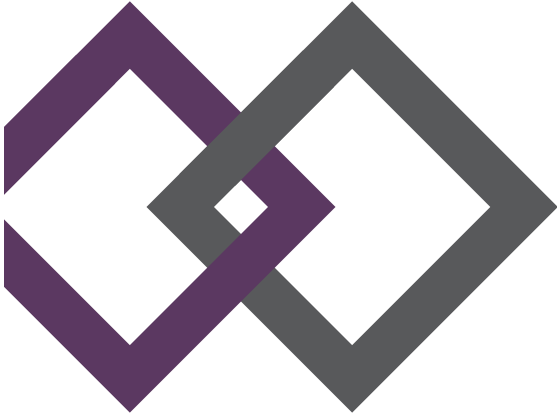


ANNUAL REPORT 2013



askari Islamic Asset Allocation Fund



Vision

The leading quality investment advisor providing excellent returns in a dynamic market place, based on the superior expertise of a committed team of professionals who value

“Service to the Customer”

Askari Investment Management Limited

Good people ■ Sound advice ■ Great returns

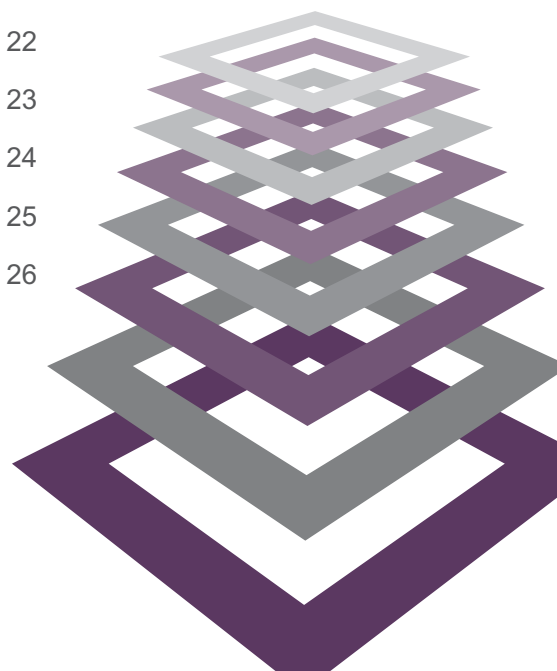
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ANNUAL REPORT 2013

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Information about the Management Company

Registered Office

Askari Investment Management Ltd.
Office No. 2/W, Kashmir Plaza, Jinnah Avenue,
Blue Area, Islamabad.

Head Office

Askari Investment Management Ltd.
20-C, Khayaban-e-Nishat,
Ittehad Commercial Area,
Phase VI, DHA, Karachi.
UAN : 111-246-111
Email : info@askariinvestments.com

Board of Directors

- Syed Majeedullah Husaini
- Mr. Khurshid Zafar
- Mr. Sufian Mazhar
- Mr. Shahid Hafeez Azmi
- Mr. Farrukh Iqbal Khan

Audit Committee

- Mr. Shahid Hafeez Azmi - Chairman
- Syed Majeedullah Husaini
- Mr. Farrukh Iqbal Khan

HR Committee

- Syed Majeedullah Husaini - Chairman
- Mr. Shahid Hafeez Azmi
- Mr. Farrukh Iqbal Khan

Chief Financial Officer & Company Secretary:

- Zainab Siddiqui

Fund's Information

Bankers

- Askari Bank Limited (Islamic Banking)
- Dubai Islamic Bank Limited
- Bank Islami Pakistan Ltd.
- UBL Ameen
- Meezan Bank Limited
- Bank Alfalah Limited (Islamic Banking)
- Burj Bank Limited

Trustee

- **MCB Financial Services Limited**
3rd Floor Adamjee House, I.I Chundrigar
Rd., Karachi.
Tel: (92-021) 3241-9770

Auditors

- **A.F. Ferguson & Co.**
Chartered Accountants
State Life Building No. 1-C, I.I Chundrigar Road,
P.O. Box 4716, Karachi-74000, Pakistan.
Tel: (021) 324 26682-6

Legal Advisors

- **Mohsin Tayabaly & Company**
Advocates & Legal Consultants
2nd Floor, Dine Centre, PC-4,
Block 9, Kehkashan, Clifton, Karachi.
- **Bawaney & Partners**
Advocates & Investment & Corporate Advisors
404, 4th Floor, Beaumont Plaza, 6-D-10,
Beaumont Road, Civil Lines, Karachi-75530.
- **Akhund Forbes**
Corporate and Commercial Law Firm
D-21, Block-4, Scheme 5,
Clifton, Karachi.

Registrar

- **Technology Trade (Pvt.) Ltd.**
Dagia House: 241-C, P.E.C.H.S. Block-2,
Shahrah-e-Quaideen, Karachi.
Tel: (021) 34391316-7 & 9

Shariah Advisor

- Dr. Muhammad Tahir Mansoori

Directors' Report



DIRECTORS' REPORT TO THE UNIT HOLDERS

On behalf of the Board of Directors of Askari Investment Management Limited ("Management Company" or "the Company"), we are pleased to present the annual report of Askari Islamic Asset Allocation Fund ("AIAAF" or "the Fund") along with the Audited Financial Statements and Auditors' report thereon for the year ended June 30, 2013.

Economic Review

Pakistan economy during FY13 continued to face challenges both on internal and external side. More importantly during the year the country also underwent the general election, with PML - N taking the parliamentary majority. On the economic front, the country continued to experience unresolved energy shortages, poor law & order situation, political instability and weak private sector investment. This combined with weak global economic growth in particularly that of its trading partners - US, UK, China and EU - tested country's economic resilience. As result of these aforementioned factors the real GDP growth further slowdown to post a 3.6% growth versus 4.4% in FY12.

Provisional sector-wise growth figures suggests, subdued agriculture growth of 3.3% versus 3.5% last year. Service sector witnessed a sharp slowdown showing a 3.7% growth compared to 5.7% last year. However, on a positive note despite looming domestic crisis, country's industrial sector showed signs of recovery. For the FY13, the LSM posted a growth of 2.8% (compared to 1.2% last year) led by high consumer durable items demand.

On the price front the on-going deceleration in food prices, administrated cut in energy prices along with high base effect helped tamed the headline Consumer Price Index (CPI) inflation for the FY13 to 7.4% y/y from 11% y/y in FY12. Food inflation during FY13 came down to 7.1% y/y on average versus 11% y/y during FY12. Non-food prices recorded a 7.5% y/y growth on average versus 11% y/y in FY12. As a result of this the core inflation (NFNE) receded to post a 9.6% y/y rise compared to 10.6% y/y in FY12.

Given the fall in inflation to single digit and no eminent risk on external side; the State Bank of Pakistan (SBP) eased monetary policy rate by 300bps to 9%.

The current account balance, for the FY13 recorded a deficit of USD 2.3bn (or 0.9% of GDP) compared to USD 4.7bn (or 2.0% of GDP) last year. The relatively stable deficit compared to last year is largely due to the funds received under the Coalition Support Funds (CSF) worth USD 1.88bn. Excluding, the CSF the current account deficit stands at USD 4.2bn (or 1.7% of GDP). Nevertheless, country's export performance remained pretty much unchanged at USD 24.7bn up by a mere +0.2% y/y. Import bill decline by 1.6% y/y to USD 39.8bn; thanks to decelerating international oil prices. As result the country's trade deficit came down to 4.5% y/y to USD 15.1bn from USD 15.8bn.

Capital account witnessed a sharp +30%y/y increase but its overall size remained fairly small at USD 283mn to compensate for higher current account deficit. Moreover, financial account saw a net outflow of USD 80mn despite a +76% rise in Foreign Direct Investment (FDI) of USD 1.4bn. This dismissal financial account performance pertains to on-going debt repayments made by the government of Pakistan to different bi-lateral and unilateral fund agencies. Subsequently, as result of on-going debt repayments and growing USD demand, country's foreign exchange reserve depleted sharply. By Jun-13 end, the SBP foreign reserve almost halved to USD 5.0bn from USD 10.8bn in Jul-12. Falling foreign exchange reserves and meeting the current account deficit has spelt trouble for PKR. The PKR touched an all-time low of 99.6 (by Jun-13 end) against the greenback showing almost 6% y/y depreciation.

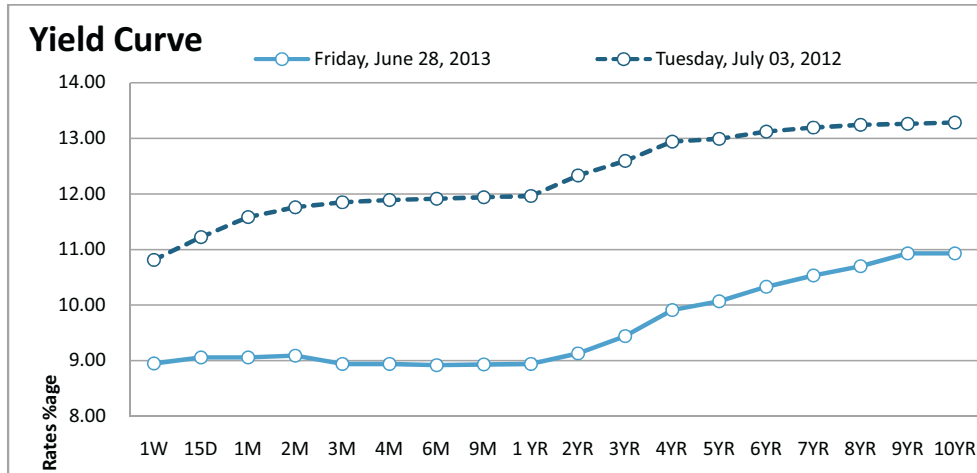
Low private sector credit hinges on higher government borrowing

The government budgetary borrowing during FY13 increased by ~33% y/y or by PKR 1.3trn. Almost 59% (or PKR 2trn) of the borrowing needs were met through commercial banks and the rest 41% (or PKR 3trn) through SBP. As a consequence of higher budgetary borrowing and in particularly through commercial banks led towards a private sector crowding out. For FY13, the private sector credit off-take depicted a decline of 2% y/y. Given the higher domestic borrowing; government domestic debt rose from 38% of GDP in FY12 to 42% of GDP or PKR 9.5trn in FY13. Overall external debt reduced to PKR 5.9trn or 26% of the GDP from 31% of the GDP in FY12. This was mainly on account of higher debt retirement to IMF.

Fixed Income Review

Reflecting the 300bps policy rate cut amid at slowdown in headline CPI inflation number (FY13 7.4% y/y versus FY12 11% y/y), the domestic yield curve adjusted lower, remaining upward sloping. Starting FY13 the rates on 3m, 6m and 12m fell by 291bps, 299bps and 302bps to 11.85%, 11.91% and 11.96% respectively. The benchmark 10 year Pakistan Investment Bond (PIB) yield finished the FY13 at 13.28% down by 235bps during the FY13.

Going forward given the high fiscal deficit monetisation, schedule banks will remain the prime lender to government. We see more participation in short-term tenor compared to long-term PIBs' as inflation starts to pick up in the near term, subsequently leading to possible policy rate hike.



