on the daily Net Asset Value (NAV) of the Fund. The remuneration is paid to the trustee monthly in arrears.

AL HABIB ISLAMIC GOKP PENSION FUND

Based on the Trust Deed, the tariff structure applicable to the Fund as at June 30, 2024 is as follows:

Net assets	Tariff per annum
Up to Rs. 1,000 million	Rs. 0.3 million or 0.15% of NAV, whichever is higher
Exceeding Rs. 1,000 million up to Rs. 3,000 million	Rs. 1.5 million plus 0.10% of NAV exceeding Rs. 1,000 million
Exceeding Rs. 3,000 million up to Rs. 6,000 million	Rs. 3.5 million plus 0.08% of NAV exceeding Rs. 3,000 million
Exceeding Rs. 6,000 million	Rs. 5.9 million plus 0.06% of NAV exceeding Rs. 6,000 million

	Note	June 30, 2024 Rupees in 000
10. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN		
Annual fee payable to SECP	10.1	7
		<u>7</u>

10.1 This represents annual fee payable to Securities And Exchange Commission of Pakistan in accordance with the Rule 36 of the VPS Rules whereby the Fund is required to pay SECP an amount equal to one thirtieth of 1% of average annual net asset value of each of the sub-fund.

	June 30, 2024 Rupees in 000
11. ACCRUED EXPENSES AND OTHER LIABILITIES	
Auditors' remuneration payable	49
Others	16
	<u>65</u>

12. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at the reporting date.

13. AUDITORS' REMUNERATION

Annual audit fee	49
	<u>49</u>

14. 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 its accounting income for the period, as reduced by the capital gains whether realised or unrealised, is distributed to the unit holders. The Fund is also exempt from section 113 (minimum tax) provision under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

15. EARNINGS PER UNIT

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

16. FINANCIAL INSTRUMENTS BY CATEGORY

June 30, 2024			
Particulars	At fair value through profit or loss	Amortised cost	Total
Financial assets			
Bank balances	-	1,792	1,792
Investments	30,220	-	30,220
Profit receivable	-	2,803	2,803
	<u>30,220</u>	<u>4,595</u>	<u>34,815</u>
Financial liabilities			
Payable to AL Habib Asset Management Limited - Management Company	-	1	1
Payable to Central Depository Company of Pakistan Limited - Trustee	-	3	3
Payable to Securities and Exchange Commission of Pakistan	-	7	7
Accrued expenses and other liabilities	-	65	65
	<u>-</u>	<u>76</u>	<u>76</u>

17. TRANSACTIONS AND BALANCES WITH RELATED PARTIES/ CONNECTED PARTIES

Related parties/ Connected persons include Al Habib Fund Managers Limited being the Management Company, Bank Al Habib 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, as disclosed in the offering document of the fund.

Related parties/connected persons include:

S.No	Company Name	Relationship
1	AL Habib Asset Management Limited	Management Company
2	Bank Al Habib Limited	Parent Company of AL Habib Asset Management Limited
3	Al Habib Capital Market (Private) Limited	Subsidiary of Bank Al Habib Limited
4	AL Habib Income Fund	Managed by AL Habib Asset Management Limited
5	AL Habib Islamic Income Fund	Managed by AL Habib Asset Management Limited
6	AL Habib Stock Fund	Managed by AL Habib Asset Management Limited
7	AL Habib Islamic Stock Fund	Managed by AL Habib Asset Management Limited
8	AL Habib Pension Fund	Managed by AL Habib Asset Management Limited
9	AL Habib Cash Fund	Managed by AL Habib Asset Management Limited
10	AL Habib Islamic Cash Fund	Managed by AL Habib Asset Management Limited
11	AL Habib GOKP Pension Fund	Managed by AL Habib Asset Management Limited
12	AL Habib Islamic GOKP Pension Fund	Managed by AL Habib Asset Management Limited
13	AL Habib Asset Allocation Fund	Managed by AL Habib Asset Management Limited
14	AL Habib Money Market Fund	Managed by AL Habib Asset Management Limited
15	AL Habib Islamic Saving Fund	Managed by AL Habib Asset Management Limited
16	AL Habib Fixed Return Fund	Managed by AL Habib Asset Management Limited
17	AL Habib Islamic Munafa Fund	Managed by AL Habib Asset Management Limited
18	AL Habib Government Securities Fund	Managed by AL Habib Asset Management Limited
19	Central depository Company of Pakistan	Trustee

