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# VISION

Creating Investment Solutions within  
everyone's reach





# Mission & Core Values

To create a conducive working environment, to attract the best talent in the Asset Management Sector. ABLAMC strives to be the 'employer of choice' for young and experienced talent.

To set the highest industry standards in terms of product ranges and innovations, in order to offer products for clients of all demographics.

To adhere to the highest industry standard for integrity and quality across all the spheres of the company.

To use technology and financial structuring to serve as a "cutting-edge" compared to the competition.

To enhance Stakeholders Value.



## FUND'S INFORMATION

<b>Management Company:</b>	ABL Asset Management Company Limited 11 - B, Lalazar M. T. Khan Road, Karachi.	
<b>Board of Directors</b>	Sheikh Mukhtar Ahmed Mr. Mohammad Naeem Mukhtar Mr. Muhammad Waseem Mukhtar Mr. Tariq Mahmood Mr. Kamran Nishat Mr. Muhammad Kamran Shehzad Syed Khalid Hussain	Chairman      CEO
<b>Audit Committee:</b>	Mr. Kamran Nishat Mr. Muhammad Waseem Mukhtar Mr. Muhammad Kamran Shehzad	Chairman Member Member
<b>Human Resource and Remuneration Committee</b>	Mr. Muhammad Waseem Mukhtar Mr. Kamran Nishat Syed Khalid Hussain	Chairman Member Member
<b>Chief Executive Officer of The Management Company:</b>	Syed Khalid Hussain	
<b>Chief Financial Officer &amp; Company Secretary:</b>	Mr. Saqib Matin	
<b>Chief Internal Auditor:</b>	Mr. Mubeen Ashraf Bhimani	
<b>Trustee:</b>	Central Depository Company of Pakistan Ltd. CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi - 74400	
<b>Bankers to the Fund:</b>	Allied Bank Limited Bank Al- Falah Limited Faysal Bank Limited Soneri Bank Limited	
<b>Auditor:</b>	A.F. Ferguson & Co Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, Karachi.	
<b>Legal Advisor:</b>	Ijaz Ahmed & Associates Suit # 7, 11th Zamzama Steet, Phase-V, DHA Karachi.	
<b>Registrar:</b>	ABL Asset Management Company Limited. 11 - B, Lalazar, M. T. Khan Road, Karachi.	

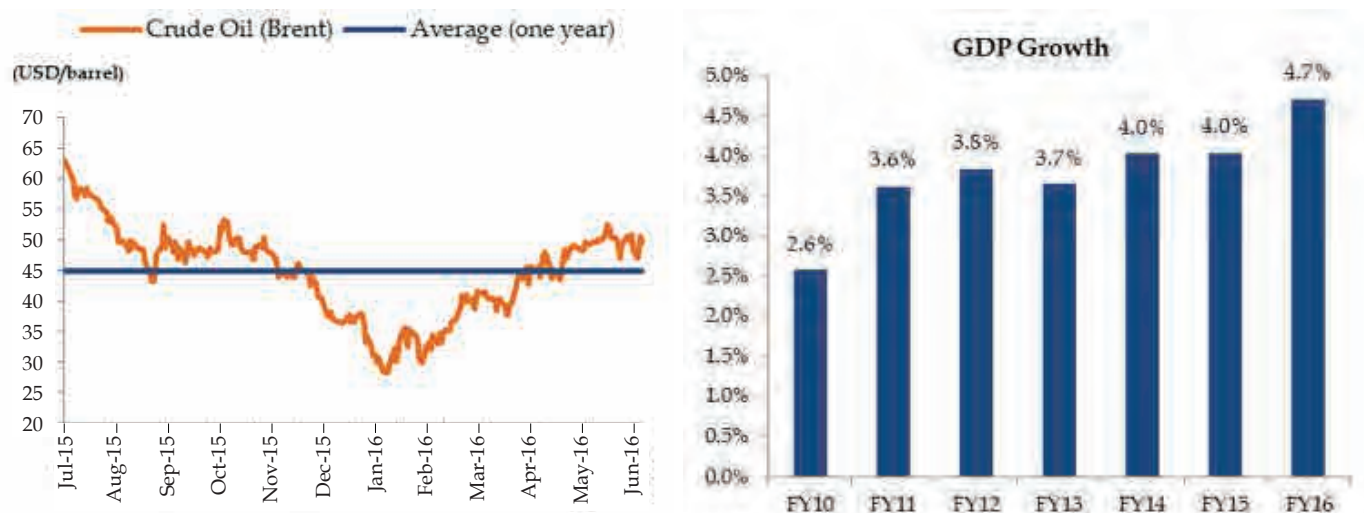


## REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of ABL Asset Management Company Limited, the management company of ABL Government Securities Fund (ABL-GSF), is pleased to present the Audited Financial Statements of ABL Government Securities Fund for the year ended June 30, 2016.

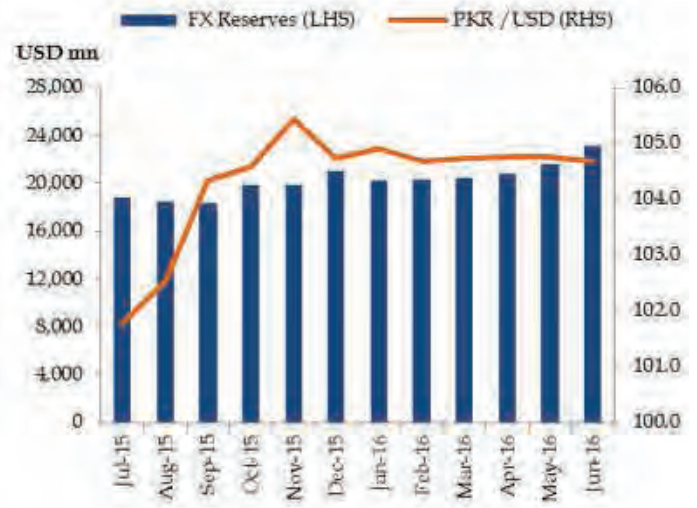
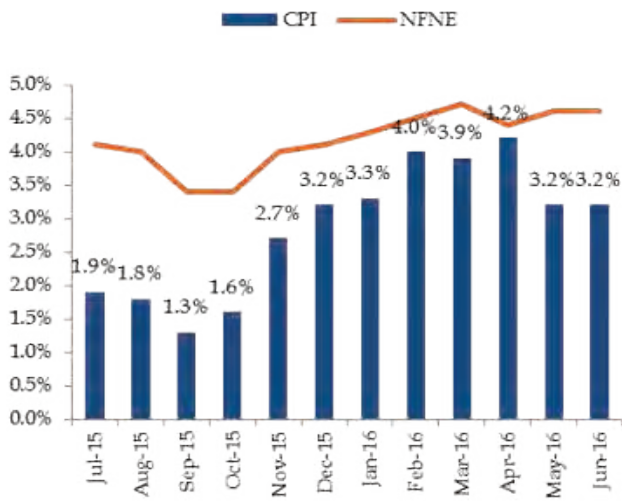
### ECONOMIC PERFORMANCE REVIEW

Pakistan's economic landscape continued to reveal gradual improvement in FY16 underpinned by constant rout in crude oil prices, with Brent closing the year at USD49.71/bbl (down by 19.7%YoY) mainly due to excess supply and weak dynamics of global demand. The gloomy oil market continues to spell relief for Pakistan's key macroeconomic indicators like CPI and CAD. Despite positive developments and favorable law & order situation, country once again missed its economic growth target of 5.7% and registered a modest growth of 4.7%, though this is the highest rate achieved since FY09. Subpar growth in GDP can be attributed to weak commodity prices and drop in major crops (cotton & rice) which dragged agricultural growth to negative territory with a -0.2%YoY growth. However, growth in industrial (6.8% in FY16 against 4.8% in FY15) and services sector (3.3% in FY16 against 3.6% in FY15) provided some impetus to economic output. Encouragingly, IMF program, albeit with some hitches, went smoothly and government, by and large, managed to meet its performance criteria in each quarter which resulted into timely disbursements of USD 6 billion (approximately 91% of total size) under EFF program.



On the external front, current account deficit was narrowed by 6.8%YoY to USD2.5 billion in FY16 compared to USD2.7 billion in FY15, largely due to a decent growth of 6.4%YoY in workers' remittances to USD19.9 billion. Moreover, 18.5%YoY drop in the services deficit owing to coalition support fund's inflows helped CAD to settle at -0.9% of the GDP vs. -1.0% in FY15. On the other hand, trade deficit widened by 7.4%YoY to USD18.5 billion in FY16 compared to USD17.2 billion last year. A significant drop of 8.6%YoY in exports has swept away the benefits of low oil prices in the import bill (down by 2.0%YoY to USD40.5 billion). Weak commodity prices, subdued global demand (especially in Eurozone) and firm domestic exchange rate compared to regional currencies (REER at PKR119.2/USD) resulted drop in exports to USD22.0 billion compared to USD24.1 billion in FY15. The effect of lower CAD, steady growth in workers' remittances, inflows from IMF, euro bonds and other multilateral sources strengthened FX reserves from USD18.7 billion to USD23.1 billion in FY16. Marked improvement in FX reserves also helped the country in restricting PKR depreciation to just 3.0%YoY to close the year at PKR 104.8/USD.

State Bank of Pakistan continued its monetary easing stance amidst benign inflationary outlook and strengthening external account and slashed Discount Rate by cumulative 75bps to a 44-year low of 6.25% in order to support economic growth. Multiyear low interest rates and improved law and order situation translated into uptick in private sector credit offtake to clocked in at PKR 460.60 billion (Up ~106%YoY) during FY16. The total investment to GDP ratio dropped to 15.2% in FY16 as compared to 15.5% in FY15. The total savings to GDP ratio slightly increased to 14.6% in FY16 against 14.5% in FY15.



On the fiscal front, lower power subsidies (due to plunged oil prices) coupled with aggressive tax measures (Super Tax, higher tax on non-filers and mini budget announced in Dec-15) helped the government achieving its tax collection target of PKR 3.1 trillion in FY16. However, the fiscal deficit remained slightly higher at 4.45% of GDP against the target of 4.3% of GDP, though massive improvement from 5.3% in FY15. Pakistan economy is all-set to see a period of sustained economic growth with fast-track work on China Pakistan Economic Corridor (CPEC) which promises to bring USD46 billion into the economy. CPEC is expected to improve bilateral trade flows, power generation, infrastructure buildup, giving an impetus to the economy. Furthermore, multi-decade low interest rate, improving security situation and resolution of energy crisis through LNG, TAPI and IPI pipeline should boost overall economic activity going forward.

### MONEY MARKET REVIEW

Fixed income market remained eventful throughout FY16 as improvement in macroeconomic indicators followed by further monetary easing by SBP (cumulative Discount Rate cut of 75bps) resulted into a steep decline in yields (107bps to 247bps) across all tenors in secondary market. Average inflation was recorded at 2.9% in FY16 compared to 4.6% in FY15. This ease in inflation was the outcome of continued low commodity prices in the global markets, comfortable supplies of key food items and a stable exchange rate. Money market mostly remained liquid and traded near the policy rate throughout the year as SBP ensured the availability of liquidity via frequent open market operations (OMO). OMO maturity size swelled to a level of PKR1.566 trillion in June 2016 as market increased their exposure in government securities to exploit the rate gap of government securities and policy rate. During the year, massive participation of PKR 2,427 billion was reported in PIBs. However, government raised PKR 1,000 billion from PIBs against target of PKR 725 billion and maturities worth of PKR 695 billion, respectively. Similar trend was also witnessed in Treasury Bills, where total participation of PKR 8,948 trillion was recorded, whereas government accepted PKR 4.88 trillion against the target & maturity of PKR 5.1 trillion & PKR 4.47 trillion, respectively.

M2 growth for the period clocked-in at 13.7% compared to 13.2% in SPLY. Increase in money supply was mainly attributed to increase of 23.12% (up by PKR 253 billion) in Net Domestic Assets (NDA) as credit to private sector has improved to PKR460.598 billion against PKR223.847 billion in SPLY. NFA posted a significant decline of 11.96% (PKR 193.43 billion) in FY16 from PKR 219.705b in SPLY due to muted foreign inflows during the year. Government borrowings from CBs currently stand at ~PKR 1.27 trillion against ~PKR 1.335 trillion in FY15 whereas a net amount of PKR 486 billion was retired from SBP.

### MUTUAL FUND INDUSTRY REVIEW

Total assets under management (AUMs) of Pakistan's open end mutual fund industry posted a steady growth of 12.1% in FY16 (from PKR422 billion to PKR473 billion). This growth was led by Income and aggressive fixed income fund categories. Income fund category remained in limelight on the back of continued monetary easing (cumulative 75bps cut in DR) by SBP amidst improvement in macro indicators and benign CPI outlook for FY16. Hence, it registered an increase of 21.8% in AUMs from PKR80 billion in June 2015 to PKR98 billion in June 2016. On the flip side, low interest rate scenario caused an outflow of PKR16 billion (down 23.8%YoY) from money market fund category to close the period at PKR50 billion. On cumulative basis, the fixed income category (comprising of Income, Aggressive Income and Money Market funds) registered an increase of 4.8%YoY to close at PKR162 billion in June 2016 compared to PKR154 billion in June 2015. In line with conventional fixed income funds, Islamic Income Category was also up by 39.4%YoY to PKR30 billion, largely contributed by launch of new funds under the Islamic fund of funds category. Going forward, despite unfavorable taxes regime particularly for corporate, banks and insurance sectors, outlook is still encouraging as flow of funds in riskier assets is anticipated due to decade's low interest rates, attractive risk adjusted return and improved economic land scape.