Equity Market Review

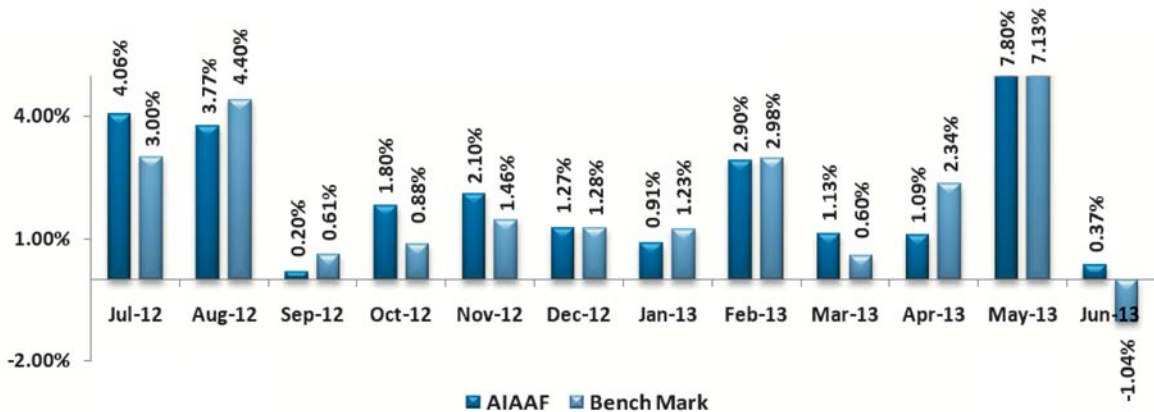
In FY13, Pakistan equity benchmark (KSE-100) recorded a return of 52.3% compared to return of 10.4% posted same period last year, making one of the best performing market in the region. After making high of 22,757 the market closed at 21,005 level. Encouragingly, on average the daily trading volumes topped to 201mn shares per day compared to 130mn shares witnessed same period last year. The major reasons for the equity market to record nine year high return were (1) FIPI inflow of US\$567mn compared to outflow of US\$169mn in FY12), (2) cumulative cut in DR by 300bps (3) single digit inflation of 7.35% (compared to 11% in FY12) (4) massive earnings growth and (5) most importantly PML-N taking the majority seats post elections contrast to market consensus of a hung parliament. The business viewed this as a positive change, with the PML-N knowing to have implemented pro-investment policies in the past. Within the KSE, the star performer of the year was the cement sector; the two cement stocks LUCK and DGKC recorded highest gain of 79% and DGKC, respectively. On the other hand, the banking sector remained under pressure on account monetary easing, increase in minimum deposit rate (MDR) in 1HFY13 by 100 and on directives of SBP to credit profits on average monthly balances on savings account compared to minimum balances earlier.

Performance of the Fund

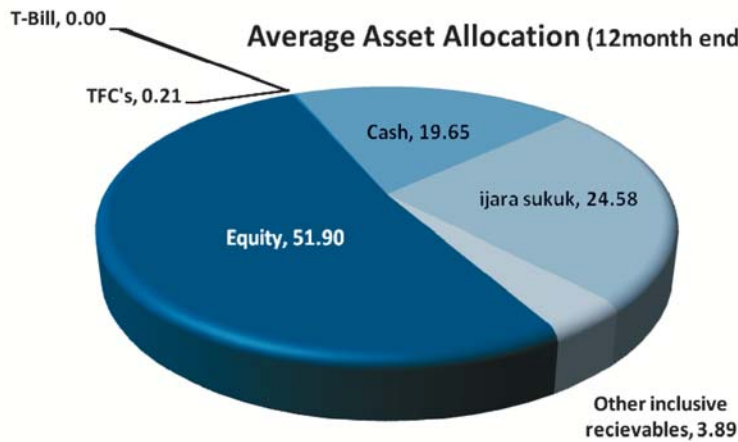
In FY13, the Fund delivered a return of 30.82% against the benchmark return of 27.51%, outperforming the benchmark by 331bps. The return primarily stemmed from KSE-100, which gained above 50pct during the year. Out performance of the fund was due to prudent decision making and capitalizing on investment opportunities. The net asset position as of yearend stood at PKR181.036 million compared to same period in FY12 at PKR 129.399 million. Moreover, at year end the beta of the fund was 0.61. To elaborate further, equity exposure in 1HFY13 was elevated to 59.43% in December 2012 from 44% in June 2012. This is primarily attributable to the declining interest rates, higher corporate earnings and feel good sector. At the end of the FY13 the overall equity exposure halted at 52%. During May 2013, fund generated its highest monthly return of 7.80% contrast with its benchmark return of 7.13% in the same period. During the year, Construction and materials sector and Oil & gas sectors contributed utmost in the fund's performance with sector allocation of 27.67% and 16.98% respectively, at the end of the year. During the first 9m13 Chemical sector exposures were trimmed down compared to 1HFY13, because of the changing dynamics of the industry, and limited ability of the fertilizer manufactures to pass on the feedstock prices and increase urea prices in the near term. On the debt side, exposure in Ijarah Sukuk remained at the average of 24.58% of the total assets in FY13, while exposure in cash on average stood at 19.65%.

During 4q the fund delivered a return of 10.06% in line with benchmark return of 10.13%. The fund's performance was due to over-weight allocation in Oil & Gas and Construction and Materials sector. During the period we added TGL in the fund's portfolio viewing strong growth potential. The fund had 51.90% average allocation in equities during the period. On the debt side on average, exposure in Ijarah Sukuk remained 13.51% of net asset while position in cash stood at 32%

Historic Returns vs Bench Mark (Month on Month)



Average Asset Allocation (12month ending June 13)



Outlook

Going forward, with base effect fading away and upward administrated adjustment in energy prices, we expect inflation to prop-up. This may prompt SBP to raise the policy rate; subsequently hurting the private sector credit investment cycle. On the external account, higher current account deficits could only sustain through higher incoming financial and capital accounts. With global economy still in doldrums the prospects of foreign financial capital flowing in would be limited. Moreover, the government has set out a fiscal deficit target of 6.3% of the GDP in Fy14 (down from 8.8% of the GDP in Fy13). Given the lack of foreign funds outlook and no eminent reforms to boost domestic tax revenue collection, the prospects to bring down fiscal deficit under 7% seem bleak. These combined higher twin deficit; current account and fiscal, can lower the prospects of government achieving 4.4% GDP in Fy14.

Details required by the Code of Corporate Governance:

AIAAF was listed on the Islamabad Stock Exchange (Guarantee) Ltd on October 13, 2009 after its public launch in September 2009 and Askari Investment Management Limited, as its Management Company, is committed to observe the Code of Corporate Governance as applicable. The details as required by the Code of Corporate Governance regarding the pattern of unit holding of the Fund as on June 30, 2013 is as follows:

Category	Unit holding	Percentage of Unit holding
Associated companies, undertakings and related parties		
Askari Bank Limited	1,095,837	80.09%
AIM Employees Provident Fund	11,763	0.86%
Mutual Fund	-	0.00%
Directors and their spouse and minor children	1,002	0.07%
Executives	3,840	0.28%
Public sector companies and corporations	5,066	0.37%
Banks, DFIs, NBFCs, Insurance companies, Takafuls, Modrabas and Pension funds	6,098	0.45%
Shareholders holding five percent or more voting rights		
Burj Bank Limited	127,191	9.30%
Other Individual Shareholders	117,502	8.58%
	1,368,299	100.00%

The Board of Directors of the Management Company state that:

1. The financial statements, prepared by the Management Company, present fairly the statement of affairs, the results of operations, cash flows and the changes in unit holders' fund.
2. Proper books of accounts have been maintained by the Fund.
3. Appropriate accounting policies have been consistently applied in the preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.
4. Relevant International Accounting Standards, as applicable in Pakistan, provision of the Non-Banking Finance Companies (Establishment and Regulation) Rules 2003, Non Banking Finance Companies and Notified Entities Regulations 2008 (NBFC Regulations, 2008), requirements of the trust deed and directives issued by the Securities and Exchange Commission of Pakistan have been followed in the preparation of the financial statement and any deviation there from has been disclosed.
5. The system of internal controls is sound in design and has been effectively implemented and monitored.
6. There are no significant doubts upon the Fund's ability to continue as a going concern.
7. There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.

During the year, no trades in the units of the Fund were carried out by the Directors, CFO, Company Secretary and their spouses and minor children. Trades of CEO and his spouse and minor children, of the Management Company are as under:

	No of Units
Investment	1,002

Meetings of the Board of Directors were held once in every quarter. During the year Six board meetings were held. Detail of Attendance at these meetings is disclosed in the Financial Statements.

Key operating and financial data of the Fund for prior years since inception is as follows:

	Jun-13	Jun-12	Jun-11	Jun-10
	Rupees			
Net Assets as June 30 th	181,036,122	129,399,419	124,487,504	112,897,341
Net Asset Value per unit as of June 30 th	132.3074	111.0302	111.8516	103.0238
Net Income for the period	42,863,691	12,118,420	13,109,588	12,897,340
Distribution during the period*	11,512,486	12,454,025	3,232,720	9,583,729

*This excludes dividend distribution approved after the period-end.

On July 05, 2013, the Board of Directors of the Management Company approved a final distribution at the rate of Rs 29.7599 per unit (Par value of Rs. 100 per Unit) out of the accounting income for the year ended June 30, 2013. This distribution has been made in compliance with Regulation 63 of the NBFC Regulations, 2008, and to avail the income tax exemption for the Fund as available under Clause 99 of the Second Schedule to the Income Tax Ordinance, 2001.

Auditors

The Board of Directors on the recommendation of the Audit Committee has approved the re-appointment of M/s A.F. Ferguson & Co. - Chartered Accountants as the auditors of the Fund for the financial year ending June 30, 2014.

Acknowledgement

We would like to join our colleagues on the Board, management team and employees of the Company, in thanking first and foremost the investors for their vote of confidence in Askari Islamic Asset Allocation Fund. Additionally we would like to thank Askari Bank Limited, the Securities and Exchange Commission of Pakistan, the Trustee of the Fund and the Stock Exchange for their continued guidance and support.

For and on Behalf of the Board of Directors of the Management Company.



Chief Executive Officer (Acting)

August 30, 2013

Karachi

Fund Manager's Report



FUND MANAGER'S REPORT

On behalf of the Board of Directors of Askari Investment Management Limited ("Management Company" or "the Company"), we are pleased to present the annual report of Askari Islamic Asset Allocation Fund ("AIAAF" or "the Fund") along with the Audited Financial Statements and Auditors' report thereon for the year ended June 30, 2013.

Economic Review

Pakistan economy during FY13 continued to face challenges both on internal and external side. More importantly during the year the country also underwent the general election, with PML - N taking the parliamentary majority. On the economic front, the country continued to experience unresolved energy shortages, poor law & order situation, political instability and weak private sector investment. This combined with weak global economic growth in particularly that of its trading partners - US, UK, China and EU - tested country's economic resilience. As result of these aforementioned factors the real GDP growth further slowdown to post a 3.6% growth versus 4.4% in FY12.

Provisional sector-wise growth figures suggests, subdued agriculture growth of 3.3% versus 3.5% last year. Service sector witnessed a sharp slowdown showing a 3.7% growth compared to 5.7% last year. However, on a positive note despite looming domestic crisis, country's industrial sector showed signs of recovery. For the FY13, the LSM posted a growth of 2.8% (compared to 1.2% last year) led by high consumer durable items demand.