AL HABIB ISLAMIC GOKP PENSION FUND

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

June 30, 2024
Rupees in 000

17.1 Transactions during the period

Al Habib Asset Management Limited - Management	
Remuneration of Management company	1
Sindh Sales Tax	-
Central Depository Company of Pakistan Limited -	
Trustee	
Remuneration of the Trustee	23
Sindh Sales Tax	3
Bank Al Habib Limited - Sponsor	
Mark-up on bank deposits	533
AL Habib Capital Markets (Pvt) Ltd	
Brokerage	-

17.2 Balances outstanding as at period end

Al Habib Asset Management Limited - Management Company	1
Management company fee payable	
Sindh Sales Tax	-
Central Depository Company of Pakistan Limited -	
Trustee	
Trustee fee payable	3
Sindh Sales Tax	-
Bank Al Habib Limited - Sponsor	
Bank balances	1,792
Profit Receivable	114

18. FINANCIAL RISK MANAGEMENT

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

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

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

18.1 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.

Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

18.1.1 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.

18.1.2 Interest rate risk

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

a) Sensitivity analysis for variable rate instruments

As at the reporting date, the fund holds variable profit based investment and bank balances exposing the fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in interest rates at period end with all other variables held constant, the net income for the period and the net assets of the fund would have been higher / lower by Rs. 0.319 million.

b) Sensitivity analysis for fixed rate instruments

As at the reporting date, the fund does not hold any fixed profit based investment exposing the fund to cash flow interest rate risk.

c) Fair value interest rate risk

Yield / Interest rate sensitivity position for financial instrument is as follows:

Particulars	Effective yield / interest rate	June 30, 2024			
		Exposed to yield / interest rate risk			Not exposed to yield / Interest rate risk
		Upto three months	More than three months and upto one year	More than one year	
	%				

On-balance sheet financial instruments

Financial assets

Bank balances	18%-21.1%	1,792	-	-	-
Investments		-	-	-	30,220
Profit receivable		2,803	-	-	-
		4,595	-	-	30,220

Financial liabilities

Payable to AL Habib Asset Management Limited - Management Company		-	-	-	1
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	3
Payable to Securities and Exchange Commission of Pakistan		-	-	-	7
Accrued expenses and other liabilities		-	-	-	65
		-	-	-	76

On-balance sheet gap (a)

4,595	-	-	30,144

Off-balance sheet financial instruments

-	-	-	-

Off-balance sheet gap (b)

-	-	-	-

18.2 Credit risk

Credit risk represents the risk of a loss if the counter parties fail to perform as contracted. The Fund's credit risk is primarily attributable to bank balances (financial institutions) and receivables from banks.

Management of credit risk

The Fund keeps deposits with reputed financial institutions.

18.2.1 The analysis below summarises the credit quality of the Fund's financial assets as at June 30, 2024.

Bank	Amount	Latest available published rating as at June 30, 2024	Rating agency
---Rupees in '000---			
Bank Al Habib Limited	1,792	A1+	PACRA
	1,792		

AL HABIB ISLAMIC GOKP PENSION FUND

18.2.2 The analysis below summarizes the credit quality of the Fund's credit exposure:

	June 30, 2024
	---- (%) ----
Ratings	
A1+	100%
	100%

As of the previous report date, the sovereign entity had never defaults on any of its securities. Therefore, the fund has determined that it is not exposed to credit risk.

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 major asset balances are held with a single bank. The management believes that these banks are reputed institution.

18.3 Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations arising from its financial liabilities that are settled by delivering cash or another financial asset, or that such obligations will have to be settled in a manner disadvantageous to the Fund.

The Fund is exposed to non-payment of redemptions request on a regular basis. Units are redeemable at the holder's option based on the Fund's net asset value per unit at the time of redemption calculated in accordance with the Fund's constitutive document and guidelines laid down by the SECP.

Management of liquidity risk

The Fund's policy is to manage this risk by investing majority of its assets in investments that are traded in an active market and can be readily disposed off.

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is, therefore, to invest the majority of its assets either in short term instruments or in investments that are traded in an active market and can be readily disposed and are considered readily realisable in order to maintain liquidity.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

The table below summarises the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date. However, assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

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

Particulars	June 30, 2024		
	Upto three months	More than three months	More than one year
Financial liabilities			
Payable to AL Habib Asset Management Limited - Management Company	1	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	3	-	-
Payable to Securities and Exchange Commission of Pakistan	7	-	-
Accrued expenses and other liabilities	65	-	-
Total liabilities	76	-	-

19 UNITHOLDERS' FUND RISK MANAGEMENT

The unitholders' fund is represented by the net assets attributable to unitholders / redeemable units. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily issuance and redemptions at the discretion of unit holders. These unitholders of the Fund are entitled to distributions and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the statement of movement in unitholders' fund. Unitholders fund risk management is carried out by the Management Company through following steps:

- Monitors the level of daily issuance and redemptions relative to the liquid assets and adjusts the amount of distributions the Fund pays to the unitholders;
- Redeems and issues units in accordance with the constitutive documents of the Fund. This includes the Fund's ability to restrict redemptions; and
- The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management Company critically track the movement of 'Assets under Management'. The Board of Directors is updated regarding key performance indicators, e.g. yield and movement of NAV and total Fund size at the end of each quarter.