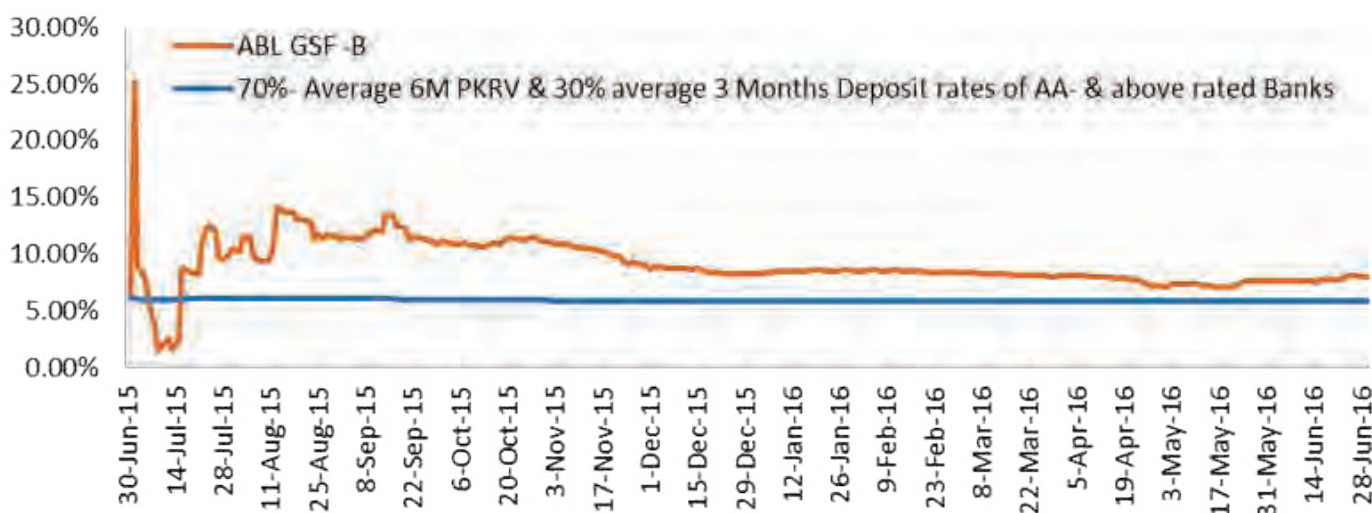




## FUND PERFORMANCE

The annualized return of ABL GSF was 8.05% against the benchmark performance of 5.67%, thus beating the benchmark by 238 bps. ABL GSF was among the best performing funds in Income Fund category for the period ended June 30, 2016. During the period under review, ABL GSF's AUM increased by 3.38% to PKR 9.496 billion from PKR 9.185 billion as on June 30, 2015. The cut in discount rate benefited the fund in terms of hefty capital gains on our long duration bond portfolio. We also reallocated our exposure from PIBs to TDRs and Cash equivalent assets actively according to interest rate & liquidity trend in the market.

At the end of the period, we offloaded long duration PIBs to book capital gains on account of sharp decline in yields due to corporate demand and liquidity pressures. As a result, investment in PIBs reduced to 23.28% of total assets compared to 48.80% last year in order to reduce volatility in returns going ahead. Moreover, cash assets stood at 75.44% of total assets in order to take maximum advantage of high deposit rates offered by banks on year end.



## DIVIDENDS

The Board of Directors of ABL Asset Management Company Limited (ABL AMCL), on July 28, 2016 has approved and declared final dividend distribution of Re.0.0182 per unit (0.18% of the par value of Rs.10) for the year ended June 30, 2016. This is in addition to the aggregated interim dividend distribution of Re.0.7935 per unit (7.94% of the par value of Rs.10) for Class B units, for the year ended June 30, 2016.

## COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

The Board of Directors states that:

1. Financial Statements present fairly the state of affairs, the results of operations, cash flows and the changes in unit holder's fund;
2. Proper books of accounts of the Fund have been maintained.
3. Appropriate accounting policies have been consistently applied in the preparation of the financial statements and accounting estimates are based on reasonable and prudent judgments;
4. Relevant International Accounting Standards, as applicable in Pakistan, provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 & Non-Banking Finance Companies and Notified Entities 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 statements;
5. The system of internal control is sound in design and has been effectively implemented and monitored;
6. There have been no significant doubts upon the Funds' ability to continue as going concern;
7. There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations;
8. Performance table of the Fund is given on page # 15 of the Annual Report;
9. There is no statutory payment on account of taxes, duties, levies and charges outstanding other than already disclosed in the financial statements;
10. The statement as to the value of investments of Provident Fund is not applicable in the case of the Fund as employees retirement benefits expenses are borne by the Management Company;

11. There have been no trades in the units of the Fund's carried out by the Directors, CEO, CFO, CIA and the Company Secretary and their spouse excepts as disclosed below and in notes to the financial statements;

S. No	Name	Designation	Units Issued	Units Redeemed	Bonus Units	Dividend Units
1	Mr. Farid Ahmed Khan	CEO	7,464,267.39	6,764,175.13	95,640.04	-
2	Mr. Mubeen Ashraf Bhimani	CIA	423,332.84	423,332.84	-	-

12. During the year, no director on the Board attended training as required under the Code. However, four directors have obtained certification under the 'Board Development Series' program, while one director is exempt from the Director Training Program under the Code. The directors are well conversant with the relevant laws applicable to the Fund and the Management Company, its policies and procedures and provisions of memorandum and articles of association and are aware of their duties and responsibilities.
13. Meeting of the Board of Directors of the Management Company are held at least once in every quarter. During the year five meeting were held. The 43rd, 44th, 45th, 46th and 47th Board of Directors meetings were held on August 27, 2015, October 30, 2015, December 16, 2015, February 08, 2016 and April 27, 2016 respectively. Information in respect of attendance by the directors and other persons in the meetings is given below:

S. No.	Name of Director	Number of meetings		Leave granted	Meetings not attended
		Held	Attended		
1	Sheikh Mukhtar Ahmed	5	4	1	46th
2	Mohammad Naeem Mukhtar	5	4	1	45th,
3	Muhammad Waseem Mukhtar	5	4	1	46th
4	Tariq Mahmood	5	4	1	43rd,
5	Kamran Nishat	5	3	2	46th, 47th
6	Muhammad Kamran Shehzad	5	5	-	-
7	Farid Ahmed Khan	5	5	-	-

14. Meeting of the Board's Human Resource and Remuneration of the Management Company needs to be held at least three times in year. During the year one meeting were held. The 18th meetings of the Board's Human Resource and Remuneration Committee were held on March 10, 2016. Information in respect of attendance by directors in the meetings is given below:

S. No.	Name of Director	Number of meetings		Leave granted	Meetings not attended
		Held	Attended		
1	Mr. Muhammad Waseem Mukhtar	1	1	-	-
2	Mr. Kamran Nishat	1	1	-	-
3	Mr. Farid Ahmed Khan	1	1	-	-

15. Meeting of the Board's Audit Committee of the Management Company are held at least once in every quarter. During the year four meeting were held. The 33rd, 34th, 35th and 36th meetings of the Board's Audit Committee were held on August 27, 2015, October 30, 2015, February 03, 2016 and April 27, 2016 respectively. Information in respect of attendance by directors in the meetings is given below:





S.No.	Name of Director	Number of meetings		Leave granted	Meetings not attended
		Held	Attended		
1	Mr. Kamran Nishat	4	3	1	36 <sup>th</sup>
2	Mr. Muhammad Waseem Mukhtar	4	3	1	35 <sup>th</sup>
3	Mr. M. Kamran Shehzad	4	4	-	31 <sup>st</sup>

16. The details as required by the Code of Corporate Governance regarding the pattern of holding in ABL Government Securities Fund, is given hereunder:

S. No.	Particulars	Units Held on June 30, 2016
1	<b>Associated Companies, undertakings and related parties</b>	
	• English Biscuit Manufacturers (Pvt) Ltd.,	138,903,561.43
	• Pioneer Cement Ltd.,	116,216,940.99
2	<b>Mutual Funds</b>	-
3	<b>Directors and their spouse(s) and minor children</b>	-
4	<b>Executives</b>	
	• Mr. Farid Ahmed Khan	4,380,292.09
5	<b>Public Sector Companies and corporations</b>	299,063,219.06
6	<b>Others Corporates</b>	78,792,528.73
7	<b>Bank, DFIs, NBFCs, Insurance Companies, Takaful, Modaraba and Pension Fund</b>	91,523,175.99
8	<b>Shareholders holding five percent or more voting rights in the listed company</b>	-

#### AUDITORS

M/s. Deloitte Yousuf Adil (Chartered Accountants), on the recommendation of the Audit Committee of the Board of Directors being eligible for appointment have been appointed as auditors for the year ending June 30, 2017 for ABL Government Securities Fund (ABL-GSF).

#### FUND STABILITY RATING

JCR-VIS Credit Rating Company Ltd. (JCR-VIS) on December 31, 2015, revised the Fund Stability Rating of ABL Government Securities Fund (ABL-GSF) from 'A+ (f)' (Single A plus (f)) to 'A(f)' (Single A(f)).

#### MANAGEMENT QUALITY RATING

On May 04, 2016, JCR-VIS Credit Rating Company Limited has harmonized its notations for the Management Quality Rating of ABL Asset Management Limited (ABL AMC) at 'AM Two Plus' (AM2+). Outlook on the assigned rating is 'Stable'.

## OUTLOOK AND STRATEGY

Economic growth is set to increase further during FY17 as government is largely on track with its economic agenda to resolve energy crises in the country and increasing developmental spending under CPEC. Inflation outlook for the next year remains benign owing to weak commodity prices in the global markets. However, some risks which could hamper the growth momentum such as continuous decline in exports, fiscal slippages post completion of IMF program, weak outlook of remittances due to global economic slowdown and abrupt recovery of international commodity prices cannot be ruled out.

Based on the above assumptions, we believe SBP will maintain a stable rate policy in FY17 on the back of healthy FX reserves, soft inflation outlook & improving macros. Hence, we will maintain a duration of less than 1 year in order to avoid volatility in returns as we anticipate market yields may adjust upward sharply in case MPS committee maintained current DR in upcoming monetary policy as market have already adjusted PKRV yields owing to heavy PIB maturities. However, we will realign our portfolio in case of any change in fundamental assumptions. In short term, we expect returns to remain on higher side due to placements with banks at high rates on account of year end.

## ACKNOWLEDGEMENT

We thank our valued investors who have placed their confidence in us. The Board is also thankful to Securities & Exchange Commission of Pakistan, the Trustee (Central Depository Company of Pakistan Limited) and the management of Pakistan Stock Exchange Limited for their continued guidance and support. The Directors also appreciate the efforts put in by the management team.

Karachi, August 17, 2016

For & on behalf of the Board



**Syed Khalid Hussain**  
Chief Executive Officer



## FUND MANAGER REPORT

### OBJECTIVE

The objective of ABL Government Securities Fund is to deliver optimal risk adjusted returns by investing mainly in mix of short to long term Government Securities and other debt instrument.

### MONEY MARKET REVIEW

Fixed income market remained eventful throughout FY16 as improvement in macroeconomic indicators followed by further monetary easing by SBP (cumulative Discount Rate cut of 75bps) resulted into a steep decline in yields (107bps to 247bps) across all tenors in secondary market. Average inflation was recorded at 2.9% in FY16 compared to 4.6% in FY15. This ease in inflation was the outcome of continued low commodity prices in the global markets, comfortable supplies of key food items and a stable exchange rate. Money market mostly remained liquid and traded near the policy rate throughout the year as SBP ensured the availability of liquidity via frequent open market operations (OMO). OMO maturity size swelled to a level of PKR1.566 trillion in June 2016 as market increased their exposure in government securities to exploit the rate gap of government securities and policy rate. During the year, massive participation of PKR 2,427 billion was reported in PIBs. However, government raised PKR 1,000 billion from PIBs against target of PKR 725 billion and maturities worth of PKR 695 billion, respectively. Similar trend was also witnessed in Treasury Bills, where total participation of PKR 8.948 trillion was recorded, whereas government accepted PKR 4.88 trillion against the target & maturity of PKR 5.1 trillion & PKR 4.47 trillion, respectively.

M2 growth for the period clocked-in at 13.7% compared to 13.2% in SPLY. Increase in money supply was mainly attributed to increase of 23.12% (up by PKR 253 billion) in Net Domestic Assets (NDA) as credit to private sector has improved to PKR460.598 billion against PKR223.847 billion in SPLY. NFA posted a significant decline of 11.96% (PKR 193.43 billion) in FY16 from PKR 219.705b in SPLY due to muted foreign inflows during the year. Government borrowings from CBs currently stand at ~PKR 1.27 trillion against ~PKR 1.335 trillion in FY15 whereas a net amount of PKR 486 billion was retired from SBP.