On the price front the on-going deceleration in food prices, administrated cut in energy prices along with high base effect helped tamed the headline Consumer Price Index (CPI) inflation for the FY13 to 7.4% y/y from 11% y/y in FY12. Food inflation during FY13 came down to 7.1% y/y on average versus 11% y/y during FY12. Non-food prices recorded a 7.5% y/y growth on average versus 11% y/y in FY12. As a result of this the core inflation (NFNE) receded to post a 9.6% y/y rise compared to 10.6% y/y in FY12.

Given the fall in inflation to single digit and no eminent risk on external side; the State Bank of Pakistan (SBP) eased monetary policy rate by 300bps to 9%.

The current account balance, for the FY13 recorded a deficit of USD 2.3bn (or 0.9% of GDP) compared to USD 4.7bn (or 2.0% of GDP) last year. The relatively stable deficit compared to last year is largely due to the funds received under the Coalition Support Funds (CSF) worth USD 1.88bn. Excluding, the CSF the current account deficit stands at USD 4.2bn (or 1.7% of GDP). Nevertheless, country's export performance remained pretty much unchanged at USD 24.7bn up by a mere +0.2% y/y. Import bill decline by 1.6% y/y to USD 39.8bn; thanks to decelerating international oil prices. As result the country's trade deficit came down to 4.5% y/y to USD 15.1bn from USD 15.8bn.

Capital account witnessed a sharp +30%y/y increase but its overall size remained fairly small at USD 283mn to compensate for higher current account deficit. Moreover, financial account saw a net outflow of USD 80mn despite a +76% rise in Foreign Direct Investment (FDI) of USD 1.4bn. This dismissal financial account performance pertains to on-going debt repayments made by the government of Pakistan to different bi-lateral and unilateral fund agencies. Subsequently, as result of on-going debt repayments and growing USD demand, country's foreign exchange reserve depleted sharply. By Jun-13 end, the SBP foreign reserve almost halved to USD 5.0bn from USD 10.8bn in Jul-12. Falling foreign exchange reserves and meeting the current account deficit has spelt trouble for PKR. The PKR touched an all-time low of 99.6 (by Jun-13 end) against the greenback showing almost 6% y/y depreciation.

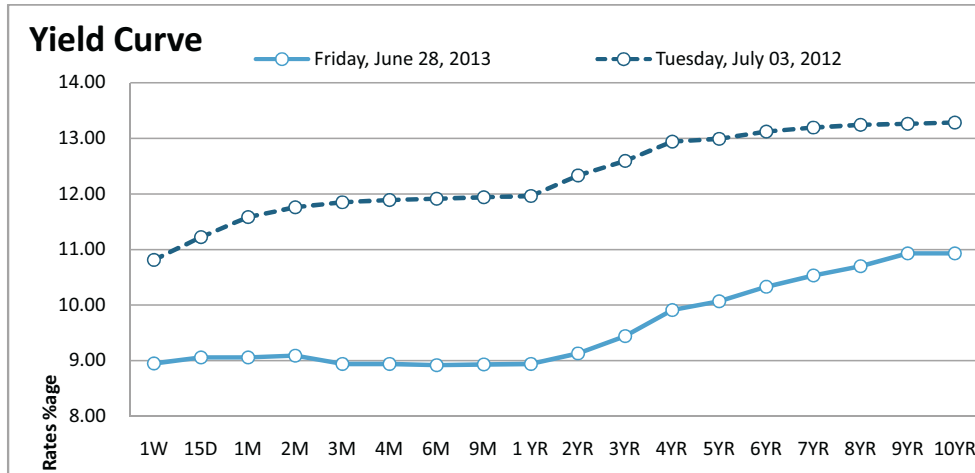
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Fixed Income Review

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Equity Market Review

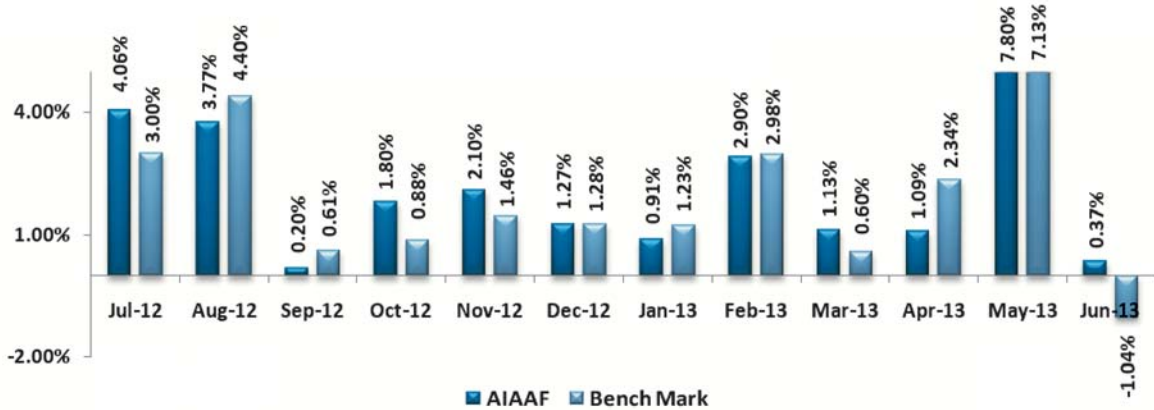
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Performance of the Fund

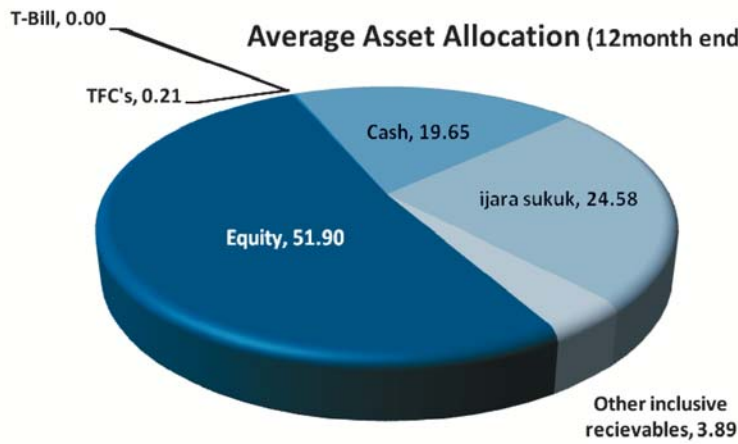
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During 4q the fund delivered a return of 10.06% in line with benchmark return of 10.13%. The fund's performance was due to over-weight allocation in Oil & Gas and Construction and Materials sector. During the period we added TGL in the fund's portfolio viewing strong growth potential. The fund had 51.90% average allocation in equities during the period. On the debt side on average, exposure in Ijarah Sukuk remained 13.51% of net asset while position in cash stood at 32%

Historic Returns vs Bench Mark (Month on Month)



Average Asset Allocation (12month ending June 13)





MCB FINANCIAL SERVICES LIMITED

REPORT OF THE TRUSTEE TO THE UNIT HOLDERS

ASKARI ISLAMIC ASSET ALLOCATION FUND

Report of the Trustee Pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

Askari Islamic Asset Allocation Fund, an open-end scheme established under a Trust Deed dated August 26, 2008 executed between Askari Investment Management Limited, as the Management Company and MCB Financial Services Limited, as the Trustee. The Scheme was authorized by Securities and Exchange Commission of Pakistan (Commission) on June 25, 2009.

1. Askari Investment Management Limited, the Management Company of Askari Islamic Asset Allocation Fund, has in all material respects, managed Askari Islamic Asset Allocation Fund during the year ended June 30, 2013 in accordance with the provisions of the following:
 - (i) Investment limitations imposed on the Asset Management Company and the Trustee under the trust deed and other applicable laws;
 - (ii) the valuation or pricing is carried out in accordance with the deed and any regulatory requirement;
 - (iii) the creation and cancellation of units are carried out in accordance with the deed;
 - (iv) and any regulatory requirement

Khawaja Anwar Hussain
Chief Executive Officer
MCB Financial Services Limited

Karachi: September 12, 2013

3rd Floor, Adamjee House, I. I. Chundrigar Road, Karachi - 74000
Direct Nos. 021-32430485, 32415454, 32415204, 32428731 PABX No. 021-32419770, Fax No. 021-32416371
Website: <http://www.mcbfsl.com.pk>

Shari'ah Academy
International Islamic University Islamabad
Pakistan

أكاديمية الشريعة
الجامعة الإسلامية العالمية بإسلام آباد
باكستان

Director General

REPORT OF THE SHARIAH ADVISOR

ASKARI ISLAMIC ASSET ALLOCATION FUND

Alhamdulillah, Askari Islamic Asset Allocation Fund (AIAAF or the "Fund") has successfully completed its fourth year operations for the period from July 01, 2012 to June 30, 2013 and I thank ALLAH Almighty on this occasion. In the capacity of being the Shariah Advisor of AIAAF, I am issuing this report in accordance with clause 6.2(c) (v) of the Trust Deed of AIAAF. The scope of this report is to express an opinion on the Shariah compliance of Fund's activities.

To establish and maintain a system for ensuring Shariah compliance according to the guidelines provided by the Shariah Advisor is the responsibility of the Management Company. The Shariah Advisor is responsible to form and express an opinion, based on its random checking and periodic review of the representation made by the management, to the extent where such compliance can be objectively verified.

In light of the above, as Shariah Advisor to AIAAF, I have reviewed the following during the period under consideration:

- Mode of investments and placements of AIAAF in light of the Shariah guidelines.
- Screening of investments and placements of AIAAF in light of the Shariah guidelines.
- Provisions of the scheme and investments & placements made on account on AIAAF in accordance with the Shariah criteria established.
- Amount of provision for charity made in the books of accounts of AIAAF. I confirm having checked and verified the amount of said provision and having approved the same from Shariah Perspective.

In light of the above, I hereby certify that operations of AIAAF and its investments & placements for the period ended June 30, 2013 have been in compliance with Shariah principles.

May ALLAH bless us with best Tawfeeq to accomplish our cherished tasks, make us successful in this world and in the Hereafter, and forgive our mistakes.


Dr. Muhammad Tahir Mansoori
Shariah Advisor-AIAAF

September 3, 2013
Islamabad



A. F. FERGUSON & CO.

INDEPENDENT ASSURANCE REPORT TO THE UNIT HOLDERS ON THE STATEMENT OF COMPLIANCE WITH THE SHARIAH PRINCIPLES

We have performed an independent assurance engagement of **Askari Islamic Asset Allocation Fund** (the Fund) to express an opinion on the annexed Statement of compliance with the Shariah principles (the 'Statement') for the year ended June 30, 2013. Our engagement was carried out as required under clause 6.3 of the Trust Deed of the Fund.

Management Company's responsibility

The Management Company of the Fund is responsible for the preparation of the annexed statement (the subject matter) and for compliance with the Shariah principles specified in the Trust Deed and in the guidelines issued by the Shariah Advisor. This responsibility includes designing, implementing and maintaining internal control to ensure that the operations of the Fund and its investments and placements have been made in compliance with the Shariah principles.

Responsibility of independent assurance providers

Our responsibility is to express a conclusion on the Statement based on our independent assurance engagement, performed in accordance with the International Standards on Assurance Engagement (ISAE 3000) 'Assurance Engagements other than Audits or Reviews of Historical Financial Information'. This Standard requires that we comply with ethical requirements and plan and perform the engagement to obtain reasonable assurance whether the annexed statement reflects the status of the Fund's compliance with the Shariah principles specified in the Trust Deed and in the guidelines issued by the Shariah Advisor (criteria).