The Fund has maintained and complied with the requirements of minimum fund size during the current period.

20 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 amount 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.

- 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 table below analyse financial instruments measured at the end of the reporting year by the level in the fair value hierarchy into which the fair value measurement is categorised:

	June 30, 2024			Total
	Level 1	Level 2	Level 3	
	Fair value (Rupees in '000)			
Investments at fair value through profit or loss	-----	-----	-----	-----
GoP Ijarah Sukuk Certificates	-	30,220	-	30,220
	-	30,220	-	30,220

20.1 Valuation techniques

For level 2 investments at fair value through profit or loss in units of mutual funds, Fund uses PKISRV rates which are taken from MUFAP, for the purpose of computation of Market value at the reporting date.

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

AL HABIB ISLAMIC GOKP PENSION FUND

21. PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER

Details of members of the Investment Committee of the Fund as on June 30, 2024 are as follows:

Name	Designation	Qualification	Experience
Mr. Kashif Rafi	Chief Executive Officer	MBA - IBA	23 years
Mr. Zahid Hussain Vasnani	Chief Operating Officer & Company Secretary	CA- Affiliate	24 years
Mr. Abdul Rehman	Chief Investment Officer	MBA & CFA	13 years
Mr. Ahmed Abbas	Fund Manager	MBA	16 years
Mr. Talha A.Siddiqui	Fund Manager	MA in Economics	11 years
Mr. Umar Bin Hassan	Manager Risk & Research	MS - IBA	6 years

22. ATTENDANCE AT MEETINGS OF THE BOARD OF DIRECTORS

Four meetings of the Board of Directors were held on August 17, 2023 and October 19, 2023, January 25, 2024, April 18, 2024 respectively. Information in respect of the attendance by the Directors in the meetings is given below:

S.No.	Name of Director	Attended	Leave granted	Meeting(s) not attended
1	Mr. Abbas D. Habib	4	1	99th Meeting
2	Mr. Mansoor Ali Khan	4	-	-
3	Mr. Saeed Allawala	4	-	-
4	Ms. Zarine Aziz	4	3	99th, 100th and 101st Meeting
5	Mr. Imran Azim	4	1	100th Meeting
6	Mr. Kashif Rafi (CEO)	4	-	-

23. PATTERN OF UNITHOLDING

	June 30, 2024			
	Number of unit holders	Number of units held	Investment amount	Percentage
	----- Rupees in '000 -----			
Director	-	-	-	0.00%
Associated Companies	1	300,000	33,114,810	95.33%
Retirement Funds	-	-	-	0.00%
Other Corporate	-	-	-	0.00%
Others	52	14,711	1,623,803	4.67%
	53	314,711	34,738,613	100%

24. TOTAL EXPENSE RATIO

In accordance with the S.R.O 1068 (I) / 2021 dated August 23, 2021 issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio of the fund for the period ended June 30, 2024 is 0.28% which includes 0.03% representing Government levy and SECP fee.

25. GENERAL

25.1 Figures have been rounded off to the nearest thousand rupees, unless otherwise stated.

25.2 There are no comparative figures to be reported as it's the first year of operations.

26. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 01, 2024 by the Board of Directors of the Management Company.

**For AL Habib Asset Management Limited
(Management Company)**

Chief Executive Officer

Chief Financial Officer

Director

ANNUAL FUND MANAGER REPORT FINANCIAL YEAR 2024

Fund Objective:

The objective of AHIGOKPPF is to provide Participants with an individualized, funded (based on defined contribution) as well as flexible pension scheme which is managed by professional investment managers to assist them to plan and provide for their retirement. The design of the scheme empowers the participants to invest their pensions as per their desired asset allocations Strategies and Policies Employed during the period under review:

The AHGOKP maintained its strategy of reaping maximum benefits emanating from volatility experienced in debt markets. The selection criterion for equity securities is based upon hybrid investment approach with companies having sound financial history backed by strong fundamentals. The exposure in debt portion was also in line with the investment objectives with preference given to highly rated and liquid debt securities.