### FUND PERFORMANCE

During the period, ABL-GSF posted an annualized yield of 8.05%, against the benchmark return of 5.67%. The fund outperformed the benchmark by massive 238 bps due to heavy exposure in PIBs in order to get maximum advantage of capital gains in declining interest rate scenario. On YTD basis, ABL GSF also outperformed peer average of 7.34% by 71 bps. Fund size remained stable at PKR 9.496 billion (up 3.38%) from PKR 9.185 billion due to steady performance. We maintained high duration portfolio throughout the year 2016 but changed our view in June after sharp decline witnessed in yields by offloading long maturity PIBs to book capital gains. As a result, allocation in PIBs was reduced to 23.28% of total assets compared to 48.80% in last year (down by 25.52%). Similarly, exposure in Treasury bills was reduced to 0.24% of the fund compared to 9.63% in June 2015. Cash on the other hand, increased to 75.44% of the fund compared to 40.14% in SPLY in order to place funds at higher deposit rates. Due to shifting in bond portfolio, WAM of the fund was declined to 234 days from 659 days in June 2015 (a year back).

The Scheme has maintained the provision against Workers' Welfare Fund's Liability to the tune of Rs. 131.307 million, had the same not been made, the NAV per unit of the scheme would have been higher by Rs 0.1389 per unit.

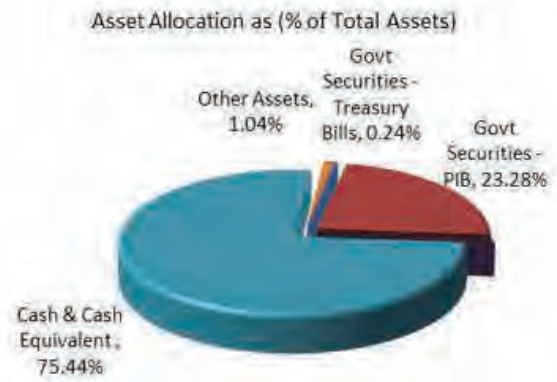
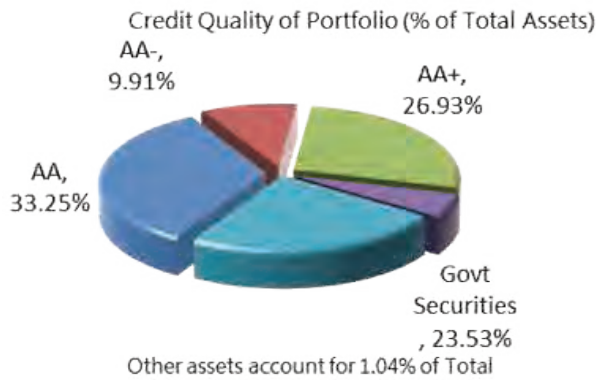
### FUTURE OUTLOOK AND STRATEGY

Economic growth is set to increase further during FY17 as government is largely on track with its economic agenda to resolve energy crises in the country and increasing developmental spending under CPEC. Inflation outlook for the next year remains benign owing to weak commodity prices in the global markets. However, some risks which could hamper the growth momentum such as continuous decline in exports, fiscal slippages post completion of IMF program, weak outlook of remittances due to global economic slowdown and abrupt recovery of international commodity prices cannot be ruled out. We believe SBP will maintain a stable rate policy in FY17 on the back of healthy FX reserves, soft inflation outlook & improving macros.



Going forward, we will maintain current duration of less than 1 year by holding exiting bond portfolio. We anticipate market yields to remain volatile in the coming months due to upcoming huge PIB maturities. We intend to follow wait-and-see approach till announcement of next monetary policy. However, we will closely monitor developments on macro front to actively adjust duration and allocation of the fund. On the other hand, existing placements with banks at higher rates owing to June end will keep the returns on higher side in short term.

ABL Government Securities Fund Performance		FY-2016
Yield		8.05%
Benchmark 70%- Average 6M PKRV & 30% average 3 Months Deposit rates		5.67%
Weighted Average Time to Maturity of Net Assets		234 days
Asset under management as at June 30,2015 (PKR mn)		9,496.24
Closing NAV per unit as on June 30,2015 (PKR) (Ex-Dividend)		10.0424



## PERFORMANCE TABLE

	2016	2015	2014	June 2013		June 2012	
	(Rupees in '000)						
Net Assets	9,496,252	9,185,360	4,394,902	1,839,432		34,838,356	
Net Income	313,465	498,024	217,559	3,889,663		1,828,837	
	Class B	Class B	Class B	Class A	Class B	Class A	Class B
	(Rupees per Unit)						
Net Assets value	10.0424	10.0324	10.0412	-	10.0095	10.0275	10.0246
Interim distribution	0.7935	-	0.8118	0.5503	1.0555	0.4234	0.5023
Final distribution	-	1.5242	0.0388	-	0.0830	0.0978	0.0865
Distribution date final	-	June 12,2015	June 23,2014	June 28,2013	June 28,2013	June 25,2012	June 25,2012
Closing offer price	10.1930	10.1829	10.1918	0.0000	10.0095	10.0275	10.0246
Closing repurchase price	10.0424	10.0324	10.0412	0.0000	10.0095	10.0275	10.0246
Highest offer price	10.9505	11.8405	10.3917	10.2561	10.2340	10.2372	10.2846
Lowest offer price	10.1656	10.1552	10.1502	10.0014	10.0012	10.0031	10.0010
Highest repurchase price per unit	10.7887	11.6655	10.2381	10.2561	10.2340	10.2372	10.2846
Lowest repurchase price per unit	10.0154	10.0051	10.0002	10.0014	10.0012	10.0031	10.001
Percentage							
Total return of the fund							
- capital growth	0.09%	-0.10%	0.66%	5.44%	0.40%	2.25%	0.64%
- income distribution	7.94%	15.24%	8.51%	5.50%	11.39%	10.69%	10.04%
Average return of the fund							
First Year	8.02%	15.14%	9.17%	10.94%	11.79%	12.94%	10.68%
Second Year	12.18%	12.85%	11.02%	11.50%	11.85%	-	-
Third Year	11.93%	13.51%	11.48%	-	-	-	-
Fourth Year	12.95%	13.75%	-	-	-	-	-
Fifth Year / Since inception	13.37%	-	-	-	-	-	-
Weighted average Portfolio duration in days	234	548	690	117	117	227	227

### Distribution History

2016	
Date of distribution	Distribution Per Unit
June 21, 2016	0.2599
June 23, 2016	0.5336

Monthly Distribution	2014		2013		2012	
	Date of distribution	Distribution Per Unit	Date of distribution	Distribution Per Unit	Date of distribution	Distribution Per Unit
	CLASS B	CLASS B	CLASS A & B	CLASS A & B	CLASS A & B	CLASS A & B
1st Interim distribution	30 July 2013	0.0580	-	-	-	-
2nd Interim distribution	29 August 2013	0.0454	29 August 2012	0.2561	0.2340	-
3rd Interim distribution	October 25, 2013	0.0556	24 October 2012	0.0698	0.2226	-
4th Interim distribution	28 November 2013	0.0713	29 November 2012	0.0895	0.0778	-
5th Interim distribution	30 January 2014	0.0790	-	-	-	-
6th Interim distribution	27 February 2013	0.0814	28 February 2013	-	0.1843	-
7th Interim distribution	30 April 2014	0.2381	30 April 2013'	-	0.0916	-
8th Interim distribution	30 May 2014	0.0130	30 May 2013'	-	0.0721	21 May 2012'
						0.1862
						0.1674

Quarterly Distribution	2014		2013		2012	
	CLASS B	CLASS B	CLASS A	CLASS B	CLASS A	CLASS B
First quarter Interim distribution	0.0286		0.0701		0.0626	
Date of distribution - Interim	27 September, 2013		24 September 2012		-	
Second quarter Interim distribution	0.0700		0.0648		0.0558	
Date of distribution - Interim	30 December 2013		27 December 2012		26 December 2011	
Third quarter Interim distribution	0.0714		-		0.0547	
Date of distribution - Interim	27 March 2014		22 March 2013		26 March 2012	

Final Distribution	2014		2013		2012	
	CLASS B	CLASS B	CLASS A	CLASS B	CLASS A	CLASS B
Final Distribution	0.0388		-		0.0830	
Date of distribution - Final	23 June 2014		28 June 2013		0.0978	
					0.0865	
					25 June 2012	

### Disclaimer

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

**CENTRAL DEPOSITORY COMPANY  
OF PAKISTAN LIMITED**

**Head Office:**

CDC House, 99-B, Block 'B',  
S.M.C.H.S. Main Shahra-e-Faisal,  
Karachi - 74400, Pakistan,  
Tel: (92-21) 111-111-500  
Fax: (92-21) 34326020 - 23  
URL: www.cdcpakistan.com  
Email: info@cdcpak.com



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**ABL GOVERNMENT SECURITIES FUND**

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

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

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

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

Karachi: September 15, 2016





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

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of ABL Asset Management Company Limited, the Management Company of **ABL Government Securities Fund** (the Fund) for the year ended June 30, 2016 to comply with Regulation 5.19 of the Pakistan Stock Exchange Limited Regulations, where the Fund is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Management Company (ABL Asset Management Company Limited) of the Fund. 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 and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Management Company's personnel and review of various documents prepared by the Management Company to comply with the Code.

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

The Code requires the Management Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval of Fund's related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length prices recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of the above requirements to the extent of approval of related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length 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 as applicable to the Fund for the year ended June 30, 2016.



Chartered Accountants

Karachi

Dated: September 23, 2016

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network  
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan  
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## STATEMENT OF COMPLIANCE BY ABL GOVERNMENT SECURITIES FUND WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2016

This statement is being presented to comply with the Code of Corporate Governance (“the Code”) contained in Regulation No. 5.19 of the listing regulations of the Pakistan Stock Exchange Limited 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.

The Board of Directors (“the Board”) of ABL Asset Management Company Limited (“the Management Company”), an un-listed public company, manages the affairs of ABL Government Securities Fund (“the Fund”). The Fund, being a unit trust open ended scheme, does not have its own Board of Directors. The Management Company has applied the principles contained in the Code to the Fund, whose units are listed as a security on the Pakistan Stock Exchange, in the following manner:

1. The Management Company encourages representation of independent, non-executive directors. At June 30, 2016 the Board includes:

Category	Name
Independent Directors	Mr. Kamran Nishat Mr. Muhammad Kamran Shehzad
Non-Executive Directors	Sheikh Mukhtar Ahmed Mr. Mohammad Naeem Mukhtar Mr. Muhammad Waseem Mukhtar Mr. Tariq Mahmood
Executive Director	Mr. Farid Ahmed Khan *

\*Mr. Farid Ahmed Khan, Chief Executive Officer (CEO) / Director, has tendered his resignation on May 18, 2016. He has resigned effective from July 15, 2016. Mr. Syed Khalid Hussain has been appointed as the CEO of the company with effect from July 16, 2016.

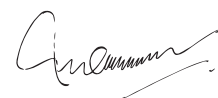
The independent directors meets the criteria of independence under clause 5.19.1. (b) of the Code.

2. The directors have confirmed that none of them is serving as a director on 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 broker of a stock exchange, has been declared as a defaulter by that stock exchange.
4. During the year no casual vacancy occurred on the Board. Subsequent to year end, Mr Farid Ahmed Khan, Chief Executive Officer tendered his resignation effective from July 15, 2016. Mr Syed Khalid Hussain has been appointed as the CEO of the Company with effect from July 16, 2016.
5. The Management Company has prepared a ‘Code of Conduct’ and has ensured that appropriate steps have been taken to disseminate it throughout the Management Company along with its supporting policies and procedures.
6. The Board of Directors of the Management Company has developed a vision / mission statement, overall corporate strategy and significant policies of the Fund. A complete record of particulars of significant policies along with the dates on which these were approved or amended has been maintained.



7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman except for the meeting held on February 08, 2016, which was presided by Mr. Mohammad Naeem Mukhtar 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 at June 30, 2016, four directors have obtained certification under the 'Board Development Series' while one director is exempt from the Director Training Program under the Code. The Management Company will arrange training program for the remaining directors by June 30, 2018. The directors are well conversant with the relevant laws applicable to the Fund and the Management Company, its policies and procedures and provisions of memorandum and articles of association and are aware of their duties and responsibilities.
10. The Chief Financial Officer (CFO), the Company Secretary and the Head of Internal Audit continued their services and no change in these positions were made during this financial year.
11. The Directors' Report of the Fund for the year ended June 30, 2016 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 CEO and CFO of the Management Company before approval of the Board.
13. The directors, CEO and executives do not hold any interest in the units of the Fund other than those disclosed in the Directors' Report, pattern of unit holding and notes to the financial statements.
14. The Management Company has complied with all the applicable 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, including the Chairman of the Committee who is an independent director.
16. The meetings of the Audit Committee were held once in every quarter and prior to the approval of interim and final results of the Fund as required by the Code. The terms of reference of the Audit Committee have been approved in the meeting of the Board and the Committee has been advised to ensure compliance with those terms of reference.
17. The Board has formed Human Resource and Remuneration Committee. It comprises three members, of whom two are non-executive directors and the chairman of the Committee is a non-executive director.
18. The Board has set up an effective internal audit function within the Management Company.
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 partner of the firm, their spouse and minor children do not hold units of the Fund and that the firm and all its partners are in compliance with the International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The "closed period", prior to the announcement of interim / final results, and business decisions, which may materially affect the NAV 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 the Stock Exchange.
23. As per the Code, a mechanism was required to be put in place for an annual evaluation of the Board within two years of coming into effect of the Code i.e., April 2014. The mechanism is in place and annual evaluation of the Board has been done accordingly.