The procedures selected depend on our judgement, including the assessment of the risks of material non-compliance with the Shariah principles. 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. Amongst others, our scope included procedures to:

- Check compliance of specific guidelines relating to charity, maintaining bank accounts and for making investments of the Fund.
- Check that the Shariah Advisor has certified that the operations of the Fund, its investments and placements made during the year ended June 30, 2013 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 annexed statement, in all material respects, present fairly the status of the Fund's compliance with the Shariah principles specified in the Trust Deed and in the guidelines issued by the Shariah Advisor for the year ended June 30, 2013.


Chartered Accountants

Karachi

Dated: October 22, 2013

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
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A. F. FERGUSON & CO.

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

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of **Askari Investment Management Limited**, the Management Company of **Askari Islamic Asset Allocation Fund**, to comply with the Listing Regulation No. 35 (Chapter XI) of the Islamabad Stock Exchange where the Fund is listed.

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

As part of our audit of the financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Regulation 35 (x) of the Listing Regulations requires the Management Company to place before the Board of Directors for their consideration and approval, related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of the above requirements to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length prices or not.

Based on our review, nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Management Company's compliance for and on behalf of the Fund, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Fund for the year ended June 30, 2013.

We draw attention to the following matters which are highlighted in paragraphs 4, 9 and 15 of the annexed statement:

- As required by the Code, the casual vacancy occurring on the Board is required to be filled up within 90 days. However, on one instance, a casual vacancy occurring on the Board was not filled within the time frame as stipulated in the Code;
- As required by the Code, all Directors of the Management Company are required to attend the training program for directors by the year 2016 and atleast one director will attend the training program each year during the period from June 30, 2012 to June 30, 2016. During the year, no Director on the Board attended training as required under the Code; and
- As required by the code, the secretary of the audit committee shall either be the Company Secretary or Head of Internal Audit. However, we noted that the Company was not compliant with the said requirement.

A. Ferguson & Co
Chartered Accountants
Karachi

Dated: October 22, 2013

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STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2013

This statement is being presented by the Board of Directors of Askari Investment Management Limited, the Management Company of Askari Islamic Asset Allocation Fund ("the Fund") to comply with the Code of Corporate Governance contained in Regulation no. 35 of Listing Regulations of Islamabad Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

Askari Islamic Asset Allocation Fund is an open end mutual fund and is listed on the Islamabad Stock Exchange. The Fund, being a unit trust scheme, does not have its own Board of Directors. The Management Company, Askari Investment Management Limited, on behalf of the Fund, has applied the principles contained in the Code in the following manner:

1. The Management Company encourages representation of independent non-executive directors on its Board of Directors. At present the Board includes

Category	Names
Independent Directors	1. Mr. Shahid Hafeez Azmi 2. Mr. Sufian Mazhar
Executive Director	1. Mr. Basharat Ullah (appointed as Acting Chief Executive Officer subsequent to June 30, 2013)
Non – Executive Directors	1. Mr. Majeedullah Husaini (appointed subsequent to June 30, 2013) 2. Mr. Farrukh Iqbal Khan (appointed subsequent to June 30, 2013) 3. Khurshid Zafar (appointed subsequent to June 30, 2013)

Mr. Adnan Siddiqui (Chief Executive Officer), Mr. Tahir Mahmood and Mr. Mukhtar Ahmed were directors of the company as at June 30, 2013 but resigned subsequent to the year end. Mr. Basharatullah has been appointed as acting chief executive officer of the company.

The independent directors meet the criteria of independence under clause i (b) of the Code.

2. The directors have confirmed that none of them is serving as a director in more than seven listed companies, including the Management Company.
3. All the resident directors of the Management Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. The three years' term of office of the previous Board was completed and a new Board comprising of eight directors were elected for the next term of three years commencing from September 27, 2012, with the approval of the Securities and Exchange Commission of Pakistan, as required by the NBFC Regulations, 2008. An independent director, who completed his term on September 26, 2012 was reappointed but the SECP did not approve his appointment.

During the year, three casual vacancies arose on the board on November 1, 2012, May 27, 2013 and June 25, 2013 which were filled up by the directors within 90 days, except the casual vacancy which arose due to the appointment not approved by SECP.

5. The Management Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
6. The Board has developed vision / mission statement, overall corporate strategy and significant policies for the Fund. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including determination of remuneration of non-executive directors, have been taken by the Board. No new appointment of Chief Executive Officer and executive director was made during the year. Non-executive directors Mr. Majeedullah Husaini, Mr. Farrukh Iqbal Khan and Khurshid Zafar were appointed to fill the casual vacancies which arose during the year.
8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at

least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. As required by the code, all the directors of the Management Company are required to attend the training program for directors by the year 2016 and atleast one director will attend the training program each year during the period from June 30, 2012 to June 30, 2016. During the year, no director on the board attended training as required under the code. However, one of the non-executive directors elected subsequent to the year end is a certified director from an institute meeting the criteria specified by the Securities and Exchange Commission of Pakistan.
10. The board has approved appointment of Chief Financial Officer and Company Secretary. The board has approved the remuneration and terms and conditions of employment, as determined by the Chief Executive Officer. The internal audit function has been outsourced to a professional firm and a full time employee has been designated to act as a coordinator between the firm and the Board.
11. The Directors' Report relating to the Fund for the year ended June 30, 2013 has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
12. The financial statements of the Fund were duly endorsed by the Acting Chief Executive Officer and Acting Chief Financial Officer of the Management Company before approval of the Board.
13. The Directors, Chief Executive Officer and executives do not hold any interest in the units of the Fund other than that disclosed in the pattern of unit holding.
14. The Management Company has complied with all the corporate and financial reporting requirements of the Code.
15. The Board has formed an Audit Committee. It comprises of three members, all of whom are non-executive directors of the Management Company the Chairman of the committee is an independent director. The secretary of the audit committee is a full time employee of the company but does not hold the position of company secretary or Head of Internal Audit.
16. The meetings of the Audit Committee were held at least once in every quarter prior to approval of the interim and final results of the Fund and as required by the Code. The terms of reference of the committee have been approved by the board and advised to the committee for compliance.
17. The Board has reconstituted its HR and Remuneration Committee subsequent to the year end on August 30, 2013. HR and remuneration committee comprises of 3 members, of whom all are non-executive directors and the chairman of the committee is a non-executive director.
18. The Management Company has outsourced the internal audit function to M. Yousuf Adil Saleem & Co. Chartered Accountants who are considered to be suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Fund.
19. The statutory auditors of the Fund have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold units of the Fund. The firm and all its partners are also in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed International Federation of Accountants guidelines in this regard.
21. The 'closed period', prior to the announcement of interim / final results, and business decisions, which may materially affect the market price of the Fund's units, was determined and intimated to directors, employees and the stock exchange.
22. Material / price sensitive information has been disseminated among all market participants at once through stock exchange.
23. The related party transactions have been placed before the Audit Committee and approved by the Board of Directors with necessary justification for non arm's length transactions and pricing methods for transaction that were made on terms equivalent to those that prevail in the arm's length transactions only if such term can be substantiated.
24. We confirm that all other material principles enshrined in the Code have been complied with.

On behalf of the Board



Basharat Ullah
Acting Chief Executive Officer

Dated: **August 30, 2013**
Karachi



A. F. FERGUSON & CO.

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **Askari Islamic Asset Allocation Fund** (hereinafter referred to as 'the Fund'), which comprise the statement of assets and liabilities as at June 30, 2013, and the related income statement, statement of comprehensive income, distribution statement, statement of movement in unit holders' fund and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management Company's responsibility for the financial statements

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

Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as at June 30, 2013, and of its financial performance, cash flows and transactions for the year then ended in accordance with approved accounting standards as applicable in Pakistan.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.



Chartered Accountants

Engagement Partner: **Salman Hussain**

Dated: October 22, 2013

Karachi

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Financial Statements




ASKARI ISLAMIC ASSET ALLOCATION FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2013

	2013	2012
	----- (Rupees) -----	
ASSETS		
Balances with banks	4 58,351,105	14,122,973
Investments	5 120,439,675	113,024,028
Receivables against sale of investments	2,047,423	10,120
Advances, deposits, prepayment and other receivables	6 3,140,838	4,034,923
Preliminary expenses and floatation costs	7 272,590	492,385
Total assets	184,251,631	131,684,429
LIABILITIES		
Payable to Askari Investment Management Limited - Management Company	8 565,393	382,740
Payable to MCB Financial Services Limited - Trustee	9 57,534	57,377
Payable to the Securities and Exchange Commission of Pakistan	10 133,835	116,353
Accrued and other liabilities	11 2,458,747	1,728,540
Total liabilities	3,215,509	2,285,010
NET ASSETS	181,036,122	129,399,419
UNIT HOLDERS' FUND (as per statement attached)	181,036,122	129,399,419
Contingencies and commitments	12	
	----- Number of units -----	
Number of units in issue	1,368,299	1,165,443
	----- (Rupees) -----	
NET ASSET VALUE PER UNIT	132.3074	111.0302

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

For Askari Investment Management Limited
(Management Company)



Acting Chief Executive



Director



Director

As the office of the Chief Executive is currently vacant, these financial statements have been signed by the Acting Chief Executive Officer and two directors authorised in this behalf by the Board of Directors of the Management Company.

ASKARI ISLAMIC ASSET ALLOCATION FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2013

	Note	2013	2012
----- (Rupees) -----			
Income			
Profit on balances with banks		1,546,719	2,664,196
Profit on sukuk certificates		3,901,455	3,795,037
Dividend income		4,943,275	5,171,411
Capital gain on sale of investments		20,156,170	11,520,637
Unrealised appreciation / (diminution) in value of investments classified as 'at fair value through profit or loss' - net	5.1 & 5.2	15,992,464	(2,937,838)
Total income		46,540,083	20,213,443
Expenses			
Remuneration of Askari Investment Management Limited - Management Company	8.1	4,238,355	3,675,321
Sindh sales tax on Management Company's remuneration		684,823	588,238
Federal excise duty on Management Company's remuneration	8.2	42,984	-
Remuneration of MCB Financial Services Limited - Trustee	9	700,000	700,000
Annual fee - Securities and Exchange Commission of Pakistan	10	133,835	116,353
Auditors' remuneration	13	518,059	455,540
Fees and Subscription		120,000	110,002
Amortisation of preliminary expenses and floatation cost	7	219,795	219,765
Legal and professional charges		50,000	49,999
Securities transaction costs		326,691	457,908
Bank and settlement charges		217,156	229,551
Printing charges		137,672	122,447
Charity expense		101,175	235,140
Total expenses		7,490,545	6,960,264
Net income from operating activities		39,049,538	13,253,179
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net		4,688,922	(351,891)
Provision for the Workers' Welfare Fund	11.2	(874,769)	(782,868)
Net income for the year before taxation		42,863,691	12,118,420
Taxation	14	-	-
Net income for the year after taxation		42,863,691	12,118,420
Earnings per unit	15		

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

For Askari Investment Management Limited
(Management Company)


Acting Chief Executive


Director


Director

As the office of the Chief Executive is currently vacant, these financial statements have been signed by the Acting Chief Executive Officer and two directors authorised in this behalf by the Board of Directors of the Management Company.