Fund Description

Fund Type & Category	Open Ended - Voluntary Pension Scheme	External Auditors	BDO Ebrahim & Co. Chartered Accountants
Launch Date	Jan 04, 2024	Management Fee	Up to 1.5% p.a. on average Net Assets of each Sub-Fund.
Pricing Mechanism	Forward Pricing	Sales Load	Up to 3% on all Contributions
Dealing Days/Timings	Monday to Thursday 9:00 am to 3:30 pm Friday 9:00 am to 4:30 pm	Minimum Investment	Initial investment of Rs. 1,000/- Subsequently Rs. 1,000/- per transaction
AMC Rating	"AM2+" by PACRA	Risk Profile	Allocation Dependent
Trustee	Central Depository Company of Pakistan Limited.		

Market Review:

During FY24, Pakistan's money market witnessed significant improvements, driven by enhanced macroeconomic conditions. The most notable development was the substantial drop in headline inflation, which decreased from a peak of 29.4% in June 2023 to 12.6% by June 2024. This sharp decline in inflation created room for the State Bank of Pakistan (SBP) to adopt a more accommodative monetary policy stance. In response, the SBP reduced the policy rate by 150 basis points, bringing it down to 20.5% from the previous high of 22%. This was a strategic move, reflecting stabilizing macroeconomic indicators and an improved inflation outlook.

Key among these indicators was the narrowing of Pakistan's current account deficit, which fell dramatically from PKR 3.27 trillion in FY23 to PKR 0.68 trillion in FY24. This development, coupled with better fiscal management, played a crucial role in stabilizing the exchange rate. The Pakistani rupee (PKR) traded within a narrow range of 274.5 to 281 PKR per USD during the year. Another notable factor is, while the SBP helped manage currency depreciation risks, it did not aim to keep the exchange rate fixed at any pre-determined level. Moreover, Pakistan recorded a Current Account deficit of 62 USD Million in the second quarter of 2024. Current Account in Pakistan averaged at -799.26 USD Million from 1976 until 2024.

The SBP's interventions in the money market included substantial injections of liquidity through Open Market Operations (OMO), the SBP injected a total of PKR 11.9 trillion in June 2024 as compared to 7.99 trillion in same period last year.

Overall, FY24 marked a year of positive shifts for Pakistan's money market, characterized by lower inflation, stable interest rates, and improved external balances. These developments indicate a favourable outlook for FY25, with expectations of continued monetary easing and enhanced market stability.

PKRV Rates			
Tenor	As at June 30, 2024	As at June 30, 2023	Change (Bps)
3 Months	19.97	22.65	-268
6 Months	19.91	22.87	-296
12 Months	18.62	22.93	-431
3 Years	16.65	19.47	-282
5 Years	15.37	16.08	-71

PKRV Rates		
Date	Policy Rate	Change (Bps)
11-Jun-24	20.5	150
27-Jun-23	22	-

Asset Allocation of Fund (as a % of total assets)

AHGOKP	30-Jun-24	30-Jun-23
Cash	5.18%	-
GOP Ijarah	86.85%	-
Others	8%	-

Unit Holding Pattern
Money Market Sub Fund:

Size of Unit Holding (Units)	# of Unit Holders
1-1000	52
100001-500000	1
Grand Total	53

Sales and Redemptions of Units

During the year, 314,711 units valued Rs. 31.548 million were sold, while 0 units were redeemed resulting in to a net sale of 314,711 units valued Rs. 31.548 million during the year.

During the period under question:

There has been no significant change in the state of affairs of the Fund. Furthermore the fund does not have any soft commission arrangement with any broker in the industry.

Unit Holders Pattern

For the breakdown of unit holding by size as on June 30, 2024, please refer to note 23 of the Annual Accounts 2024.

Fund Performance at a Glance

	2024
Net Assets as at June 30 (Rs. in Million)	34.74
NAV per unit as at June 30 (Rs.)	110.3827
Annual Return	20.38%

DISCLOSURE OF PROXY VOTING FOR THE YEAR ENDED JUNE 30, 2024

Regulation 38 A "Responsibilities towards Corporate Governance and Proxy Voting";

AL Habib Stock Fund

The Management Company on behalf of the Fund did not participate in 46 shareholder meetings of the Investee Companies. Moreover, details of the proxies voted are as follows:

	Resolutions	For	Against	Abstain	Reason for Abstaining
Number	-	-	-	-	-
%	-	-	-	-	-