For & on behalf of the Board



**Syed Khalid Hussain**  
Chief Executive Officer

**Karachi, August 17, 2016**





**INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS**

**REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of **ABL Government Securities Fund** (hereinafter referred to as the 'Fund'), which comprise the statement of assets and liabilities as at June 30, 2016, and the related income statement, 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 (**ABL Asset Management Company Limited**) 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.

**Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements give a true and fair view of the state of the financial position of the Fund as at June 30, 2016 and of its financial performance, its cash flows and transactions for the year then ended in accordance with the 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.

*A.F. Ferguson & Co.*

Chartered Accountants

Engagement Partner: **Noman Abbas Sheikh**

Dated: September 9, 2016

Karachi

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network  
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**ABL GOVERNMENT SECURITIES FUND**  
**INTERIM STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT JUNE 30, 2016**

	Note	June 30, 2016	June 30, 2015
----- Rupees in '000 -----			
<b>ASSETS</b>			
Balances with banks	4	7,374,681	3,791,467
Investments	5	2,298,906	5,518,037
Profit receivable	6	100,810	134,837
Preliminary expenses and floatation costs	7	414	1,414
Other receivable	8	738	-
<b>Total assets</b>		<b>9,775,549</b>	<b>9,445,755</b>
<b>LIABILITIES</b>			
Payable to ABL Asset Management Company Limited - Management Company	9	59,843	39,626
Payable to the Central Depository Company of Pakistan Limited - Trustee	10	621	643
Payable to the Securities and Exchange Commission of Pakistan	11	7,312	6,586
Dividend payable	12	362	30,266
Accrued expenses and other liabilities	13	178,168	180,120
Payable against redemption of units		32,991	3,154
<b>Total liabilities</b>		<b>279,297</b>	<b>260,395</b>
<b>NET ASSETS</b>		<b>9,496,252</b>	<b>9,185,360</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>9,496,252</b>	<b>9,185,360</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	14	-----Total number of units-----	
<b>NUMBER OF UNITS IN ISSUE</b>	15	945,612,021	915,570,610
		----- Rupees -----	
<b>NET ASSET VALUE PER UNIT</b>		10.0424	10.0324
<b>FACE VALUE PER UNIT</b>		10.0000	10.0000

The annexed notes 1 to 30 form an integral part of these financial statements.

For ABL Asset Management Company Limited  
(Management Company)

  
**SYED KHALID HUSSAIN**  
 Chief Executive Officer

  
**MUHAMMAD KAMRAN SHEHZAD**  
 Director

# ABL GOVERNMENT SECURITIES FUND

## INCOME STATEMENT

### FOR THE YEAR ENDED JUNE 30, 2016

INCOME	Note	June 30,	June 30,
		2016	2015
		Rupees in '000	
Capital gain on sale of government securities - net		176,611	499,160
Income from government securities		516,468	740,757
Income from term deposit receipts		62,668	4,091
Income from letters of placements		3,471	24,908
Profit on deposits with banks		104,870	87,006
		864,088	1,355,922
Unrealised appreciation / (diminution) on re-measurement of investments classified as financial assets at fair value through profit or loss - net	5.2	15,658	(19,318)
<b>Total income</b>		<b>879,746</b>	<b>1,336,604</b>
<b>EXPENSES</b>			
Remuneration of ABL Asset Management Company Limited - Management Company	9.1	121,871	109,766
Sindh sales tax on remuneration of the Management Company	9.2	19,792	19,099
Federal excise duty on remuneration of the Management Company	9.3	19,499	17,563
Accounting and operational charges	9.4	1,443	-
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	10.1	7,998	7,146
Sindh sales tax on remuneration of the Trustee	10.2	1,120	-
Annual fee - Securities and Exchange Commission of Pakistan	11.1	7,312	6,586
Brokerage and securities transaction costs		5,086	4,002
Bank charges		458	601
Auditors' remuneration	16	454	441
Amortisation of preliminary expenses and floatation costs	7	1,000	1,000
Printing charges		234	191
Listing fee		50	50
Legal and professional charges		274	100
Rating fee		257	215
<b>Total operating expenses</b>		<b>186,848</b>	<b>166,760</b>
<b>Net income for the year from operating activities</b>		<b>692,898</b>	<b>1,169,844</b>
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net		(379,433)	(661,656)
Provision for Workers' Welfare Fund	13.1	-	(10,164)
<b>Net income for the year before taxation</b>		<b>313,465</b>	<b>498,024</b>
Taxation	17	-	-
<b>Net income for the year after taxation</b>		<b>313,465</b>	<b>498,024</b>
Other comprehensive income for the year		-	-
<b>Total comprehensive income for the year</b>		<b>313,465</b>	<b>498,024</b>
<b>Earnings per unit</b>	18		

The annexed notes 1 to 30 form an integral part of these financial statements.

For ABL Asset Management Company Limited  
(Management Company)

  
SYED KHALID HUSSAIN  
Chief Executive Officer

  
MUHAMMAD KAMRAN SHEHZAD  
Director



 ABL Asset Management  
Discover the potential



**ABL GOVERNMENT SECURITIES FUND**  
**DISTRIBUTION STATEMENT**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	June 30, 2016	June 30, 2015
	----- Rupees in '000 -----	
<b>Undistributed income brought forward comprising of:</b>		
- Realised income	48,886	19,819
- Unrealised loss	(19,318)	(1,880)
	<b>29,568</b>	<b>17,939</b>
<b>Distributions during the year</b>		
Issue of 16,579,269 bonus units on class B @ Re 0.2599 per unit on June 21, 2016 (2015: Nil)	(183,747)	-
Cash distribution class - B @ Re 0.5336 per unit on June 23, 2016 (2015: Rs 1.5242 per unit on June 12, 2015)	(95,369)	(481,375)
	<b>(279,116)</b>	<b>(481,375)</b>
Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed - net	(23,874)	(5,020)
Net income for the year after taxation	313,465	498,024
Undistributed income carried forward	<b>40,043</b>	<b>29,568</b>
<b>Undistributed income carried forward comprising of:</b>		
- Realised income	24,385	48,886
- Unrealised income / (loss)	15,658	(19,318)
	<b>40,043</b>	<b>29,568</b>

The annexed notes 1 to 30 form an integral part of these financial statements.

For ABL Asset Management Company Limited  
(Management Company)

  
**SYED KHALID HUSSAIN**  
 Chief Executive Officer

  
**MUHAMMAD KAMRAN SHEHZAD**  
 Director

**ABL GOVERNMENT SECURITIES FUND**  
**STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	June 30, 2016	June 30, 2015
	----- Rupees in '000 -----	
<b>Net assets at the beginning of the year</b>	9,185,360	4,394,902
Issue of 2,541,508,636 units (2015: 2,665,859,898 units)	26,000,466	28,594,106
Redemption of 2,528,046,494 units (2015: 2,187,976,887 units)	(26,277,915)	(24,481,953)
	(277,449)	4,112,153
Issue of 16,579,269 bonus units (2015: Nil units)	174,559	-
Element of (income) / loss and capital (gains) / losses included in the prices of units issued less those in units redeemed - net		
- transferred to income statement	379,433	661,656
- transferred to distribution statement	23,874	5,020
	403,307	666,676
Capital gain on sale of government securities - net	176,611	499,160
Unrealised appreciation / (diminution) on re-measurement of investments classified as financial assets at fair value through profit or loss - net	15,658	(19,318)
Other net income for the year	121,196	18,182
<b>Net Income for the year</b>	313,465	498,024
<b>Distributions during the year</b>		
Issue of 16,579,269 bonus units on class B @ Re 0.2599 per unit on June 21, 2016 (2015: Nil)	(183,747)	-
Cash distribution class - B @ Re 0.5336 per unit on June 23, 2016 (2015: Rs 1.5242 per unit on June 12, 2015)	(95,369)	(481,375)
	(279,116)	(481,375)
Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed - net		
- transferred to distribution statement	(23,874)	(5,020)
<b>Net assets as at the end of the year</b>	<b>9,496,252</b>	<b>9,185,360</b>

The annexed notes 1 to 30 form an integral part of these financial statements.

For ABL Asset Management Company Limited  
(Management Company)

  
**SYED KHALID HUSSAIN**  
 Chief Executive Officer

  
**MUHAMMAD KAMRAN SHEHZAD**  
 Director



# ABL GOVERNMENT SECURITIES FUND

## CASH FLOW STATEMENT

### FOR THE YEAR ENDED JUNE 30, 2016

	June 30, 2016	June 30, 2015
CASH FLOWS FROM OPERATING ACTIVITIES	----- Rupees in '000 -----	-----
Net income for the year	313,465	498,024
<b>Adjustments for non-cash and other items</b>		
Profit on bank deposits	(104,870)	(87,006)
Income from letters of placements	(3,471)	(24,908)
Income from term deposit receipts	(62,668)	(4,091)
Amortisation of preliminary expenses and floatation costs	1,000	1,000
Unrealised (appreciation) / diminution on re-measurement of investments classified as financial assets at fair value through profit or loss - net	(15,658)	19,318
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net	379,433	661,656
Federal excise duty on remuneration of the Management Company	19,499	17,563
Provision for Workers' Welfare Fund	-	10,164
	213,265	593,696
<b>Decrease / (increase) in assets</b>		
Profit receivable	36,141	40,841
Other receivable	(738)	-
	35,403	40,841
<b>(Decrease) / increase in liabilities</b>		
Payable to ABL Asset Management Company Limited - Management Company	718	7,919
Payable to the Central Depository Company of Pakistan Limited - Trustee	(22)	303
Payable to the Securities and Exchange Commission of Pakistan	726	4,804
Accrued expenses and other liabilities	(4,492)	16,588
	(3,070)	29,614
Profit received on deposits with banks	102,756	79,103
Income received from letters of placements	3,471	24,908
Income received from term deposit receipts	62,668	4,091
Net amount received / (paid) on purchase and sale of investments	3,258,161	(2,401,470)
<b>Net cash generated from / (used in) operating activities</b>	3,986,119	(1,131,193)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts from issuance of units	26,000,466	28,594,106
Payments against redemption of units	(26,248,078)	(24,479,915)
Advance received against issuance of units	2,540	31,742
Cash distribution paid including withholding tax	(134,461)	(451,109)
Net cash (used in) / generated from financing activities	(379,533)	3,694,824
<b>Net increase in cash and cash equivalents</b>	3,606,586	2,563,631
<b>Cash and cash equivalents at the beginning of the year</b>	3,791,467	1,227,836
<b>Cash and cash equivalents at the end of the year</b>	4.3 7,398,053	3,791,467

The annexed notes 1 to 30 form an integral part of these financial statements.

For ABL Asset Management Company Limited  
(Management Company)

  
SYED KHALID HUSSAIN  
Chief Executive Officer

  
MUHAMMAD KAMRAN SHEHZAD  
Director

# ABL GOVERNMENT SECURITIES FUND

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2016

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#### 1 LEGAL STATUS AND NATURE OF BUSINESS

ABL Government Securities Fund (the Fund) was established under a Trust Deed executed on November 01, 2011 between ABL Asset Management Company Limited (ABL AMCL) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Securities and Exchange Commission of Pakistan (SECP) authorised constitution of the Trust Deed vide letter no. NBFC-II/ABLAMC/439/2011 dated October 31, 2011 in accordance with the requirement of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate issued by the SECP on December 07, 2007. The registered office of the Management Company is situated at 11-B, Lalazar, M.T Khan Road, Karachi.

The Fund is an open-end mutual Fund and is listed on the Pakistan Stock Exchange Limited. The units of the Fund are offered to the public for subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.

The Fund has been categorised as an open-ended income scheme as per the criteria laid down by the SECP for categorisation of Collective Investment Schemes (CISs).

The objective of the Fund is to deliver optimal risk adjusted returns by investing mainly in a mix of short to long term government securities and other debt instruments.

The JCR-VIS Credit Rating Company Limited has assigned management quality rating of AM2+ (stable outlook) to the Management Company as at May 04, 2016 (2015: AM2 (stable outlook) and a fund stability rating of A(f) to the Fund as at December 31, 2015 (2015: A+(f)).

The assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the 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. The approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

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

The following standard, interpretations and amendment to published approved accounting standards are mandatory for the financial year beginning on or after July 01, 2015 and is relevant to the Fund:

IFRS 13 'Fair Value Measurement' establishes a single framework for measuring fair value and making disclosures about fair value measurements when such measurements are required or permitted by other IFRS. It unifies the definition of fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It replaces and expands the disclosure requirements about fair value measurements in other IFRSs, including IFRS 7 'Financial Instruments: Disclosures'. Notwithstanding the above, the change had no significant impacts on the measurements of the Fund's assets and liabilities except for additional disclosures which are included in note 24 to these financial statements.





There are other amendments to the standards and new interpretations that are mandatory for accounting periods beginning on or after July 01, 2015 but are considered not to be relevant or do not have any significant effect on the Fund's financial statements 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 amendments to the existing published approved accounting standards, new interpretations and certain new standards that are mandatory for accounting periods beginning on or after July 01, 2016 but are considered not to be relevant or will not have any significant effect on the Fund's financial statements and are, therefore, not disclosed in these financial statements.

### **2.4 Critical accounting estimates and judgments**

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

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

- Classification and valuation of investment (notes 3.2 and 5)
- Impairment of financial assets (note 3.2.5)
- Taxation (note 3.7 and 17)
- Amortization of preliminary expenses and floatation cost (note 3.5 and 7)

### **2.5 Accounting convention**

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

### **2.6 Functional and presentation currency**

Items included in these financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupees which is the Fund's functional and presentation currency.

## **3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant 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 comprise of balances with banks and short-term highly liquid 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 at fair value through profit or loss, loans and receivables and available for sale. The classification depends on the purpose for which the financial assets were acquired. The management determines the appropriate 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 at fair value through profit or loss**

Financial assets that are acquired principally for the purpose of generating profits from short-term fluctuations in prices are classified as financial assets at fair value through profit or loss category. These include held for trading investments and such other investments that, upon initial recognition, are designated under this 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) loans and receivables or (b) financial assets at fair value through profit or loss. These are intended to be held for an indefinite period of time which may be sold in response to the needs for liquidity or change in price.

## **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**

Financial assets are initially recognised at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value while the related transaction costs are expensed out in the income statement.

## **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 at fair value through profit or loss and available for sale are carried at fair value. These are valued as follows:

#### **- Basis of valuation of debt securities**

The investment of the Fund in debt securities (comprising any security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital and includes term finance certificates, bonds, debentures, sukuks and commercial papers etc.) is valued on the basis of rates determined by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the SECP for valuation of debt securities. In determining the rates the MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

#### **- Basis of valuation of government securities**

The investment of the Fund in government securities is valued on the basis of rates published by the MUFAP.

Net gains and losses arising from the changes in the fair value and on sale of financial assets at fair value through profit or loss are taken to the 'income statement'.

Net gains and losses arising from the changes in the fair value of available for sale financial assets are taken to the 'other comprehensive income' until these are derecognised or impaired. At this time, the cumulative gain or loss previously recognised in the 'other comprehensive income' is shown as part of net income for the year.

### **b) Loans and receivables**

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

Gains or losses on these instruments are recognised in the income statement when the financial assets carried at amortised cost are derecognised or impaired.



### 3.2.5 Impairment

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

The amount of provision for certain debt securities is determined based on the provisioning criteria specified by the SECP.

For certain other financial assets, a provision for impairment is established when there is an objective evidence that the Fund will not be able to collect all amounts due according to the original terms. The provision against these amounts is made as per the provisioning policy duly formulated and approved by the Board of Directors of the Management Company in accordance with the requirements of the Securities and Exchange Commission of Pakistan.

### 3.2.6 Derecognition

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

### 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. These are initially recognised at fair value and subsequently stated at amortised cost.

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

### 3.4 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amounts are 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.

### 3.5 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the 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.

### 3.6 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 the obligation can be made. Provisions, if any, are regularly reviewed and adjusted to reflect the current best estimate.

### 3.7 Taxation

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

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

The Fund provides for deferred taxation using the balance sheet liability method on all major temporary differences between the amounts used for financial reporting purposes and amounts used for taxation purposes. In addition, the Fund also records deferred tax asset on unutilized 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 deferred tax, if any, in these financial statements as the Fund has distributed at least ninety percent of its accounting income as cash dividend for the year as reduced by capital gains, whether realised or unrealised, to its unit holders every year.

### 3.8 Proposed distributions

Distributions declared subsequent to the year end are considered as non-adjusting events and are recognised in year in which such distributions are declared.

### 3.9 Issue and redemption of units

Units issued are recorded at the offer price as per constitutive documents. The offer price is determined by the Management Company after realisation of subscription money.

The offer price represents the net asset value per unit as of the close of the business day. The Fund also recovers the allowance for sales load, provision for transaction costs and any provision for duties and charges, if applicable.

Units redeemed are recorded at the redemption price, as per the constitutive documents, applicable to units for which the distributors receive redemption requests during the business hours of 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, provision for transaction costs and any provision for duties and charges, if applicable.

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

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

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

The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting year is recognised in the income statement.

### 3.11 Net asset value per unit

The Net Asset Value (NAV) per unit, as disclosed in the statement of assets and liabilities, is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

### 3.12 Revenue recognition

- Realised capital gains / (losses) arising on sale of investments are included in the income statement on the date at which the sale transaction takes place.
- Unrealised appreciations / (diminutions) in the value of investments classified as 'Financial assets at fair value through profit or loss' are included in the income statement in the year in which they arise.
- Profit on bank deposits and on investments is recognised on an accrual basis.
- Income on government securities, debt securities, reverse repurchase transactions and placements is recognised on an accrual basis, using the effective interest rate method.

### 3.13 Expenses

All expenses including management fee and trustee fee are recognised in the Income Statement on an accrual basis.





	Note	June 30, 2016	June 30, 2015
		Rupees in '000	
<b>4 BALANCES WITH BANKS</b>			
Saving accounts	4.1 & 4.2	<b>7,374,681</b>	3,791,467

4.1 These saving accounts carry profit at rates ranging from 5.75% to 6.75% (2015: 5% to 7.25%) per annum.

4.2 Deposits in savings accounts include Rs 2,633,541 thousand (2015: Rs 31,798 thousand) maintained with Allied Bank Limited, a related party, and carry mark up at the rate of 6.75% (2015: 6.25%) per annum.

#### 4.3 Cash and cash equivalents

Saving accounts	4	<b>7,374,681</b>	3,791,467
Market Treasury Bill with original maturity of less than 3 months	5.1.1	<b>23,372</b>	-
		<b>7,398,053</b>	3,791,467

#### 5 INVESTMENTS

Financial assets at fair value through profit or loss - net

Government securities

- Market treasury bills

- Pakistan investment bonds

5.1.1	<b>23,869</b>	909,113
5.1.4	<b>2,275,037</b>	4,608,924
	<b>2,298,906</b>	5,518,037

#### 5.1 Financial assets at fair value through profit or loss

##### 5.1.1 Government securities - market treasury bills:

Issue date	Tenor	Face Value				As at June 30, 2016			Market value as a percentage of net Assets	Market value as a percentage of total market value of investment
		As at July 1, 2015	Purchased during the period	Disposed/ matured during the period	As at June 30, 2016	Carrying Value	Market value	Appreciation/ (diminution)		
Rupees in '000										
June 29, 2015	OMO Issue	-	191,000	191,000	-	-	-	-	-	-
May 28, 2015	3 Months	-	500,000	500,000	-	-	-	-	-	-
June 25, 2015	3 Months	-	388,500	388,500	-	-	-	-	-	-
July 9, 2015	3 Months	-	600,000	600,000	-	-	-	-	-	-
July 23, 2015	3 Months	-	377,000	377,000	-	-	-	-	-	-
January 21, 2016	3 Months	-	250,000	250,000	-	-	-	-	-	-
March 17, 2016	3 Months	-	106,000	106,000	-	-	-	-	-	-
May 12, 2016	3 Months	-	2,119,900	2,096,400	23,500	23,367	23,372	5	0.246%	1.017%
February 19, 2015	6 Months	50,000	-	50,000	-	-	-	-	-	-
March 5, 2015	6 Months	50,000	-	50,000	-	-	-	-	-	-
March 19, 2015	6 Months	350,000	-	350,000	-	-	-	-	-	-
April 16, 2015	6 Months	500	-	500	-	-	-	-	-	-
July 23, 2015	6 Months	-	336,000	336,000	-	-	-	-	-	-
September 3, 2015	6 Months	-	160,000	160,000	-	-	-	-	-	-
September 17, 2015	6 Months	-	517,000	517,000	-	-	-	-	-	-
January 21, 2016	6 Months	-	1,750,000	1,750,000	-	-	-	-	-	-
November 13, 2014	12 Months	200	-	200	-	-	-	-	-	-
November 27, 2014	12 Months	790	-	790	-	-	-	-	-	-
December 26, 2014	12 Months	200	-	200	-	-	-	-	-	-
January 8, 2015	12 Months	100,095	-	100,095	-	-	-	-	-	-
February 6, 2015	12 Months	185,000	1,400,000	1,585,000	-	-	-	-	-	-
March 5, 2015	12 Months	50,000	708,000	758,000	-	-	-	-	-	-
March 19, 2015	12 Months	89,000	-	89,000	-	-	-	-	-	-
April 16, 2015	12 Months	60,000	-	60,000	-	-	-	-	-	-
April 30, 2015	12 Months	-	400,000	400,000	-	-	-	-	-	-
May 28, 2015	12 Months	-	669,000	669,000	-	-	-	-	-	-
July 9, 2015	12 Months	-	100,000	100,000	-	-	-	-	-	-
August 6, 2015	12 Months	-	5,762,500	5,762,000	500	497	497	-	0.005%	0.021%
August 20, 2015	12 Months	-	500,000	500,000	-	-	-	-	-	-
September 3, 2015	12 Months	-	1,100,000	1,100,000	-	-	-	-	-	-
November 12, 2015	12 Months	-	100,000	100,000	-	-	-	-	-	-
January 21, 2016	12 Months	-	4,721,000	4,721,000	-	-	-	-	-	-
February 18, 2016	12 Months	-	1,450,000	1,450,000	-	-	-	-	-	-
March 3, 2016	12 Months	-	670,000	670,000	-	-	-	-	-	-
March 17, 2016	12 Months	-	700,000	700,000	-	-	-	-	-	-
<b>Total - June 30, 2016</b>		<b>935,785</b>	<b>25,575,900</b>	<b>26,487,685</b>	<b>24,000</b>	<b>23,864</b>	<b>23,869</b>	<b>5</b>	<b>0.251%</b>	<b>1.038%</b>
Total - June 30, 2015						908,760	909,113	353		

5.1.2 Market treasury bills carry effective interest rates ranging from 6.19% to 6.94% per annum (2015: 6.72% to 8.35% per annum).

5.1.3 Government securities - GoP Ijarah sukuk:

Issue date	Tenor	Face Value			As at June 30, 2016			Market value as a percentage of net Assets	Market value as a percentage of total market value of investment
		As at July 1, 2015	Purchased during the period	Disposed/ matured during the period	As at June 30, 2016	Carrying Value	Market value		
Rupees in '000									
December 18, 2015	5.89 / 3 Years	-	850,000	850,000	-	-	-	-	-
February 15, 2016	6.10 / 3 Years	-	3,450,000	3,450,000	-	-	-	-	-
		-	4,300,000	4,300,000	-	-	-	-	-

5.1.4 Government securities - Pakistan investment bonds:

Issue date	Tenor	Face Value			As at June 30, 2016			Market value as a percentage of net Assets	Market value as a percentage of total market value of investment	
		As at July 1, 2015	Purchased during the period	Disposed/ matured during the period	As at June 30, 2016	Carrying Value	Market value			Appreciation/ (diminution)
Rupees in '000										
July 18, 2013	11.25 / 3 Years	137,500	16,665,500	16,135,500	667,500	668,999	669,163	164	7.047%	29.108%
July 17, 2014	11.25 / 3 Years	100,000	40,000	140,000	-	-	-	-	-	-
March 26, 2015	8.75 / 3 Years	2,374,000	4,868,000	7,242,000	-	-	-	-	-	-
April 21, 2016	7.00 / 3 Years	-	950,000	950,000	-	-	-	-	-	-
July 19, 2012	11.50 / 5 Years	-	10,300	10,300	-	-	-	-	-	-
July 17, 2014	11.50 / 5 Years	253,200	5,190,800	4,603,200	840,800	960,776	965,723	4,947	10.169%	42.008%
March 26, 2015	9.25 / 5 Years	1,496,000	5,032,500	6,528,500	-	-	-	-	-	-
April 21, 2016	7.75 / 5 Years	-	1,510,000	900,000	610,000	629,609	640,151	10,542	6.741%	27.846%
July 19, 2012	12.00 / 10 Years	117,000	1,450,000	1,567,000	-	-	-	-	-	-
July 17, 2014	12.00 / 10 Years	-	1,850,000	1,850,000	-	-	-	-	-	-
March 26, 2015	9.50 / 10 Years	-	1,135,000	1,135,000	-	-	-	-	-	-
April 21, 2016	8.75 / 10 Years	-	900,000	900,000	-	-	-	-	-	-
<b>Total - June 30, 2016</b>		<b>4,477,700</b>	<b>39,602,100</b>	<b>41,961,500</b>	<b>2,118,300</b>	<b>2,259,384</b>	<b>2,275,037</b>	<b>15,653</b>	<b>23.957%</b>	<b>98.962%</b>
Total - June 30, 2015						4,628,595	4,608,924	(19,671)		

5.1.5 Pakistan investment bonds carry effective interest rates ranging from 6.00% to 6.98% per annum (2015: 7.75% to 9.65% per annum).