**ASKARI ISLAMIC ASSET ALLOCATION FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2013**

Net income for the year after taxation


Other comprehensive income

Total comprehensive income for the year

2013	2012
----- (Rupees) -----	
42,863,691	12,118,420
-	-
<u>42,863,691</u>	<u>12,118,420</u>

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

For Askari Investment Management Limited
(Management Company)



Acting Chief Executive



Director



Director

As the office of the Chief Executive is currently vacant, these financial statements have been signed by the Acting Chief Executive Officer and two directors authorised in this behalf by the Board of Directors of the Management Company.

**ASKARI ISLAMIC ASSET ALLOCATION FUND
DISTRIBUTION STATEMENT
FOR THE YEAR ENDED JUNE 30, 2013**

Accumulated income brought forward comprising:

Realised income
Unrealised loss

Net income for the year after taxation

Final distribution of Rs 9.8782 per unit on July 6, 2012 for the year ended June 30, 2012 (2011:Rs 11.1899 per unit, July 6, 2011)

- Cash dividend
- Bonus units


Undistributed income carried forward

Undistributed income carried forward:

Realised income
Unrealised income / (loss)

2013	2012
----- (Rupees) -----	
15,792,712	14,332,160
(2,937,838)	(1,141,681)
12,854,874	13,190,479
42,863,691	12,118,420
(10,825,403)	(12,262,310)
(687,083)	(191,715)
(11,512,486)	(12,454,025)
<u>44,206,079</u>	<u>12,854,874</u>
28,213,615	15,792,712
15,992,464	(2,937,838)
<u>44,206,079</u>	<u>12,854,874</u>

For Askari Investment Management Limited
(Management Company)


Acting Chief Executive


Director


Director

As the office of the Chief Executive is currently vacant, these financial statements have been signed by the Acting Chief Executive Officer and two directors authorised in this behalf by the Board of Directors of the Management Company.

ASKARI ISLAMIC ASSET ALLOCATION FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2013

	2013	2012
	----- (Rupees) -----	
Net assets at beginning of the year	129,399,419	124,487,504
Issue of 245,795 units (2012: 372,700 units)	30,075,747	39,757,276
Redemption of 49,732 units (2012: 322,132 units)	(5,788,410)	(35,053,362)
	24,287,337	4,703,914
Issue of 6,793 bonus units (2012: 1,905 units)	687,083	191,715
	24,974,420	4,895,629
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net	(4,688,922)	351,891
Capital gain on sale of investments	20,156,170	11,520,637
Unrealised appreciation / (diminution) in value of investments classified as 'at fair value through profit or loss'	15,992,464	(2,937,838)
Other net income for the year	6,715,057	3,535,621
Total comprehensive income for the year	42,863,691	12,118,420
Final distribution of Rs 9.8782 per unit on July 06, 2012 for the year ended June 30, 2012 (2011:Rs 11.1899 per unit, July 06, 2011)		
Cash dividend	(10,825,403)	(12,262,310)
Bonus units	(687,083)	(191,715)
Net assets as at the end of the year	<u>181,036,122</u>	<u>129,399,419</u>

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

For Askari Investment Management Limited
(Management Company)


Acting Chief Executive


Director


Director

As the office of the Chief Executive is currently vacant, these financial statements have been signed by the Acting Chief Executive Officer and two directors authorised in this behalf by the Board of Directors of the Management Company.

ASKARI ISLAMIC ASSET ALLOCATION FUND
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2013

Note	2013	2012
	----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year	42,863,691	12,118,420
Adjustments for:		
Unrealised (appreciation) / diminution in value of investments classified as 'at fair value through profit or loss' - net	(15,992,464)	2,937,838
Amortisation of preliminary expenses and floatation cost	219,795	219,765
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net	(4,688,922)	351,891
	(20,461,591)	3,509,494
Decrease / (Increase) in assets		
Investments - net	8,576,817	(60,540,631)
Receivable against sale of securities	(2,037,303)	(10,120)
Advances, deposits, prepayment and other receivables	894,085	4,403,529
	7,433,599	(56,147,222)
(Decrease) / Increase in liabilities		
Payable to Askari Investment Management Limited - Management Company	182,653	74,777
Payable to MCB Financial Services Limited - Trustee	157	(159)
Payable to the Securities and Exchange Commission of Pakistan	17,482	3,923
Accrued and other liabilities	730,207	1,277,324
	930,499	1,355,865
Net cash generated from / (used in) operating activities	30,766,198	(39,163,443)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of units	30,075,747	39,757,276
Payments against redemption of units	(5,788,410)	(35,053,362)
Dividend paid	(10,825,403)	(12,262,310)
Net cash generated from / (used in) financing activities	13,461,934	(7,558,396)
Net increase / (decrease) in cash and cash equivalent during the year	44,228,132	(46,721,839)
Cash and cash equivalents at the beginning of the year	14,122,973	60,844,812
Cash and cash equivalents at the end of the year	16 58,351,105	14,122,973

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

For Askari Investment Management Limited
(Management Company)


Acting Chief Executive


Director


Director

As the office of the Chief Executive is currently vacant, these financial statements have been signed by the Acting Chief Executive Officer and two directors authorised in this behalf by the Board of Directors of the Management Company.

ASKARI ISLAMIC ASSET ALLOCATION FUND
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Askari Islamic Asset Allocation Fund (the Fund) was established under the Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules). It was registered under a Trust deed executed between Askari Investment Management Limited (a wholly owned subsidiary of Askari Bank Limited) as the Management Company and MCB Financial Services Limited as the Trustee on August 26, 2008 and was approved by the Securities and Exchange Commission of Pakistan (SECP) as a Notified Entity on June 25, 2009 in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). The registered office of the Management Company is situated at Office No: 2/W, Kashmir Plaza, Jinnah Avenue Blue Area, Islamabad with its Head Office situated at 20 - C, Khayaban-e-Nishat, Phase VI, DHA, Karachi.
- 1.2 The Fund offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering them to the Fund except for the core units which are subject to certain restrictions as per NBFC Regulations and the constitutive documents of the Fund. The units are listed on the Islamabad Stock Exchange Limited.
- 1.3 As per the offering document, the Fund shall invest in shariah compliant equities and debt securities and other shariah compliant instruments including shariah compliant securities available outside Pakistan as approved by the Shariah Advisor and SECP from time to time.
- 1.4 Pakistan Credit Rating Agency Limited (PACRA) has assigned an asset manager rating of 'AM3+' to the Management Company on May 16, 2013. As per the rating scale of PACRA, this rating denotes that the asset manager meets high industry standards and benchmarks. Further, Pakistan Credit Rating Agency Limited (PACRA) has assigned a performance rating of "3 - Star" (short - term) to the Fund on November 06, 2012.
- 1.5 Title to the assets of the Fund are held in the name of MCB Financial Services Limited as trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Standards, interpretations and amendments to published approved accounting standards that are effective in the current year:

The following standards, amendments and interpretation to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 1, 2012:

- IAS 1, 'Financial statement presentation'. The main change resulting from the amendment in this standard is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI. The amendments do not have any effect on the Fund's financial statements as currently no items are being reported in Other Comprehensive Income.

There are other new and amended standards and interpretations that are mandatory for accounting periods beginning July 1, 2012 but are considered not to be relevant or do not have any significant effect on the Fund's operations and are therefore not detailed in these financial statements.

2.3 Standards, interpretations and amendments to published approved accounting standards that are not yet effective:

There are certain new and amended standards and interpretations that are mandatory for accounting periods beginning on or after July 1, 2013 but are considered not to be relevant or do not have any significant effect on the Fund's operations and are therefore not detailed in these financial statements.

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in applying the Fund's accounting policies. Estimates and judgments are continually

evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. The areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements relate to classification and valuation of investments (notes 3.2 and 5).

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except for investments which have been marked to market and carried at fair value.

2.6 Functional and presentation currency

These financial statements are presented in Pak Rupees which is the Fund's functional currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Cash and cash equivalents

Cash and cash equivalents include demand deposits with banks and other short term highly liquid shariah compliant investments with original maturities of three months or less.

3.2 Financial assets

3.2.1 Classification

The Fund classifies its financial assets in the following categories: financial assets classified as 'at fair value through profit or loss', loans and receivables and financial assets classified as available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this classification on a regular basis.

Investments are categorised as follows:

a) Financial assets classified as 'at fair value through profit or loss'

Financial assets that are acquired principally for the purpose of generating profit from short-term fluctuations in prices are classified as 'at fair value through profit or loss' category.

b) Loans and receivables

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

c) Available for sale

Available for sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as (a) financial assets at fair value through profit or loss and (b) loans and receivables.

3.2.2 Regular way contracts

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

3.2.3 Initial recognition and measurement

a) Financial assets 'at fair value through profit or loss'

These are initially recognised at fair value and transaction costs are expensed in the Income Statement.

b) Available for sale & Loans and receivables

These are initially recognised at fair value plus transaction cost that are directly attributable to the acquisition of such investments.

3.2.4 Subsequent measurement

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

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

i) Basis of valuation of equity securities

The investment of the Fund in equity securities is valued on the basis of closing quoted market prices of the stock exchange.

ii) Basis of valuation of government securities

Investment in Ijara sukuks issued by the Government of Pakistan (GoP Ijara sukuks) are valued on the basis of latest Reuter's rate. Government securities other than GoP Ijara sukuks are valued on the basis of rates announced by the Financial Markets Association of Pakistan.

The investment of the Fund in sukuks is valued in accordance with the methodology for valuation of debt securities prescribed by the SECP. Under the directives, investment in sukuks is valued on the basis of traded, thinly traded and non traded securities.

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

Net gains and losses arising from changes in fair value of available for sale financial assets are taken to 'Statement of Comprehensive Income' until these are derecognised or impaired. Upon derecognition or impairment, the cumulative gain or loss previously recognised directly in the 'Statement of Comprehensive Income' is transferred to the 'Income Statement'.

b) Loans and receivables

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

Any gain or loss arising on derecognition or impairment of these assets is recognised in the Income Statement.

3.2.5 Impairment

The Fund assesses at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

Financial assets classified as 'available for sale'

a) Equity securities

In the case of available for sale equity securities, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired.

b) Debt securities and other exposures

Evidence of impairment may include indications that the debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization.

Impairment / provision for non-performing debt securities and other exposures is made in accordance with the criteria specified by the SECP. The provisioning policy has been duly formulated and approved by the Board of Directors of the Management Company.

If evidence of impairment exists, the cumulative loss previously recognised as other comprehensive income is removed from Statement of Comprehensive Income and recognised in the Income Statement.

Impairment losses recognised in the Income Statement on equity instruments are not reversed through the Income Statement.

Financial assets classified as 'loans and receivable'

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

3.2.6 Derecognition

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

3.2.7 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.

3.3 Financial liabilities

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

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

3.4 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are being amortised over a period of five years in accordance with the requirements set out in the Trust Deed of the Fund and the NBFC Regulations.

3.5 Provisions

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

3.6 Taxation

Current

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst 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.

Deferred

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

3.7 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 date. The offer price represents the Net Asset Value per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable. The sales load is payable to the Management Company as processing fee. Issue of units is recorded upon realisation of related funds.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours on that day. The redemption price represents the Net Asset Value per unit as of the close of the business day less any back-end load, 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.

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

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

The "element of income/ (loss) and capital gains/ (losses) in price of units issued less those in units redeemed" account is credited with the amount representing the net income/ (loss) and capital gains/ (losses) accounted for in the net asset value and included in the sale proceeds of units. Upon redemption of units, the "element of income/ (loss) and capital gains/ (losses) in prices of units issued less those in units redeemed" account is debited with the amount representing net income/ (loss) and capital gains/ (losses) accounted for in the net asset value and included in the redemption price.