AL Habib Islamic Stock Fund

The Management Company on behalf of the Fund did not participate in 36 shareholder meetings of the Investee Companies. Moreover, details of the proxies voted are as follows:

	Resolutions	For	Against	Abstain	Reason for Abstaining
Number	-	-	-	-	-
%	-	-	-	-	-

AL Habib Asset Allocation Fund

The Management Company on behalf of the Fund did not participate in 35 shareholder meetings of the Investee Companies. Moreover, details of the proxies voted are as follows:

	Resolutions	For	Against	Abstain	Reason for Abstaining
Number	-	-	-	-	-
%	-	-	-	-	-

AL Habib Islamic Pension Fund

The Management Company on behalf of the Fund did not participate in 31 shareholder meetings of the Investee Companies. Moreover, details of the proxies voted are as follows:

	Resolutions	For	Against	Abstain	Reason for Abstaining
Number	-	-	-	-	-
%	-	-	-	-	-

AL Habib Pension Fund

The Management Company on behalf of the Fund did not participate in 42 shareholder meetings of the Investee Companies. Moreover, details of the proxies voted are as follows:

	Resolutions	For	Against	Abstain	Reason for Abstaining
Number	-	-	-	-	-
%	-	-	-	-	-

الحبيب جی او کے پی پینشن فنڈ کو 4 جنوری 2024 کو متعارف کرایا گیا تھا۔ 30 جون 2024 کو ختم ہونے والے سال میں منی مارکیٹ سب فنڈ سے 21.47 فیصد کا سالانہ خالص منافع حاصل کیا۔ منی مارکیٹ سب فنڈ کی مجموعی آمدنی 3.32 ملین روپے رہی جو بینک ڈپازٹس اور سرکاری سیکیورٹیز سے حاصل آمدنی پر مشتمل ہے۔

الحبيب اسلامک جی او کے پی پینشن فنڈ کو 4 جنوری 2024 کو متعارف کرایا گیا تھا۔ 30 جون 2024 کو ختم ہونے والے سال میں منی مارکیٹ سب فنڈ سے 21.17 فیصد کا سالانہ خالص منافع حاصل کیا۔ منی مارکیٹ سب فنڈ کی مجموعی آمدنی 3.28 ملین روپے رہی جو بینک ڈپازٹس اور سرکاری سیکیورٹیز سے حاصل آمدنی پر مشتمل ہے۔

ہم اپنے یونٹ ہولڈرز کا مستقل اعتماد اور تعاون پر سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی رہنمائی اور سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ کی معاونت کا شکریہ ادا کرتے ہیں۔ ہم اپنے تمام اسٹاف ممبران کی محنت، خلوص اور لگن کے لیے بھی شکر گزار ہیں۔

عباس ڈی۔ حبیب
چیرمین

کاشف رفیع
چیف ایگزیکٹو

کراچی: یکم اگست ۲۰۲۲ء

الحبيب اسلامک منافع فنڈ نے پلان 3 اور پلان 4 متعارف کرایا جبکہ سال کے دوران پلان 2 مپجورڈ ہوا تھا۔ فنڈ کی مجموعی آمدنی 490.78 ملین روپے رہی جس میں بنیادی طور پر 478.49 ملین روپے سکوٹ میں سرمایہ کاری اور 12.29 ملین روپے بینک ڈپازٹس سے حاصل ہونے والی آمدنی شامل ہیں۔ سال کے دوران فنڈ نے 6.53 روپے فی یونٹ کا مجموعی عبوری منافع منقسمہ تقسیم کیا۔

الحبيب ايسیٹ ایلوکیشن فنڈ نے 30 جون 2024 کو ختم ہونے والے سال میں 75.64 فیصد کا خالص منافع حاصل کیا۔ فنڈ کی مجموعی آمدنی 74.56 ملین روپے رہی جس میں بنیادی طور پر 4.55 ملین روپے بینک ڈپازٹس، 10.37 ملین روپے منقسمہ آمدنی، 0.13 ملین روپے کی سرکاری سیکورٹیز میں سرمایہ کاری اور 59.51 ملین روپے کی سرمایہ کاری میں (حقیقی اور غیر حقیقی) کیپٹل آمدنی شامل ہیں۔ سال کے دوران فنڈ نے 68.51 روپے فی یونٹ کا مجموعی عبوری منافع منقسمہ تقسیم کیا۔