5.2 Unrealised diminution on re-measurement of investments classified as financial assets at fair value through profit or loss - net

	Note	June 30, 2016	June 30, 2015
		Rupees in '000	
Market value of securities		2,298,906	5,518,037
Less: carrying value of securities		(2,283,248)	(5,537,355)
		<b>15,658</b>	<b>(19,318)</b>
<b>6 PROFIT RECEIVABLE</b>			
Profit accrued on bank deposits		13,504	11,390
Profit accrued on Pakistan Investment Bonds		87,306	123,447
		<b>100,810</b>	<b>134,837</b>
<b>7 PRELIMINARY EXPENSES AND FLOATATION COSTS</b>			
Opening balance		1,414	2,414
Less: amortisation during the year	7.1	(1,000)	(1,000)
Closing balance		<b>414</b>	<b>1,414</b>



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

	Note	June 30, 2016	June 30, 2015
		Rupees in '000	
8	<b>OTHER RECEIVABLE</b>		
	Balance in IPS account	738	-
9	<b>PAYABLE TO ABL ASSET MANAGEMENT COMPANY LIMITED - MANAGEMENT COMPANY</b>		
	Remuneration of the Management Company	8,051	9,955
	Sindh sales tax on remuneration of the Management Company	7,278	4,914
	Federal excise duty on remuneration of the Management Company	41,987	22,488
	Accounting and operational charges payable to the Management Company	1,443	-
	Preliminary expenses and floatation costs	1,000	2,000
	Sales load	84	269
		<b>59,843</b>	<b>39,626</b>

9.1 The Management Company has charged remuneration at the rate of 1.25% (2015: 1.25%) per annum based on the daily net assets of the Fund. The amount of remuneration is being paid monthly in arrears.

9.2 The Provincial Government of Sindh has levied Sindh sales tax at the rate of 14% (June 30, 2015: 15%) on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.

9.3 As per the requirement of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Management Company has been applied effective June 13, 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED may result in double taxation, which does not appear to be the spirit of the law.

On 4 September 2013, a Constitutional Petition has been filed in the Honorable Sindh High Court (SHC) jointly by various asset management Companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

Subsequent to year ended June 30, 2016; the SHC has passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) have been set aside.

With effect from 01 July 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on management fee from July 01, 2016. However, the provision made till June 30, 2016, aggregating to Rs. 41.987 million (2015: Rs. 22.488 million) (including Rs. 19.499 million for the current year) has not been reversed as the management believes that the Federal Government retains the right to appeal against the said order in the Supreme Court within the prescribed timeline. Had the provision not been made, the Net Asset Value per unit of the Fund as at June 30, 2016 would have been higher by Re 0.0444 (2015: Re 0.0246) per unit.

9.4 During the year, the SECP vide SRO No 1160 (1) / 2015 dated November 25, 2015 introduced amendments in the NBFC regulations. As a result of these amendments, the Management Company of the Fund is entitled to reimbursement of fees and expenses incurred by the Management Company in relation to registrar services, accounting, operation and valuation services related to collective investment schemes upto maximum of 0.1% of the average annual net assets of the scheme or actual whichever is less. Based on these requirements, the Management Company has charged operating expenses amounting to Rs 1.443 million to the Fund from May 01, 2016 to June 30, 2016.

		June 30, 2016	June 30, 2015
	Note	----- Rupees in '000 -----	
<b>10</b>	<b>PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE</b>		
	Trustee fee	545	643
	Sindh sales tax on trustee remuneration	76	-
		<u>621</u>	<u>643</u>

**10.1** Under the provisions of the Trust Deed, the Trustee is entitled to a remuneration, to be paid monthly in arrears, as per the following tariff structure. There is no change in the tariff structure in the current year.

The tariff structure applicable to the Fund as at June 30, 2016 was as follows:

Net assets value	Tariff per annum
Upto Rs. 1,000 million	Rs. 0.15% per annum of Net asset value.
Exceeding Rs. 1,000 million	Rs. 1.5 million plus 0.075% per annum of Net asset value exceeding Rs. 1,000 million.
Over Rs 10 billion	Rs. 8.25 million plus 0.06% per annum of Net asset value exceeding Rs. 10 billion

**10.2** The Sindh Revenue Board through Circular No. SRB 3-4/TP/01/2015/86554 dated June 13, 2015 has amended the definition of services and has levied Sindh Sales Tax on custodianship services. Accordingly, Sindh Sales Tax of 14% is charged on Trustee fee under section 2(79A) of the Sindh Finance Bill, 2010 with effect from July 01, 2015.

**11 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN**

Annual fee	11.1	<u>7,312</u>	<u>6,586</u>
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**11.1** Under the provisions of the NBFC Regulations, 2008, a collective investment scheme classified as income scheme is required to pay as an annual fee to the SECP, an amount equal to 0.075% per annum (2015: 0.075% per annum) of the average annual net assets of the scheme.

**12 DIVIDEND PAYABLE**

Dividend payable		<u>362</u>	<u>30,266</u>
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**13 ACCRUED EXPENSES AND OTHER LIABILITIES**

Auditors' remuneration		260	280
Brokerage		650	466
Printing charges		100	89
Withholding tax		42,689	16,135
Advance against issue of units		2,540	31,742
Legal & professional charges payable		-	100
Provision for Workers' Welfare Fund	13.1	131,308	131,308
Other payable		621	-
		<u>178,168</u>	<u>180,120</u>

**13.1 Provision for Workers' Welfare Fund**

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

During the year ended June 30, 2012, the Honourable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006 and the Finance Act, 2008, had declared the said amendments as unlawful and unconstitutional. In March 2013, a larger bench of the Honourable Sindh High Court (SHC) passed an order declaring that the amendments introduced in the WWF Ordinance, 1971 through the Finance Act, 2006 and the Finance Act, 2008 do not suffer from any constitutional or legal infirmity. However, the Honorable High Court of Sindh has not addressed the other amendments made in the WWF Ordinance, 1971 about applicability of WWF to the CISs which is still pending before the Court. In May 2014, the Peshawar High Court (PHC) has also held these amendments to be ultra vires as they lacked the essential mandate to be introduced and passed through the Money Bill under the Constitution. Without prejudice to the above, the Management Company, as a matter of prudence and abundant caution, has made provision for WWF amounting to Rs 131.308 million up to June 30, 2015. Had the same not been made the net asset value per unit of the Fund as at June 30, 2016 would have been higher by Re 0.1389 (2015: Re 0.1434) per unit.





13.1.2 The Finance Act, 2015 has excluded Mutual Funds and Collective Investment Schemes from the definition of 'Industrial establishment' subject to WWF under WWF Ordinance, 1971. Accordingly, no further provision for WWF has been made from July 01, 2015. The provision made till June 30, 2015 has not been reversed as the above law suit is still pending in the SHC.

#### 14 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2016 and as at June 30, 2015.

#### 15 NUMBER OF UNITS IN ISSUE

	----- For the Year ended June 30, 2016 -----		
	Class A (Note 15.1)	Class B	Total
Total units in issue at the beginning of the year	-	915,570,610	915,570,610
Add: units issued	-	2,541,508,636	2,541,508,636
Add: bonus units issued	-	16,579,269	16,579,269
Less: units redeemed	-	(2,528,046,494)	(2,528,046,494)
Total units in issue at the end of the year	-	945,612,021	945,612,021

	----- For the Year ended June 30, 2015 -----		
	Class A (Note 15.1)	Class B	Total
Total units in issue at the beginning of the year	-	437,687,599	437,687,599
Add: units issued	-	2,665,859,898	2,665,859,898
Less: units redeemed	-	(2,187,976,887)	(2,187,976,887)
Total units in issue at the end of the year	-	915,570,610	915,570,610

15.1 The Management Company had suspended the offering of Class "A" Units with effect from February 10, 2014.

#### 16 AUDITORS' REMUNERATION

	June 30, 2016	June 30, 2015
	----- Rupees in '000 -----	
Annual audit fee	220	200
Half yearly review fee	110	100
Other certifications	40	80
Out of pocket expenses	84	61
	<u>454</u>	<u>441</u>

#### 17 TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders as cash dividend. Subsequent to the year end the management has distribute at least ninety percent of the Fund's accounting income as cash dividend for the year as reduced by capital gains, whether realised or unrealised, to its unit holders. Accordingly, no provision in respect of taxation has been made in these financial statements.

#### 18 EARNINGS PER UNIT

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

#### 19 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

Connected person / related parties include the Management Company, its parent and the related subsidiaries of the parent, associated companies / undertakings of the Management Company, other funds managed by the Management Company, post employment benefit funds of the Management Company, employment funds of the parent, subsidiaries and its associated undertakings. It also includes Central Depository Company of Pakistan Limited being the Trustee of the Fund, the directors and officers of the Management Company and any person or Company beneficially owning directly or indirectly 10% or more of the units in issue / net assets of the Fund.

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

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

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

19.4 Detail of transactions with related parties / connected persons during the year:

	June 30, 2016	June 30, 2015
	----- Rupees in '000 -----	
<b>ABL Asset Management Company Limited - Management Company</b>		
Issue of 24,024,611 (2015: 9,237,442) units	248,859	107,227
Bonus of 88,851 (2015: Nil) units	935	-
Redemption of 24,113,462 (2015: 16,405,824) units	251,846	179,306
Preliminary expenses and floatation costs	1,000	1,000
Remuneration	121,871	109,766
Sindh sales tax on remuneration of the Management Company	19,792	19,099
Federal excise duty on remuneration of the Management Company	19,499	17,563
Accounting and operational charges	1,443	-
Sales load paid	1,688	6,322
<b>Central Depository Company of Pakistan Limited</b>		
Remuneration	7,998	7,146
Sindh sales tax on remuneration of the Trustee	1,120	-
<b>Allied Bank Limited</b>		
Mark-up income on bank deposits	3,744	7,914
Amount placed in term deposit receipts	1,300,000	-
Income on term deposit receipts	14,096	-
Bank charges	128	362
<b>Ibrahim Agencies (Private) Limited</b>		
Redemption of Nil (2015: 16,678,977) units	-	184,568
<b>CFA Association of Pakistan</b>		
Issue of 1,147,057 (2015: Nil) units	11,511	-
Redemption of 1,147,057 (2015: 287,112) units	11,516	3,308
<b>Pioneer Cement Limited</b>		
Issue of 13,363,906 (2015: 134,635,039) units	134,720	1,403,438
Bonus of 2,560,424 (2015: Nil) units	26,958	-
Redemption of Nil (2015: 87,729,122) units	-	1,011,008
Cash distribution	44,720	-
<b>D.G. Khan Cement Company Limited</b>		
Issue of 115,801,928 (2015: 593,915,300) units	1,200,000	6,127,589
Redemption of 432,094,170 (2015: 277,623,058) units	4,381,337	3,201,216
<b>English Biscuit Manufacturers (Private) Limited*</b>		
Issue of 221,195,532 (2015: Nil) units	2,244,097	-
Bonus of 1,817,487 (2015: Nil) units	19,136	-
Redemption of 84,109,458 (2015: Nil) units	885,534	-
<b>DIRECTORS OF THE MANAGEMENT COMPANY</b>		
<b>Khawaja Muhammad Almas**</b>		
Issue of N/A (2015: 120,284) units	-	1,214
Redemption of N/A (2015: 225,573) units	-	2,277
Cash distribution	-	161
<b>Muhammad Javaid Iqbal**</b>		
Issue of N/A (2015: 135,999) units	-	1,366
Redemption of N/A (2015: 1,518) units	-	15
Cash distribution	-	387
<b>KEY MANAGEMENT PERSONNEL</b>		
Issue of 7,464,267 (2015: 6,349,071) units	75,691	68,025
Bonus of 95,640 (2015: Nil) units	1,007	-
Redemption of 6,764,175 (2015: 2,985,439) units	70,370	31,907
Cash distribution	-	4,270
<b>EXECUTIVE</b>		
Issue of 423,333 (2015: Nil) units	4,249	-
Redemption of 423,333 (2015: Nil) units	4,250	-

\* Prior year comparatives have not been presented as the entity was not classified as a related party / connected person as at June 30, 2015.

\*\* Current year figure has not been presented as the person is not classified as a related party / connected person of the Fund as at June 30, 2016.