The net "element of income/ (loss) and capital gains/ (losses) in prices of units issued less those in units redeemed" during an accounting period is transferred to the Income Statement.

3.9 Net asset value per unit (NAV)

The net asset value (NAV) per unit as disclosed on the Statement of Assets and Liabilities is calculated by dividing the net assets of the Fund by the number of units outstanding at the year end.

3.10 Revenue recognition

- Gains/ (losses) arising on sale of investments are included in the Income Statement on the date at which the transaction takes place.
- Unrealised gains/ (losses) on revaluation 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 is recognised when the right to receive dividend is established.
- Profit on balances with banks and placements with banks is recognised on an accrual basis.
- Profit on Sukuk certificate is recognised using the effective interest rate method.

4 BALANCES WITH BANKS

Saving accounts

Note	2013	2012
	----- (Rupees) -----	
4.1	58,351,105	14,122,973

4.1 These carry profit at the rates ranging from 3.50% to 9.25% (June 30, 2012: 5% to 12.25%) per annum. Deposits in savings accounts include Rs 610,149 (2012: Rs 965,907) maintained with Askari Bank Limited, a connected person, which carries profit at the rate of 5% per annum.

5 INVESTMENTS

At fair value through profit or loss

Listed equity securities
Sukuk certificates

	2013	2012
	----- (Rupees) -----	
5.1	95,387,175	58,006,028
5.2	25,052,500	55,018,000
	<u>120,439,675</u>	<u>113,024,028</u>

5.1 Listed equity securities

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

Name of the investee company	Number of shares					Rupees			Market value as a percentage of net assets	Market value as a percentage of investments	Paid-up value of shares held as a % of total paid up capital of the investee company
	As at July 01, 2012	Purchases during the year	Bonus/ right issues during the year	Sales during the year	As at June 30, 2013	Carrying Value as at June 30, 2013	Market Value	Appreciation/ (Diminution)			
Oil & Gas Product											
Oil & Gas Development Company Limited	-	19,500	-	19,500	-	-	-	-	-	-	
Pakistan Oil Field Limited	33,265	58,700	-	49,265	42,700	18,987,694	21,237,699	2,250,005	11.73%	17.63%	
Pakistan Petroleum Limited	57,418	14,000	14,170	26,588	59,000	9,162,175	12,483,220	3,321,045	6.90%	10.36%	
Pakistan State Oil Company Limited	41,720	16,700	15,595	36,315	37,700	7,815,217	12,078,326	4,263,109	6.67%	10.03%	
	132,403	108,900	29,765	131,668	139,400	35,965,086	45,799,245	9,834,159	25.30%	38.03%	
Chemicals											
Fauji Fertilizer Company Limited	61,079	69,800	-	130,879	-	-	-	-	-	-	
Lotte Pakistan PTA Limited	194,476	-	-	194,476	-	-	-	-	-	-	
	255,555	69,800	-	325,355	-	-	-	-	-	-	
Construction and Materials											
Attock Cement Limited	-	94,000	-	41,500	52,500	5,705,367	6,929,475	1,224,108	3.83%	5.75%	
Cherat Cement Company Limited	-	293,500	-	128,500	165,000	9,390,928	9,601,350	210,422	5.30%	7.97%	
DG Khan Cement Company Limited	48,169	618,500	-	515,669	151,000	10,203,434	12,637,190	2,433,756	6.98%	10.49%	
Lucky Cement Limited	11,088	154,800	-	131,191	34,697	5,380,277	7,276,655	1,896,378	4.02%	6.04%	
	59,257	1,160,800	-	816,860	403,197	30,680,006	36,444,670	5,764,664	20.13%	30.26%	
General Industrials											
Packages Limited	18,480	-	-	18,480	-	-	-	-	-	-	
Tri-Pak Films Limited	-	16,300	-	16,300	-	-	-	-	-	-	
	18,480	16,300	-	34,780	-	-	-	-	-	-	
Food Producers											
Engro Foods Limited	-	139,500	-	139,500	-	-	-	-	-	-	
	-	139,500	-	139,500	-	-	-	-	-	-	
Personal Goods											
Nishat Mills Limited	75,040	292,500	-	261,540	106,000	9,362,307	9,986,260	623,953	5.52%	8.29%	
	75,040	292,500	-	261,540	106,000	9,362,307	9,986,260	623,953	5.52%	8.29%	
Pharma and Bio Tech											
Abbott Laboratories (Pakistan) Limited	23,000	-	-	23,000	-	-	-	-	-	-	
	23,000	-	-	23,000	-	-	-	-	-	-	
Household Goods											
Tariq Glass Industries Limited	-	143,500	-	-	143,500	3,424,810	3,157,000	(267,812)	1.74%	2.62%	
	-	143,500	-	-	143,500	3,424,810	3,157,000	(267,812)	1.74%	2.62%	
Electricity											
Hub Power Company Limited	18,025	-	-	18,025	-	-	-	-	-	-	
Pakgen Power Limited	384,432	-	-	384,432	-	-	-	-	-	-	
	402,457	-	-	402,457	-	-	-	-	-	-	
Total June 30, 2013						79,432,209	95,387,175	15,954,964	52.69%	79.20%	
Total June 30, 2012						60,907,801	58,006,028	(2,901,773)	44.83%	51.32%	

5.1.1 10,000 shares of Pakistan State Oil Company Limited and 8,000 shares of Pakistan Oilfields Limited, having market value of Rs 3,203,800 and Rs 3,978,960 respectively as at June 30, 2013, have been pledged as collateral in favour of National Clearing Company of Pakistan Limited as margin.

5.2 Face value of Rs. 100,000 each unless otherwise stated

Name of the Investee Company	Effective Rate	Number of certificates				Rupees			Market value as a percentage of net assets	Market value as a percentage of investments
		As at July 01, 2012	Purchases during the year	Sales/ Matured during the year	As at June 30, 2013	Carrying Value As at June 30, 2013	Market Value As at June 30, 2013	Appreciation / (Diminution)		
Hubco Sukuk II - August 16, 2012 (Rs. 5000 each)	-	2,000	-	2,000	-	-	-	-	-	-
Government of Pakistan Ijara Sukuk V	-	-	-	-	-	-	-	-	-	-
Government of Pakistan Ijara Sukuk X	-	-	-	-	-	-	-	-	-	-
Government of Pakistan Ijara Sukuk IX	9.28%	250	-	-	250	25,015,000	25,052,500	37,500	13.84%	20.80%
Total June 30, 2013						25,015,000	25,052,500	37,500	13.84%	20.80%
Total June 30, 2012						55,054,065	55,018,000	(36,065)	42.52%	48.68%

5.2.1 Significant terms and conditions of sukuk certificates held as at June 30, 2013 are as follows:

Name of the investee company	Issue	Maturity	Security
Government of Pakistan Ijara Sukuk IX	December 2011	December 2014	GoP guaranteed

	Note	2013 (Rupees)	2012
6 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Security deposits	6.1	2,600,000	2,600,000
Prepayments		50,000	49,999
Dividend receivable		-	98,937
Accrued profit on balances with banks		459,246	193,580
Profit receivable on Sukuk certificates		31,592	1,092,407
		<u>3,140,838</u>	<u>4,034,923</u>

6.1 This represent deposits with Central Depository Company of Pakistan Limited and National Clearing Company of Pakistan Limited of Rs 100,000 (2012: Rs 100,000) and Rs 2,500,000 (2012: Rs 2,500,000) respectively.

	Note	2013 (Rupees)	2012
7 PRELIMINARY EXPENSES AND FLOATATION COSTS			
Opening balance		492,385	712,150
Less: amortisation during the year		(219,795)	(219,765)
Closing balance		<u>272,590</u>	<u>492,385</u>

	Note	2013	2012
8 PAYABLE TO THE MANAGEMENT COMPANY			
Remuneration of Askari Investment Management Limited - Management Company	8.1	444,348	318,053
Sindh sales tax on Management Company's remuneration		77,973	51,074
Sales load payable		88	13,613
Federal Excise Duty on Management Company's remuneration	8.2	42,984	-
		<u>565,393</u>	<u>382,740</u>

8.1 Under the provisions of the Non-Banking Finance Companies & Notified Entities Regulations 2008, the Management Company of the Fund is entitled to a remuneration during the first five years of the Fund, of an amount not exceeding three percent of the average annual net assets of the Fund and thereafter of an amount equal to two percent of such assets of the Fund. Management fee is currently being charged at the rate of three percent of the average annual net assets of the Fund. The remuneration is paid to the Management Company monthly in arrears.

8.2 During the current year, the Federal Board of Revenue levied Federal Excise Duty at the rate of 16% on the remuneration of Management Company through Finance Act, 2013 effective from June 13, 2013.

	2013 (Rupees)	2012
9 PAYABLE TO MCB FINANCIAL SERVICES LIMITED - TRUSTEE		
Trustee fee	<u>57,534</u>	<u>57,377</u>

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 daily Net Assets Value (NAV) of the Fund.

Based on the Trust Deed, the tariff structure applicable to the Fund as at June 30, 2013 is as follows:

Based on the Trust Deed, the tariff structure applicable to the Fund as at June 30, 2013 is as follows:

Amount of Funds under Management	Tariff per annum
- Up to Rs 500 million	Rs 0.7 million or 0.20% per annum of net assets computed on a daily basis, which ever is higher.
- From Rs 500 to Rs 1 billion	Rs 1 million plus 0.15% per annum of the net assets of the Fund exceeding Rs 500 million computed on a daily basis.
- From Rs 1 billion to Rs 2 billion	Rs 1.75 million plus 0.08% per annum of the net assets of the Fund exceeding Rs 1 billion computed on a daily basis.
- Over Rs 2 billion	Rs 2.55 million plus 0.05% per annum of the net assets of the Fund exceeding Rs 2 billion computed on a daily basis.

The remuneration is paid to the Trustee monthly in arrears.

10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

	2013	2012
	----- (Rupees) -----	
Annual fee	133,835	116,353

Under the provisions of the Non-Banking Finance Companies & Notified Entities Regulations 2008, a collective investment scheme categorised as asset allocation scheme is required to pay an annual fee to the SECP of an amount equal to 0.095% (2012: 0.095%) of the average net assets of the Scheme. The Fund has been categorised as an asset allocation scheme by the Management Company.

11 ACCRUED EXPENSES AND OTHER LIABILITIES

	Note	2013	2012
		----- (Rupees) -----	
Auditor's remuneration		375,000	470,000
Legal and professional charges payable		135,000	84,999
Payable against printing expenses		98,900	74,150
Charity payable	11.1	101,175	236,280
Provision for contribution to Worker's Welfare Fund	11.2	1,657,637	782,868
Other payable		91,035	80,244
		<u>2,458,747</u>	<u>1,728,541</u>

11.1 This represents the portion of income determined as shariah non-compliant in line with the advice of the Shariah Advisor. This amount is to be paid to charities with the approval of the Shariah Advisor in accordance with the constitutive documents of the Fund.