الحبيب اسٹاک فنڈ نے 30 جون 2024 کو ختم ہونے والے سال میں 102.57 فیصد کا خالص منافع حاصل کیا۔ فنڈ کی مجموعی آمدنی 236.69 ملین روپے رہی جس میں بنیادی طور پر 32.53 ملین روپے منقسمہ آمدنی، 9.51 ملین روپے کے بینک ڈپازٹس اور 194.65 ملین روپے کی ایکویٹی سرمایہ کاری میں (حقیقی اور غیر حقیقی) کیپٹل آمدنی شامل ہیں۔ سال کے دوران فنڈ نے 55.33 روپے فی یونٹ کا مجموعی عبوری منافع منقسمہ تقسیم کیا۔

الحبيب اسلامک اسٹاک فنڈ نے 30 جون 2024 کو ختم ہونے والے سال میں 98.34 فیصد کا خالص منافع حاصل کیا۔ فنڈ کی مجموعی آمدنی 375.28 ملین روپے رہی جس میں بنیادی طور پر منقسمہ آمدنی سے حاصل ہونے والی 42.60 ملین روپے کی آمدنی، بینک ڈپازٹس سے حاصل 5.40 ملین روپے کی آمدنی اور ایکویٹی سرمایہ کاریوں پر 327.28 ملین روپے کے (حقیقی اور غیر حقیقی) کیپٹل آمدنی شامل ہیں۔ سال کے دوران فنڈ نے 47.57 روپے فی یونٹ کا مجموعی عبوری منافع منقسمہ تقسیم کیا۔

الحبيب پینشن فنڈ نے 30 جون 2024 کو ختم ہونے والے سال کے لیے منی مارکیٹ اور ڈیٹ سب فنڈ کے لیے بالترتیب 22.77 فیصد اور 23.19 فیصد کا خالص سالانہ منافع اور ایکویٹی سب فنڈ نے 110.41 فیصد کا حقیقی منافع حاصل کیا۔ منی مارکیٹ اور ڈیٹ سب فنڈز کی مجموعی آمدنی بالترتیب 34.49 ملین روپے اور 22.12 ملین روپے رہی، جو بینک ڈپازٹس اور سرکاری سیکورٹیز سے حاصل آمدنی پر مشتمل ہے۔ ایکویٹی سب فنڈز کا مجموعی منافع 43.43 ملین روپے رہا، جس میں بنیادی طور پر منقسمہ آمدنی سے 5.86 ملین روپے کی آمدنی، بینک ڈپازٹس سے 0.62 ملین روپے کی آمدنی اور ایکویٹی سرمایہ کاری پر 36.95 ملین روپے کی (حقیقی اور غیر حقیقی) کیپٹل آمدنی شامل ہے۔

الحبيب اسلامک پینشن فنڈ نے 30 جون 2024 کو ختم ہونے والے سال کے لیے منی مارکیٹ اور ڈیٹ سب فنڈ کے لیے بالترتیب 22.06 فیصد اور 23.46 فیصد کا خالص سالانہ منافع اور ایکویٹی سب فنڈ نے 104.57 فیصد کا حقیقی منافع حاصل کیا۔ منی مارکیٹ اور ڈیٹ سب فنڈز کی مجموعی آمدنی بالترتیب 23.01 ملین روپے اور 20.60 ملین روپے رہی جو بینک ڈپازٹس، ڈیٹ انسٹرومنٹس اور سرکاری سیکورٹیز سے حاصل آمدنی پر مشتمل ہے۔ ایکویٹی سب فنڈز کی مجموعی آمدنی 44.54 ملین روپے رہی جس میں بنیادی طور پر منقسمہ آمدنی سے 4.49 ملین روپے کی آمدنی، بینک ڈپازٹس سے 0.64 ملین روپے کی آمدنی اور ایکویٹی سرمایہ کاری پر 39.41 ملین روپے کی (حقیقی اور غیر حقیقی) کیپٹل آمدنی شامل ہے۔

روپے فی یونٹ کا مجموعی عبوری منافع منقسمہ تقسیم کیا۔ PACRA نے یکم ستمبر 2023 کو فنڈ اسٹیبلشمنٹ ریٹنگ کے تحت الحبیب اسلامک کیش فنڈ کو (f) AA+ ریٹنگ پر برقرار رکھا۔

الحبیب انکم فنڈ نے 30 جون 2024 کو ختم ہونے والے سال میں 22.71 فیصد کا سالانہ خالص منافع حاصل کیا۔ فنڈ کی مجموعی آمدنی 1,096.06 ملین روپے رہی جس میں بنیادی طور پر 992.28 ملین روپے کی سرکاری سیکیورٹیز میں سرمایہ کاری، ٹی ایف سیز اور صکوک، 97.06 ملین روپے کے بینک ڈپازٹس اور 6.72 ملین روپے کے ٹرم ڈپازٹس رسپٹس سے حاصل ہونے والی آمدنی شامل ہے۔ سال کے دوران فنڈ نے 21.31 روپے فی یونٹ کا مجموعی عبوری منافع منقسمہ تقسیم کیا۔ PACRA نے یکم ستمبر 2023 کو فنڈ اسٹیبلشمنٹ ریٹنگ کے تحت الحبیب انکم فنڈ کو (f) AA ریٹنگ پر برقرار رکھا۔