	June 30, 2016	June 30, 2015
	----- Rupees in '000 -----	
<b>19.5 Detail of balances with related parties / connected persons as at year end:</b>		
<b>ABL Asset Management Company Limited - Management Company</b>		
Preliminary expenses and floatation costs payable	1,000	2,000
Remuneration payable	8,051	9,955
Sindh sales tax on remuneration of the Management Company	7,278	4,914
Federal excise duty on remuneration of the Management Company	41,987	22,488
Accounting and operational charges payable to the Management Company	1,443	-
Sales load payable	84	269
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable	545	643
Sindh sales tax on remuneration of the Trustee	76	-
Balance in IPS account	738	-
<b>Allied Bank Limited</b>		
Balances held in saving accounts	2,633,541	31,798
Mark-up accrued on deposits with banks	2,326	1,051
<b>English Biscuit Manufacturers (Private) Limited*</b>		
Outstanding 138,903,561 (2015: Nil) units	1,394,925	-
<b>Pioneer Cement Limited</b>		
Outstanding 116,216,941 (2015: 100,292,611) units	1,167,097	1,006,176
<b>D.G. Khan Cement Company Limited</b>		
Outstanding Nil (2015: 316,292,242) units	-	3,173,170
<b>DIRECTORS OF THE MANAGEMENT COMPANY</b>		
<b>Khawaja Muhammad Almas**</b>		
Outstanding N/A (2015: 564) units	-	6
<b>Muhammad Javaid Iqbal**</b>		
Outstanding N/A (2015: 291,113) units	-	2,921
Dividend payable	-	5
<b>KEY MANAGEMENT PERSONNEL</b>		
<b>Former Chief Executive Officer</b>		
Outstanding 4,380,292 (2015: 3,584,560) units	43,989	35,962
Dividend payable	-	247

\* Prior year comparatives have not been presented as the entity was not classified as a related party / connected person as at June 30, 2015.

\*\* Current year figure has not been presented as the person is not classified as a related party / connected person of the Fund as at June 30, 2016.

## 20 PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER

Details of the members of the investment committee of the Fund as at June 30, 2016 are as follows:

S. No.	Name	Designation	Experience in Years	Qualification
1	Farid Ahmed Khan*	Former Chief Executive Officer	22	CFA & MBA
2	Muhammad Imran	Chief Investment Officer	17	MBA
3	Asif Mobin	Fund Manager	17	MBA
4	Faizan Saleem	Fund Manager	9	MBA

Farid Ahmed Khan resigned effective July 15, 2016. Syed Khalid Hussain is the CEO of the Company. He is now a part of the investment committee with effect from July 16, 2016.

20.1 Faizan Saleem is the Fund Manager of the Fund. He is also managing ABL Income Fund and ABL Cash Fund.

## 21 TRANSACTIONS WITH BROKERS / DEALERS

List of top 10 brokers by percentage of commission charged during the year ended June 30, 2016

S. No.	Particulars	Percentage
1	Invest Capital Markets Limited	25.88%
2	Next Capital Limited	14.79%
3	Invest One Markets Limited	10.25%
4	Invest & Finance Securities Limited	8.62%
5	Magenta Capital (Private) Limited	7.57%
6	C & M Management (Private) Limited	7.35%
7	JS Global Capital Limited	6.45%
8	Vector Capital (Private) Limited	4.56%
9	Global Securities Pakistan Limited	3.06%
10	Icon Securities (Private) Limited	2.64%

List of top 10 brokers by percentage of commission charged during the year ended June 30, 2015

S. No.	Particulars	Percentage
1	Invest Capital Markets Limited	20.72%
2	Next Capital Limited	14.93%
3	JS Global Capital Limited	11.22%
4	Invest & Finance Securities Limited	10.73%
5	C & M Management (Private) Limited	10.54%
6	Invest One Markets Limited	8.70%
7	Vector Capital (Private) Limited	6.65%
8	BMA Capital Management Limited	5.32%
9	KASB Securities Limited	4.93%
10	Summit Capital (Private) Limited	1.86%





22 PATTERN OF UNIT HOLDING

Category	-----As at June 30, 2016-----			
	Number of Unit holders	Number of units held	Net asset value of the amount invested	Percentage of total investment
			Rupees in '000	
Individuals	1,496	216,732,302	2,176,550	22.92%
Associated companies / directors	1	4,380,292	43,989	0.46%
Insurance companies	11	54,987,798	552,209	5.82%
Retirement Fund	17	34,515,389	346,617	3.65%
Public limited companies*	12	357,645,053	3,591,615	37.82%
Others**	32	277,351,187	2,785,272	29.32%
<b>Total</b>	<b>1,569</b>	<b>945,612,021</b>	<b>9,496,252</b>	<b>100%</b>

\* This includes 116,216,941 units amounting to Rs 1,167.097 million held by a connected person.

\*\* This includes 138,903,561 units amounting to Rs 1,394.925 million held by a connected person.

Category	-----As at June 30, 2016-----			
	Number of Unit holders	Number of units held	Net asset value of the amount invested	Percentage of total investment
			Rupees in '000	
Individuals	1,899	303,714,325	3,046,978	33.17%
Associated companies / directors	2	319,876,802	3,209,132	34.94%
Insurance companies	7	41,683,282	418,183	4.55%
Retirement Fund	14	17,006,595	170,617	1.86%
Public limited companies*	8	185,415,309	1,860,161	20.25%
Other	19	47,874,298	480,289	5.23%
<b>Total</b>	<b>1,949</b>	<b>915,570,610</b>	<b>9,185,360</b>	<b>100%</b>

\* This includes 100,292,611 units amounting to Rs 1,006.176 million held by a connected person.

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

The 43rd, 44th, 45th, 46th and 47th meetings of the Board of Directors were held on August 27, 2015, October 30, 2015, December 16, 2015, February 08, 2016 and April 27, 2016 respectively. Information in respect of attendance by the directors and other persons in the meetings is given below:

S. No.	Particulars	-----As at June 30, 2016-----			
		Number of meetings held	Number of meetings attended	Leave granted	Meetings not attended
	<b>Directors</b>				
1	Sheikh Mukhtar Ahmed	5	4	1	46th
2	Mohammad Naeem Mukhtar	5	4	1	45th
3	Muhammad Waseem Mukhtar	5	4	1	46th
4	Tariq Mahmood	5	4	1	43rd
5	Kamran Nishat	5	3	2	46th, 47th
6	Muhammad Kamran Shehzad	5	5	-	-
7	Farid Ahmed Khan	5	5	-	-
	<b>Other persons</b>				
8	Saqib Matin*	5	5	-	-

\* Attended the BOD meetings as the Company Secretary.

As at June 30, 2016, all the financial assets carried on the statement of assets and liabilities are categorised either as loans and receivables or financial assets at fair value through profit or loss. All the financial liabilities carried on the statement of assets and liabilities are categorised as other financial liabilities at amortised cost.

Particulars	-----As at June 30, 2016-----		
	Loans and receivables	Financial assets 'at fair value through profit or loss'	Total
<b>Financial assets</b>			
Balances with banks	7,374,681	-	7,374,681
Investments	-	2,298,906	2,298,906
Profit receivable	100,810	-	100,810
Other receivable	738	-	738
	<u>7,476,229</u>	<u>2,298,906</u>	<u>9,775,135</u>

Particulars	-----As at June 30, 2016-----		
	Liabilities 'at fair value through profit or loss'	Other financial liabilities at amortised cost	Total
<b>Financial liabilities</b>			
Payable to ABL Asset Management Company Limited - Management Company	-	59,843	59,843
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	621	621
Accrued expenses and other liabilities	-	1,631	1,631
Dividend payable	-	362	362
Payable against redemption of units	-	32,991	32,991
	-	<u>95,448</u>	<u>95,448</u>

Particulars	-----As at June 30, 2015-----		
	Loans and receivables	Financial assets 'at fair value through profit or loss'	Total
<b>Financial assets</b>			
Balances with banks	3,791,467	-	3,791,467
Investments	-	5,518,037	5,518,037
Profit receivable	134,837	-	134,837
Other receivable	-	-	-
	<u>3,926,304</u>	<u>5,518,037</u>	<u>9,444,341</u>

Particulars	-----As at June 30, 2015-----		
	Liabilities 'at fair value through profit or loss'	Other financial liabilities at amortised cost	Total
<b>Financial liabilities</b>			
Payable to ABL Asset Management Company Limited - Management Company	-	39,626	39,626
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	643	643
Accrued expenses and other liabilities	-	935	935
Dividend payable	-	30,266	30,266
Payable against redemption of units	-	3,154	3,154
	-	<u>74,624</u>	<u>74,624</u>



## 25 FINANCIAL RISK MANAGEMENT

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

### 25.1 Market risk

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

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

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

#### 25.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign currency exchange rates. At present, the Fund is not exposed to currency risk as all the transactions are carried out in Pakistani Rupees.

#### 25.1.2 Interest rate risk

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

##### a) Sensitivity analysis for variable rate instruments

Presently, the Fund does not hold any variable rate instrument and is not exposed to cash flow interest rate risk except for balances in certain saving accounts, the interest rate of which ranges from 5.75% to 6.75%.

##### b) Sensitivity analysis for fixed rate instruments

Fixed rates instruments held as at June 30, 2016 include Market Treasury Bills and Pakistan Investment Bonds. The Fund's income from these investments is substantially independent of changes in market interest rates, except for changes if any as a result of fluctuation in the respective fair values.

Market Treasury Bills and Pakistan Investment Bonds which are classified as financial assets at fair value through profit or loss expose the Fund to fair value interest rate risk. In case of 100 basis points increase in PKRV rates published on MUFAP page as at June 30, 2016, with all other variables held constant, the net income for the year and the net assets would be lower by Rs. 50.023 million (2015: Rs. 135.502 million). In case of 100 basis points decrease in PKRV rates on MUFAP page as at June 30, 2016, with all other variables held constant, the net income for the year and the net assets would be higher by Rs. 52.269 million (2015: Rs. 141.469 million).

The composition of the aforementioned Fund's investment portfolio and PKRV rates on MUFAP page are expected to change over time. Therefore, the sensitivity analysis 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 the financial instruments recognised on the statement of assets and liabilities is based on the earlier of contractual repricing or maturity date and for off-balance sheet instruments is based on the settlement date.

Particulars	-----As at June 30, 2016-----					
	Effective Yield / Interest Rate	Exposed to yield / Interest risk			Not exposed to Yield / Interest rate risk	Total
		Upto three months	More than three months and upto one year	More than one year		
<b>On-balance sheet financial instruments</b>	%	-----Rupees in '000-----				
<b>Financial assets</b>						
Balances with banks	5.75 - 6.75	7,374,681	-	-	7,374,681	
Investments	6.00 - 6.98	693,032	1,605,874	-	2,298,906	
Profit receivable		-	-	-	100,810	
Other receivable		-	-	-	738	
<b>Sub total</b>		<b>8,067,713</b>	<b>1,605,874</b>	<b>-</b>	<b>9,775,135</b>	
<b>Financial liabilities</b>						
Payable to ABL Asset Management Company Limited - Management Company		-	-	-	59,843	
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	-	621	
Accrued expenses and other liabilities		-	-	-	1,631	
Dividend payable		-	-	-	362	
Payable against redemption of units		-	-	-	32,991	
<b>Sub total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>95,448</b>	
<b>On-balance sheet gap (a)</b>		<b>8,067,713</b>	<b>1,605,874</b>	<b>-</b>	<b>6,100</b>	
<b>Off-balance sheet financial instruments</b>		-	-	-	-	
<b>Off-balance sheet gap (b)</b>		-	-	-	-	
<b>Total interest rate sensitivity gap (a+b)</b>		<b>8,067,713</b>	<b>1,605,874</b>	<b>-</b>	<b>6,100</b>	
<b>Cumulative interest rate sensitivity gap</b>		<b>8,067,713</b>	<b>9,673,587</b>	<b>9,673,587</b>		

Particulars	-----As at June 30, 2015-----					
	Effective Yield / Interest Rate	Exposed to yield / Interest risk			Not exposed to Yield / Interest rate risk	Total
		Upto three months	More than three months and upto one year	More than one year		
<b>On-balance sheet financial instruments</b>	%	-----Rupees in '000-----				
<b>Financial assets</b>						
Balances with banks	5 - 7.25	3,791,467	-	-	3,791,467	
Investments	6.72 - 9.65	443,800	5,074,237	-	5,518,037	
Profit receivable		-	-	-	134,837	
Other receivable		-	-	-	-	
<b>Sub total</b>		<b>4,235,267</b>	<b>5,074,237</b>	<b>-</b>	<b>9,444,341</b>	
<b>Financial liabilities</b>						
Payable to ABL Asset Management Company Limited - Management Company		-	-	-	39,626	
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	-	643	
Accrued expenses and other liabilities		-	-	-	935	
Dividend payable		-	-	-	30,266	
Payable against redemption of units		-	-	-	3,154	
<b>Sub total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>74,624</b>	
<b>On-balance sheet gap (a)</b>		<b>4,235,267</b>	<b>5,074,237</b>	<b>-</b>	<b>60,213</b>	
<b>Off-balance sheet financial instruments</b>		-	-	-	-	
<b>Off-balance sheet gap (b)</b>		-	-	-	-	
<b>Total interest rate sensitivity gap (a+b)</b>		<b>4,235,267</b>	<b>5,074,237</b>	<b>-</b>	<b>60,213</b>	
<b>Cumulative interest rate sensitivity gap</b>		<b>4,235,267</b>	<b>9,309,504</b>	<b>9,309,504</b>		





### 25.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by the factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Fund does not hold any security which exposes the Fund to price risk.