Charity Payable

	2013	2012
	----- (Rupees) -----	
As at beginning of the year	236,280	22,491
Expense for the year	101,175	235,140
Paid to authorised charitable organisations	11.1.1 <u>(236,280)</u>	<u>(21,351)</u>
As at year end	<u>101,175</u>	<u>236,280</u>

11.1.1 The authorised charitable organisations are:

- Al-Shifa Trust, Rawalpindi
- Abdul Sattar Edhi Foundation, Karachi
- Fatimid Foundation, Karachi

11.2 Provision For Workers' Welfare Fund

The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs. 0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In light of this, Mutual Funds Association of Pakistan (MUFAP) filed a constitutional petition in the Honorable Sindh High Court challenging the applicability of WWF on CISs which was dismissed mainly on the ground that MUFAP is not an aggrieved party.

Subsequently, clarifications were issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. These clarifications were forwarded by the Federal Board of Revenue (FBR) (being the collecting agency of WWF on behalf of the Ministry) for necessary action. Based on these clarifications, the FBR also withdrew notice of demand which it had earlier issued to one of the mutual funds for collection of WWF.

Further, a Constitutional Petition was filed with the Honorable High Court of Sindh by a CIS/mutual fund and a pension fund through their trustee and an asset management company inter alia praying to declare that mutual funds/voluntary pension funds being pass through vehicles/entities are not industrial establishments and hence, are not liable to contribute to the WWF under the WWF Ordinance. The proceedings of the Honorable Court in this matter have concluded and the Honorable Court has reserved its decision.

During the year ended June 30, 2012, the Honourable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006 and the Finance Act, 2008, had declared the said amendments as unlawful and unconstitutional. In March 2013, a larger bench of the Honourable Sindh High Court (SHC) passed an order declaring that the amendments introduced in the WWF Ordinance, 1971 through the Finance Act, 2006 and Finance Act, 2008 do not suffer from any constitutional or legal infirmity. However, the Honourable High Court of Sindh has not addressed the other amendments made in the WWF Ordinance 1971 about applicability of WWF to the CISs which is still pending before the Court. Without prejudice to the above, the Management Company, as a matter of abundant caution, has decided to maintain the provision in respect of WWF amounting to Rs 1,657,637 (including Rs 874,769 for the current year) in these financial statements. Had the same not been made the net asset value per unit of the Fund as at June 30, 2013 would have been higher by Rs 1.21 per unit.

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2013 (June 30, 2012: Nil).

13 AUDITORS' REMUNERATION

	2013	2012
	----- (Rupees) -----	
Annual audit fee	225,000	225,000
Half yearly review fee	75,000	75,000
Fee for review of statement of compliance with the Code of Corporate Governance	50,000	50,000
Fee for income certification and shariah compliance	125,000	75,000
Out of pocket expenses	43,059	30,540
	<u>518,059</u>	<u>455,540</u>

14 TAXATION

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

15 EARNINGS PER UNIT (EPU)

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

16 CASH AND CASH EQUIVALENTS

	Note	2013	2012
		----- (Rupees) -----	
Saving accounts	4	<u>58,351,105</u>	<u>14,122,973</u>
		<u>58,351,105</u>	<u>14,122,973</u>

17 FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets

-----As at June 30, 2013-----		
Loans and receivables	Financial assets at fair value through profit or loss	Total
-----Rupees-----		
Balances with banks	58,351,105	58,351,105
Investments	-	120,439,675
Receivable against sale of investments	2,047,423	2,047,423
Deposits and other receivables	3,090,838	3,090,838
	<u>63,489,366</u>	<u>183,929,041</u>

Financial liabilities

-----As at June 30, 2013-----		
Financial liabilities at fair value through profit or loss	At amortised cost	Total
-----Rupees-----		
Payable to Askari Investment Management Limited - Management Company	-	565,393
Payable to MCB Financial Services Limited - Trustee	-	57,534
Accrued and other liabilities	-	699,935
	<u>-</u>	<u>1,322,862</u>

Financial assets

-----As at June 30, 2012-----		
Loans and receivables	Financial assets at fair value through profit or loss	Total
-----Rupees-----		
Balances with banks	14,122,973	14,122,973
Investments	-	113,024,028
Receivable against sale of investments	10,120	10,120
Deposits and other receivables	3,984,924	3,984,924
	<u>18,118,017</u>	<u>131,142,045</u>

Financial liabilities

-----As at June 30, 2012-----		
Financial liabilities at fair value through profit or loss	At amortised cost	Total
-----Rupees-----		
Payable to Askari Investment Management Limited - Management Company	-	382,740
Payable to MCB Financial Services Limited - Trustee	-	57,377
Accrued and other liabilities	-	945,672
	<u>-</u>	<u>1,385,789</u>

18 TRANSACTIONS WITH CONNECTED PERSONS

- 18.1 Connected persons / related parties include Askari Investment Management Limited being the Management Company, MCB Financial Services Limited being the Trustee, Askari Bank Limited being the holding company of the Management Company, Askari General Insurance Company Limited being an associate company of the Management Company, Fauji Group Companies, Askari Investment Management Employees Provident Fund, Askari Securities Limited and Askari High Yield Scheme (Formerly Askari Income Fund), Askari Sovereign Cash Fund, Askari Islamic Income Fund, Askari Asset Allocation Fund, Askari Sovereign Yield Enhancer and Askari Equity Fund being funds under common management and the directors and officer of the Management Company.

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

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

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

18.5 Details of transactions with connected persons are as follows:	2013	2012
	-----Rupees-----	
Askari Investment Management Limited - The Management Company		
Remuneration for the year	4,238,355	3,675,321
Sindh sales tax on Management Company's remuneration	684,823	558,238
Federal excise duty on Management Company's remuneration	42,984	-
Sales load charged during the year	41,145	28,812
Issue of Nil units (2012: 173,730 units)	-	19,461,706
Redemption of Nil units (2012: 173,730 units)	-	19,952,685
MCB Financial Services Limited		
Remuneration of the Trustee	700,000	700,000
Askari Bank Limited (Holding company of the Management Company)		
Profit on balances with banks	83,391	43,413
Cash distribution	10,824,900	12,262,310
AIM Employees Provident Fund		
Issue of Nil units (2012: 12,792 units)	-	1,309,643
Redemption of 2,278 units (2012: Nil units)	300,000	-
Bonus of 1,249 units (2012: Nil units)	126,364	-
Askari Securities Limited		
Brokerage expense for the year	-	25,195
Federal excise duty on brokerage	-	4,046
Key Management Personnel		
Issue of 5,028 units (2012: 5,111 units)	620,152	535,106
Redemption of 186 units (2012: 980 units)	25,000	103,668
18.6 Amounts outstanding as at year end		
Askari Investment Management Company Limited - The Management Company		
Remuneration payable	444,348	318,053
Sindh sales tax on Management Company's remuneration	77,973	51,074
Federal Excise Duty on Management Company's remuneration	42,984	-
Sales load payable	88	13,613
MCB Financial Services Limited		
Trustee fee payable	57,534	57,377
Askari Bank Limited (Holding company of the Management Company)		
Balances with banks	610,149	965,907
Profit receivable on balances with bank	23,890	3,020
Units held: 1,095,837 units (June 30, 2012: 1,095,837 units)	144,987,344	121,671,033
AIM Employees Provident Fund		
Units held: 11,763 units (June 30, 2012: 12,792 units)	1,556,332	1,420,320
Askari Securities Limited		
Brokerage payable	-	8,036
Federal excise duty payable on brokerage	-	322
Key Management Personnel		
Units held: 4,842 units (June 30, 2012: 4,131 units)	640,632	458,641

19 PARTICULARS OF INVESTMENT COMMITTEE AND FUND MANAGER

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

S. No	Name	Designation	Qualification	Experience in years
1	Mr. Adnan Siddiqui	Chairman	MBA	22
2	Mr. Basharat Ullah	Chief Investment Officer / Fund Manager	MBA	20
3	Mr. Shahbaz Ashraf	Head of research	CFA	5.5
4	Ms. Zainab Siddiqui	Chief Financial Officer	ACA	7
5	Mr. M. Farrukh	VP Risk Management & Compliance	CIMA (Finalist)	12

19.1 Mr. Basharat Ullah is also the fund manager of Askari Sovereign Yield Enhancer and Askari Asset Allocation Fund managed by the Management Company.

19.2 Mr. Adnan Siddiqui resigned subsequent to the year end.

20 TRANSACTIONS WITH TOP TEN BROKERS/DEALERS

List of top ten brokers by percentage of commission expensed during the year:

2013

1	Pearl Securities Limited	13.05%
2	Arif Habib Securities Limited	12.18%
3	Topline Securities (Private) Limited	9.16%
4	Aba Ali Habib Limited	9.08%
5	Taurus Securities Limited	8.60%
6	Elixir Securities Limited	7.36%
7	KASB Securities Limited	7.18%
8	Invest & Finance Securities (Private) Limited	6.86%
9	JS Global Limited	6.86%
10	Fortune Securities Limited	5.92%

List of top ten brokers by percentage of commission expensed during the year:

2012

1	Invest & Finance Securities (Private) Limited	8.93%
2	KASB Securities Limited	8.91%
3	Foundation Securities (Private) Limited	8.89%
4	Arif Habib Securities Limited	7.81%
5	Taurus Securities Limited	6.89%
6	Habib Metropolitan Financial Services Limited	6.73%
7	Askari Securities Limited	6.36%
8	BMA Capital Management Limited	6.31%
9	Topline Securities (Private) Limited	6.03%
10	Pearl Securities Limited	5.86%

21 PATTERN OF UNIT HOLDING

Category	As at June 30, 2013			
	Number of unit holders	No of units held	Investment amount	Percentage investment
				(Rupees)
Banks	1	127,191	16,828,311	9.30%
Individuals	43	117,502	15,546,422	8.58%
Retirement Funds	2	6,098	806,811	0.45%
Associated companies / key management personnel	4	1,112,442	147,184,309	81.30%
Others	1	5,066	670,269	0.37%
	51	1,368,299	181,036,122	100.00%

Category	As at June 30, 2012			
	Number of unit holders	No of units held	Investment amount	Percentage investment
			(Rupees)	
Individuals	33	32,763	3,637,715	2.81%
Retirement Funds	2	15,305	1,699,319	1.31%
Associated companies / connected person				
Askari Bank Limited	1	1,095,837	121,671,033	94.03%
AIM Employees Provident Fund	1	12,792	1,420,320	1.10%
Key Management Personnel	3	4,131	458,641	0.35%
Others Corporate	1	4,615	512,391	0.40%
	41	1,165,443	129,399,419	100.00%

22 ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

The 44th, 45th, 46th, 47th, 48th and 49th Board meetings were held on July 06, 2012, August 10, 2012, September 26, 2012, October 23, 2012, February 8, 2013 and April 16, 2013 respectively. Information in respect of attendance by Directors in the meetings is given below:

S. No.	Name of Director	Date of resignation	Number of meetings held	Attended	Leave granted	Meetings not attended
1	Mr. Shahid Hafeez Azmi	-	6	6	-	-
2	Mr. Muhammad Naseem	-	4	4	-	-
3	Mr. Mohammad Rafiquddin Mehkari	May 27, 2013	6	6	-	-
4	Mr. Tahir Aziz	June 25, 2013	6	5	1	44th meeting
5	Mr. Sufian Mazhar	-	6	-	6	44th, 45th, 46th, 47th, 48th & 49th meeting
6	Mr. Adnan Siddiqui	-	6	6	-	-
7	Mr. Lt Gen.(R) Tahir Mahmood	-	6	6	-	-
8	Mr. Maj Gen.(R) Mukhtar Ahmed	-	6	5	1	48th meeting

Name of other person

S.No.	Name	Designation	Number of meetings held	Attended	Meetings not attended
1	Sajjad Hussain	Financial Controller & Company Secretary	6	2	44th, 45th, 46th and 47th meeting
2	Adeel Shahid	Acting CFO & Head of Operations	6	2	44th, 45th, 46th and 47th meeting
3	Zeeshan	CFO & Company Secretary	6	4	48th & 49th meeting

22.1 Mr. Adnan Siddiqui, Mr. Lt. Gen. (R) Tahir Mahmood and Mr. Maj Gen. (R) Mukhtar Ahmed have resigned subsequent to the year end.