الحبیب گورنمنٹ سیکیورٹیز فنڈ کو 13 جولائی 2023 کو متعارف کرایا گیا تھا۔ 30 جون 2024 کو ختم ہونے والی مدت کے دوران 22.82 فیصد کا سالانہ خالص منافع حاصل کیا۔ فنڈ کی مجموعی آمدنی 2,642.19 ملین روپے رہی جس میں بنیادی طور پر 2,514.03 ملین روپے کی سرکاری سیکیورٹیز میں سرمایہ کاری، 123.04 ملین روپے کے بینک ڈپازٹس اور 5.12 ملین روپے ٹرم ڈپازٹس رسپٹس سے حاصل ہونے والی آمدنی شامل ہے۔ سال کے دوران فنڈ نے 19.77 روپے فی یونٹ کا مجموعی عبوری منافع منقسمہ تقسیم کیا۔

الحبیب فکسڈ ریٹرن فنڈ پلان 7، پلان 8، پلان 9، پلان 10، پلان 11 اور پلان 13 متعارف کرائے گئے جبکہ پلان 3، پلان 4، پلان 5 اور پلان 7 سال کے دوران مچھوڑ ہوئے۔ فنڈ کی مجموعی آمدنی 949.39 ملین روپے رہی جس میں بنیادی طور پر سرکاری سیکیورٹیز میں سرمایہ کاری سے 925.92 ملین روپے اور 23.47 ملین روپے بینک ڈپازٹس سے حاصل ہونے والی آمدنی شامل ہے۔ سال کے دوران فنڈ نے 95.36 روپے فی یونٹ کا مجموعی عبوری منافع منقسمہ تقسیم کیا۔

الحبیب اسلامک انکم فنڈ نے 30 جون 2024 کو ختم ہونے والے سال میں 21.78 فیصد کا سالانہ خالص منافع حاصل کیا۔ فنڈ کی مجموعی آمدنی 1,167.65 ملین روپے رہی جس میں بنیادی طور پر 838.82 ملین روپے صکوک میں سرمایہ کاری، 318.90 ملین روپے کے بینک ڈپازٹس اور 9.93 ملین روپے کے ٹرم ڈپازٹس رسپٹس سے حاصل ہونے والی آمدنی شامل ہیں۔ سال کے دوران فنڈ نے 20.54 روپے فی یونٹ کا مجموعی عبوری منافع منقسمہ تقسیم کیا۔ PACRA نے یکم ستمبر 2023 کو فنڈ اسٹیبلشمنٹ ریٹنگ کے تحت الحبیب اسلامک انکم فنڈ کو (f) AA ریٹنگ پر برقرار رکھا۔

الحبیب اسلامک سیونگنز فنڈ نے 30 جون 2024 کو ختم ہونے والے سال میں 21.96 فیصد کا سالانہ خالص منافع حاصل کیا۔ فنڈ کی مجموعی آمدنی 2,439.84 ملین روپے رہی جس میں بنیادی طور پر 1,797.77 ملین روپے صکوک میں سرمایہ کاری، 638.54 ملین روپے کے بینک ڈپازٹس اور 3.53 ملین روپے کے ٹرم ڈپازٹس رسپٹس سے حاصل ہونے والی آمدنی شامل ہے۔ سال کے دوران فنڈ نے 20.12 روپے فی یونٹ کا مجموعی عبوری منافع منقسمہ تقسیم کیا۔ PACRA نے یکم ستمبر 2023 کو فنڈ اسٹیبلشمنٹ ریٹنگ کے تحت الحبیب اسلامک سیونگنز فنڈ کو (f) AA ریٹنگ پر برقرار رکھا۔

ڈائریکٹران کی جائزہ رپورٹ

الحبيب ایسیٹ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بمسرت 30 جون 2024 کو ختم ہونے والے سال کے لیے اپنے زیر انتظام فنڈز کے آڈٹ شدہ سالانہ مالیاتی حسابات پیش کر رہے ہیں۔