23 FINANCIAL RISK MANAGEMENT

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

23.1 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 through diversification of the investment portfolio and 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 risks: currency risk, interest rate risk and other price risk.

23.1.1 Currency risk

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

23.1.2 Interest rate risk

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

a) Sensitivity analysis for fixed rate instruments

Presently, the Fund does not hold any fixed rate instruments which may expose it to fair value interest rate risk.

b) Sensitivity analysis for variable rate instruments

As at June 30, 2013, the Fund holds GoP Ijara sukuks which are classified as 'financial assets at fair value through profit or loss', exposing the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in the coupon rates on June 30, 2013, with all other variables held constant, the net income for the year and net assets as at June 30, 2013 would have been higher / lower by Rs. 3,360 (2012: Rs. 37,045).

The composition of the Fund's investment portfolio and the coupon rates are expected to change over time. Therefore, the sensitivity analysis prepared as of June 30, 2013 is not necessarily indicative of the effect on the Fund's net assets due to future movements in interest rates.

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

	As at June 30, 2013					
	Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest risk	Total
		Upto three months	More than three months and up-to one year	More than one year		
----- Rupees -----						
On-balance sheet financial instruments						
Financial Assets						
Balances with banks	3.5% to 9.25%	58,351,105	-	-	-	58,351,105
Investments	9.28%	-	25,052,500	-	95,387,175	120,439,675
Receivable against sale of investments		-	-	-	2,047,423	2,047,423
Deposits and other receivables		-	-	-	3,090,838	3,090,838
		58,351,105	25,052,500	-	100,525,436	183,929,041
Financial Liabilities						
Payable to Askari Investment Management Limited - Management Company		-	-	-	565,393	565,393
Payable to MCB Financial Services Limited - Trustee		-	-	-	57,534	57,534
Accrued and other liabilities		-	-	-	699,935	699,935
		-	-	-	1,322,862	1,322,862
On-balance sheet gap		58,351,105	25,052,500	-	99,202,574	182,606,179
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap		-	-	-	-	-
Total interest rate sensitivity gap		58,351,105	25,052,500	-		
Cumulative interest rate sensitivity gap		58,351,105	83,403,605	83,403,605		

----- As at June 30, 2012 -----					
Exposed to yield / interest risk					
Effective yield / interest rate	Upto three months	More than three months and up-to one year	More than one year	Not exposed to yield/ interest risk	Total
On-balance sheet financial instruments					
Financial Assets					
Balances with banks	5.00% to 12.25%	14,122,973	-	-	14,122,973
Investments	11.81% to 11.94%	-	55,018,000	-	113,024,028
Receivable against sale of investments		-	-	10,120	10,120
Deposits and other receivables		-	-	3,984,924	3,984,924
		14,122,973	55,018,000	62,001,072	131,142,045
Financial Liabilities					
Payable to Askari Investment Management Limited - Management Company		-	-	382,740	382,740
Payable to MCB Financial Services Limited - Trustee		-	-	57,377	57,377
Accrued and other liabilities		-	-	945,672	945,672
		-	-	1,385,789	1,385,789
On-balance sheet gap		14,122,973	55,018,000	60,615,283	129,756,256
Off-balance sheet financial instruments					
		-	-	-	-
Off-balance sheet gap		-	-	-	-
Total interest rate sensitivity gap		14,122,973	55,018,000	-	
Cumulative interest rate sensitivity gap		14,122,973	69,140,973	69,140,973	

23.1.3 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 instrument traded in the market.

The Fund is exposed to equity price risk on investments held by the Fund and classified on the Statement of Assets and Liabilities as 'at fair value through profit or loss'. To manage its price risk arising from investments in equity securities, the Fund diversifies its portfolio within the eligible stocks prescribed in the Trust Deed. The NBFC Regulations also limit individual equity securities to no more than 15% of net assets and issued capital of the investee company and sector exposure limit to 35% of the net assets or index weight of securities whichever is higher, subject to maximum of 40% of net assets.

In case of 5% increase / decrease in KSE 100 index on June 30, 2013, with all other variables held constant, net income of the Fund for the year and net assets would increase / decrease by Rs. 1,314,136 (2012: Rs. 743,927).

The analysis is based on the assumption that 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 KSE 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 KSE 100 Index, is expected to change overtime. Accordingly, the sensitivity analysis prepared as of June 30, 2012 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the KSE 100 Index.

23.2 Credit risk

Credit risk represents the risk of a loss if the counter parties fail to perform as contracted. Credit risk arises from deposits with banks, credit exposure arising as a result of dividends receivable on equity securities and receivable against sale of investments and investments in debt securities. For deposit with banks, only reputed parties are accepted. Credit risk on dividend receivable is minimal due to statutory protection. All transactions in listed securities are settled / paid for upon delivery using the National Clearing Company of Pakistan Limited. The risk of default is considered minimal due to inherent systematic measures taken therein. Risk attributable to investment in Ijara Sukuks is limited as these are guaranteed by the Federal Government.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. In addition, the risk is managed through assignment of credit limits and by following strict credit evaluation criteria laid down by the Management Company. The Fund does not expect to incur material credit losses on its financial assets.

The analysis below summarises the credit rating quality of the Fund's balances with banks as at June 30, 2013:

Balances with banks by rating category

	Rating Agency-----2013-----	
	Amount	Percentage
A1+	PACRA 616,691	1.06%
A-1+	JCR-VIS 16,588	0.03%
A1	PACRA 15,133,660	25.94%
A-1	JCR-VIS 42,584,166	72.97%
	<u>58,351,105</u>	<u>100.00%</u>

The maximum exposure of credit risk before any credit enhancement as at June 30, 2013 is the carrying amount of the financial assets.

Management, after giving due consideration to their strong financial standing, does not expect non-performance by these counter parties on their obligations to the Fund. The maximum exposure to credit risk before any credit enhancement as at June 30, 2013 is the carrying amount of the financial assets. None of these assets are impaired nor past due but not impaired.

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Funds portfolio of financial instruments is mostly concentrated in government securities and deposits held with a shariah compliant bank having short term credit rating as disclosed above.

Collateral

The Fund does not hold any collateral against its investment in GoP Ijarah sukuk and balances with banks and these are unsecured.

23.3 Liquidity risk

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

The Fund is exposed to the daily settlement of equity securities and to daily cash redemptions, if any. 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 of. The Fund's listed securities are considered readily realisable, as they are listed on the Stock Exchange.

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

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

	As at June 30, 2013			Total
	Up-to three months	More than three months and up-to one year	Over one year	
	----- Rupees -----			
Financial assets				
Balances with banks	58,351,105	-	-	58,351,105
Investments	95,387,175	-	25,052,500	120,439,675
Receivable against sale of investments	2,047,423	-	-	2,047,423
Deposits and other receivables	3,090,838	-	-	3,090,838
	<u>158,876,541</u>	<u>-</u>	<u>25,052,500</u>	<u>183,929,041</u>
Financial liabilities				
Payable to Askari Investment Management Limited - Management Company	565,393	-	-	565,393
Payable to MCB Financial Services Limited - Trustee	57,534	-	-	57,534
Accrued and other liabilities	699,935	-	-	699,935
	1,322,862	-	-	1,322,862
	<u>157,553,679</u>	<u>-</u>	<u>25,052,500</u>	<u>182,606,179</u>

	As at June 30, 2012			Total
	Up-to three months	More than three months and up-to one year	Over one year	
Rupees				
Financial assets				
Balances with banks	14,122,973	-	-	14,122,973
Investments	58,006,028	-	55,018,000	113,024,028
Receivable against sale of Investments	10,120	-	-	10,120
Deposits and other receivables	3,984,924	-	-	3,984,924
	<u>76,124,045</u>	<u>-</u>	<u>55,018,000</u>	<u>131,142,045</u>
Financial liabilities				
Payable to Askari Investment Management Limited - Management Company	382,740	-	-	382,740
Payable to MCB Financial Services Limited - Trustee	57,377	-	-	57,377
Accrued and other liabilities	945,672	-	-	945,672
	<u>1,385,789</u>	<u>-</u>	<u>-</u>	<u>1,385,789</u>
	<u>74,738,256</u>	<u>-</u>	<u>55,018,000</u>	<u>129,756,256</u>

24 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. The Fund's objective when managing the unit holders' fund is to safeguard the Fund's ability to continue as a going concern in order to provide returns for the benefits of the unit holders to maintain a strong base of assets to support the development of the investment activities of the Fund and to meet unexpected losses or opportunities. As required under the NBFC Regulations, every open-end scheme shall maintain minimum fund size (i.e. net assets of the Fund) of Rs 100 million at all times during the life of scheme. In order to comply with the requirement and to maintain or adjust the Unit Holders' Fund, the Fund's policy is to perform the following:

- Monitor the level of daily issuance and redemptions relative to the liquid assets and adjusts the amount of distributions the Fund pays to unit holders;
- Redeem and issue units in accordance with the constitutive documents of the Fund, which include the ability to restrict redemptions and require certain minimum holdings and issuance; and
- The Fund Manager / Investment Committee members and the Chief Executive Officer 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 requirement of minimum fund size during the current year.

25 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

Financial assets which are tradable in an open market are revalued at the market prices prevailing at the close of trading on the year end date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from book values as the items are either short term in nature or periodically expired.

IFRS 7 requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

	2013			Total
	Level 1	Level 2	Level 3	
	(Rupees)			
Financial assets classified as 'at fair value through profit or loss' at initial recognition				
- Investment in Equity securities	95,387,175	-	-	95,387,175
- Investment in Sukuk certificates	-	25,052,500	-	25,052,500
	2012			Total
	Level 1	Level 2	Level 3	
	(Rupees)			
Financial assets classified as 'at fair value through profit or loss' at initial recognition				
- Investment in Equity securities	58,006,028	-	-	58,006,028
- Investment in Sukuk certificates	-	55,018,000	-	55,018,000

26 NON - ADJUSTING EVENT AFTER THE REPORTING DATE

The Board of Directors of the Management Company in their meeting held on July 5, 2013 have approved a distribution of Rs 29.7599/- per unit (2012: Rs 9.8782/- per unit) for the year ended June 30, 2013. The financial statements of the Fund for the year ended June 30, 2013 do not include the effect of the final distribution which will be accounted for in the financial statements of the Fund for the year ending June 30, 2014.

27 DATE OF AUTHORISATION FOR ISSUE


These financial statements were authorised for issue on **August 30, 2013** by the Board of Directors of the Management Company.

28 GENERAL

28.1 Figures have been rounded off to the nearest rupee.

28.2 Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of better presentation. No significant reclassifications have been made during the current year.

For Askari Investment Management Limited
(Management Company)


Acting Chief Executive


Director


Director

As the office of the Chief Executive is currently vacant, these financial statements have been signed by the Acting Chief Executive Officer and two directors authorised in this behalf by the Board of Directors of the Management Company.

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Askari Investment Management Ltd.

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