30 جون 2024 کو ختم ہونے والے سال کے دوران پاکستان کی معیشت نے عالمی سطح پر بے یقینی کے صورتحال کے باوجود بحالی کے آثار ظاہر کئے۔ پاکستان کا جی ڈی پی سال بہ سال کے لحاظ سے 2.4 فیصد تک بڑھ گیا جس کی بنیادی وجہ زرعی شعبے میں مستحکم کارکردگی اور صنعتی پیداوار میں بتدریج بہتری آنا تھا۔ کرنٹ اکاؤنٹ خسارہ مالی سال کے دوران نمایاں حد تک قریب آ کر 0.68 بلین امریکی ڈالر رہا جو اس کے مقابلے میں گزشتہ سال کی اس مدت کے دوران 3.27 بلین امریکی ڈالر تھا۔ جس کے باعث پاک روپے/ امریکی ڈالر کے زرمبادلہ ریٹ میں نمایاں استحکام آیا۔

30 جون 2024 کے اختتام پر سرکردہ مہنگائی کے سطح نمایاں حد تک کم ہو کر 12.6 فیصد پر آ گئی جو 30 جون 2023 کو 29.4 فیصد کی بلند ترین سطح پر تھی۔ اس مثبت رجحان کو دیکھتے ہوئے، جس کی توقع آگے بھی یہی رہے گی۔ جیسے کہ ایس بی پی نے اپنی تازہ ترین مونیٹری پالیسی کمیٹی کے اجلاس میں فیصلہ کیا کہ پالیسی ریٹ میں 150 بی پی ایس کی کمی کر کے اسے 22 فیصد کی بلند سطح سے 20.5 فیصد پر لایا جائے۔ مارکیٹ کے بارے میں امکان ہے کہ رواں مالی سال کے دوران پالیسی ریٹ میں مزید کمی آئے گی۔ اس دوران KSE 100 انڈیکس نئی بلند یوں پر پہنچ گیا جس سے پاکستان اس خطے میں بہترین کارکردگی کا مظاہرہ کرنے والی مارکیٹ بن گیا۔

الحبيب کیش فنڈ نے 30 جون 2024 کو ختم ہونے والے سال میں 22.16 فیصد کا سالانہ خالص منافع حاصل کیا۔ فنڈ کی مجموعی آمدنی 7,086.47 ملین روپے رہی جس میں بنیادی طور پر 5,890.54 ملین روپے کی سرکاری سیکیورٹیز، 1,112.39 ملین روپے کی بینک ڈپازٹس اور 83.54 ملین روپے کی ٹرم ڈپازٹس رسپٹس سے حاصل ہونے والی آمدنی شامل ہے۔ سال کے دوران فنڈ نے 19.99 روپے فی یونٹ کا مجموعی عبوری منافع منقسمہ تقسیم کیا۔ VIS نے 15 نومبر 2023 کو فنڈ اسٹیبلشمنٹ ریٹنگ کے تحت الحبيب کیش فنڈ کو (f) AA+ ریٹنگ پر برقرار رکھا۔

الحبيب منی مارکیٹ فنڈ نے 30 جون 2024 کو ختم ہونے والے سال میں 22.14 فیصد کا سالانہ خالص منافع حاصل کیا۔ فنڈ کی مجموعی آمدنی 3,515.69 ملین روپے رہی جس میں بنیادی طور پر 2,858.58 ملین روپے کی سرکاری سیکیورٹیز، 626.20 ملین روپے کے بینک ڈپازٹس اور 30.91 ملین روپے کی ٹرم ڈپازٹس رسپٹس سے حاصل ہونے والی آمدنی شامل ہے۔ سال کے دوران فنڈ نے 20.04 روپے فی یونٹ کا مجموعی عبوری منافع منقسمہ تقسیم کیا۔ VIS نے 15 نومبر 2023 کو فنڈ اسٹیبلشمنٹ ریٹنگ کے تحت الحبيب منی مارکیٹ فنڈ کو (f) AA+ ریٹنگ پر برقرار رکھا۔

الحبيب اسلامک کیش فنڈ نے 30 جون 2024 کو ختم ہونے والے سال میں 21.34 فیصد کا سالانہ خالص منافع حاصل کیا۔ فنڈ کی مجموعی آمدنی 4,670.11 ملین روپے رہی جس میں بنیادی طور پر 1,954.03 ملین روپے کی سرکاری سیکیورٹیز، 2,262.57 ملین روپے کے بینک ڈپازٹس اور 453.51 ملین روپے کی ٹرم ڈپازٹس رسپٹس سے حاصل ہونے والی آمدنی شامل ہے۔ سال کے دوران فنڈ نے 19.52

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