### 25.2 Credit risk

Credit risk represents the risk of a loss if the counter parties fail to perform as contracted. The Fund's credit risk is primarily attributable to its balances with banks. The Fund does not foresee any issue with these balances as the counter parties are financial institutions with reasonable high credit ratings. The Fund does not foresee any credit risk with respect to government securities since these represent the interests of the Government of Pakistan. The internal risk management policies and investment guidelines (approved by the Investment Committee) require the Fund to invest in securities that have been rated as investment grade by a well known rating agency.

#### 25.2.1 The analysis below summarises the available published credit ratings of the Fund's financial assets as at June 30, 2016:

##### Balances with banks by rating category

Name of the bank	Rating agency	Latest available published rating	Percentage of bank balance
Allied Bank Limited	PACRA	AA+	35.69%
Bank Al Falah Limited	PACRA	AA	0.18%
Faysal Bank Limited	PACRA	AA	43.89%
Habib Metropolitan Bank Limited	PACRA	AA+	0.01%
Sindh Bank Limited	JCRVIS	AA	0.00%
Soneri Bank Limited	PACRA	AA-	13.13%
NIB Bank Limited	PACRA	AA-	0.01%
Zarai Taraqati Bank Limited	JCRVIS	AAA	7.09%

A portion of the investment is invested by the Fund in market treasury bills and Pakistan Investment Bonds which are auctioned by the State Bank of Pakistan and are available for investment / trade through secondary market.

There are no financial assets that are past due or impaired.

##### Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counter parties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is mainly held with / invested in various banks and securities issued by the State Bank of Pakistan on behalf of Government of Pakistan.

The Fund's bank balances are mainly held with 3 banks. The management believes that these are credit-worthy counter parties.

### 25.3 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 the terms that are materially disadvantageous to the Fund.

The Fund is exposed to daily cash redemptions, if any. The Fund's approach to manage 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. The Fund's policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily realised. The Fund's investments are considered readily realisable.

The Fund can borrow in the short term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates. However, no borrowing was obtained by the Fund during the current year.

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

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

Particulars	-----As at June 30, 2016-----			
	Upto three months	More than three months and upto one year	More than one year	Total
	----- Rupees in '000 -----			
<b>Liabilities</b>	<b>58,843</b>	<b>1,000</b>	<b>-</b>	<b>59,843</b>
Payable to ABL Asset Management Company Limited				
Payable to the Central Depository Company of Pakistan Limited - Trustee	621	-	-	621
Accrued expenses and other liabilities	1,631	-	-	1,631
Dividend payable	362	-	-	362
Payable against redemption of units	32,991	-	-	32,991
	94,448	1,000	-	95,448

Particulars	-----As at June 30, 2015-----			
	Upto three months	More than three months and upto one year	More than one year	Total
	----- Rupees in '000 -----			
<b>Liabilities</b>				
Payable to ABL Asset Management Company Limited	37,626	1,000	1,000	39,626
Payable to the Central Depository Company of Pakistan Limited - Trustee	643	-	-	643
Accrued expenses and other liabilities	935	-	-	935
Dividend payable	30,266	-	-	30,266
Payable against redemption of units	3,154	-	-	3,154
	72,624	1,000	1,000	74,624

## 26 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or liability can be 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 traded in an open market are revalued at the market prices prevailing on the reporting date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from the carrying values as the items are either short term in nature or periodically repriced.

Fair value of investments is determined as follows:

- Investments in government securities are valued on the basis of average rates of brokers as announced by the Financial Markets Association of Pakistan
- The fair values of all other financial assets and financial liabilities of the Fund approximate their carrying amounts due to short term maturities of these instruments.



## 26.1 Fair value hierarchy

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

Level 1: Fair value measurements using quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2016, the Fund held the following financial instruments measured at fair value:

	-----As at June 30, 2016-----			
	Level 1	Level 2	Level 3	Total
	-----Rupees in '000-----			
<b>ASSETS</b>				
Investment - financial assets 'at fair value through profit or loss'	-	2,298,906	-	2,298,906

	-----As at June 30, 2015-----			
	Level 1	Level 2	Level 3	Total
	-----Rupees in '000-----			
<b>ASSETS</b>				
Investment - financial assets 'at fair value through profit or loss'	-	5,518,037	-	5,518,037

## 27 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by the net assets attributable to unit holders / redeemable units. The unit holders of the Fund are entitled to distributions and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the statement of movement in unit holders' fund.

The Fund has no restrictions or specific funding requirements on the subscription and redemption of units.

The Fund's objectives when managing funds received are to safeguard its ability to continue as a going concern so that it can continue to provide returns for unit holders and to maintain a strong base to meet unexpected losses or opportunities.

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

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

## 28 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 17, 2016 by the Board of Directors of the Management Company.

**29 NON ADJUSTING EVENT AFTER REPORTING DATE**

The Board of Directors of the Management Company in their meeting held on July 28, 2016 has declared Final Cash Dividend at Re 0.0182 per unit amounting to Rs. 16.008 million for the year ended June 30, 2016. The financial statements of the Fund for the year ended June 30, 2016 do not include the effect of the final cash dividend which will be accounted for in the financial statements of the Fund for the year ending June 30, 2017.

**30 GENERAL**

**30.1** Figures have been rounded off to the nearest thousand rupees.

**30.2** Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation. No significant rearrangements or reclassifications were made in these financial statements.

For ABL Asset Management Company Limited  
(Management Company)

  
SYED KHALID HUSSAIN  
Chief Executive Officer

  
MUHAMMAD KAMRAN SHEHZAD  
Director





ہم اپنے قابل قدر سرمایہ کاروں کے اعتماد کا شکریہ ادا کرتے ہیں۔ بورڈ نے پاکستان کی سیکورٹیز اینڈ ایکسچینج کمیشن، ٹرسٹی اور ان کی مسلسل رہنمائی اور مدد کے لئے پاکستان اسٹاک ایکسچینج لمیٹڈ کے شکرگزار ہے۔ ڈائریکٹرز بھی انتظامی ٹیم کی کوششوں کی تعریف کرتے ہیں۔

بورڈ کی جانب سے  
سید خالد حسین  
چیف ایگزیکٹو آفیسر

تاریخ: 17 اگست 2016

میسر ویلوٹ یوسف عادل (چارٹرڈ اکاؤنٹنٹس)، دوبارہ تعیناتی کے لئے اہل ہونے کے بورڈ آف ڈائریکٹرز کے آڈٹ کمیٹی کی سفارش پر اے بی ایل گورنمنٹ سیکورٹیز فنڈ (ABL - GSF) کے لئے 30 جون، 2017 کو ختم ہونے والے سال کے لئے آڈیٹرز کے طور پر مقرر کیا گیا ہے۔

## فنڈ کی ریٹنگ

JCR-VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ 31 دسمبر، 2015 پر، (و) جو کرنے کے لئے A+(F) (سنگل اے سے اے بی ایل گورنمنٹ سیکورٹیز فنڈ (اے بی ایل۔ جی ایس ایف) کے فنڈ استحکام کی درجہ بندی پر نظر ثانی کی (ایف) (سنگل اے (ف)۔

## میجمنٹ کو الٹی ریٹنگ

مئی 04، 2016 پر، JCR-VIS کریڈٹ ریٹنگ کمپنی نے AM2+ دی اور آڈٹ لک مستحکم۔

## آڈٹ لک اور حکمت عملی

ایم ایس سی آئی ای ایم میں شامل کئے جانے سے زیادہ جوش و خروش کے طور پر ایکویٹیز پر تیزی رہیں مارکیٹ انڈیکس میں (رہی مضبوط غیر ملکی رقوم کا اندراج کثیر سال کم شرح سود اور ایشیا کی پیداواری قیمتوں کی لاگت سرمایہ کاروں کے اعتماد کو بہتر بنانے کے قیام کی بنیاد رہی۔ دوسری طرف، مقامی فلسفہ انکم انسٹرومنٹ مالیاتی نرمی کے ساتھ جماؤ کھو رہے ہیں جو قیمتوں کو کمزور کی وجہ ہے اور برآمد بھی بہت کم ہے۔ عالمی مارکیٹوں میں غیر یقینی صورتحال پر ہم تشویش، محسوس کرتے ہیں اگرچہ یہ پاکستان پر اس کی برآمدات کا زیادہ اثر کل جی ڈی پی کے لحاظ سے اہم نہیں ہیں۔

مندرجہ بالا مفروضات کی بنیاد پر ہم اسٹیٹ بینک کو صحت مند FX ذخائر، نرم گرانٹی اور عمومی بہتر بنانے میکروز کی پشت پر FY17 میں ایک مستحکم شرح پالیسی برقرار رکھیں گے یقین رکھتے ہیں۔ لہذا، ہم مارکیٹ میں پہلے ہی بھاری پی آئی بی کی وجہ PKRV پیداوار ایڈجسٹ کیا ہے کے طور پر ہم اندازہ کے طور پر مارکیٹ کی پیداوار کیس MPS کمیٹی میں اضافہ کا تیزی ایڈجسٹ کر سکتے ہیں آئندہ مانیٹری پالیسی میں موجودہ DR برقرار رکھار بیٹرن میں اتار چڑھاؤ سے بچنے کے لئے بھی کم 1 سال کی مدت برقرار رکھیں گے پر پکوتاؤں۔ تاہم، ہم بنیادی مفروضات میں کوئی تبدیلی کی صورت میں ہمارے پورٹ فولیو تخلیق کرنے آئے گا۔ مختصر مدت میں، ہم واپسی کو سال کے آخر کی وجہ سے اعلیٰ کی شرح میں بینکوں کے ساتھ کی وجہ سائٹوں پر زیادہ کناروں پر رہنے کی توقع ہے۔



S. No.	Name of Director	Number of meetings		Leave granted	Meetings not attended
		Held	Attended		
1	Mr. Muhammad Waseem Mukhtar	1	1	-	-
2	Mr. Kamran Nishat	1	1	-	-
3	Mr. Farid Ahmed Khan	1	1	-	-

15 - آڈٹ کمیٹی کا اجلاس ہر سہ ماہی میں ایک مرتبہ منعقد کی جاتی ہیں۔ چار اجلاس دوران سال منعقد کی گئی۔ 33RD، 34th، 35th اور 36th بورڈ کی آڈٹ کمیٹی کے اجلاس 27 اگست، 2015، 30 اکتوبر، 2015، فروری 03، 2016 اور 27 اپریل، 2016 منعقد کیا گیا تھا۔ ملاقاتوں میں ڈائریکٹرز کی طرف سے حاضری کے سلسلے میں معلومات مندرجہ ذیل ہے؛

S.No.	Name of Director	Number of meetings		Leave granted	Meetings not attended
		Held	Attended		
1	Mr. Kamran Nishat	4	3	1	36 <sup>th</sup>
2	Mr. Muhammad Waseem Mukhtar	4	3	1	35 <sup>th</sup>
3	Mr. M. Kamran Shehzad	4	4	-	31 <sup>st</sup>

16 - کارپوریٹ گورننس کے کوڈ کی طرف سے مطلوبہ تفصیلات۔

S. No.	Particulars	Units Held on June 30, 2016
1	<b>Associated Companies, undertakings and related parties</b>	
	• English Biscuit Manufacturers (Pvt) Ltd.,	138,903,561.43
	• Pioneer Cement Ltd.,	116,216,940.99
2	<b>Mutual Funds</b>	-
3	<b>Directors and their spouse(s) and minor children</b>	-
4	<b>Executives</b>	
	• Mr. Farid Ahmed Khan	4,380,292.09
5	<b>Public Sector Companies and corporations</b>	299,063,219.06
6	<b>Others Corporates</b>	78,792,528.73
7	<b>Bank, DFIs, NBFCs, Insurance Companies, Takaful, Modaraba and Pension Fund</b>	91,523,175.99
8	<b>Shareholders holding five percent or more voting rights in the listed company</b>	-

- 7- لسٹنگ کے ضابطے میں تفصیلی طور پر کارپوریٹ گورننس کے بہترین طریقوں، کو اپنایا جاتا رہا ہے۔
- 8- فنڈ کی کارکردگی ٹیبل صفحہ #15 سالانہ رپورٹ کے.. پر دیا جاتا ہے؛
- 9- ٹیکس، فرائض، لیویز اور بقایا پہلے سے ہی مالی بیانات میں شامل اور دیگر الزامات کے اکاؤنٹ پر کوئی قانونی ادائیگی نہیں ہے۔
- 10- ملازمین کی ریٹائرمنٹ فوائد کے طور پر اخراجات مینجمنٹ کمپنی کی طرف سے برداشت ہوئے پراویڈنٹ فنڈ کی سرمایہ کاری کی قیمت کا بیان فنڈ کی صورت میں لاگو نہیں ہے؛
- 11- ڈائریکٹرز CFO، CIA اور کمپنی سیکریٹری اور ان کے خاندان یا بیوی کی طرف سے کوئی ٹریڈ نہیں سوائے؛

S. No	Name	Designation	Units Issued	Units Redeemed	Bonus Units	Dividend Units
1	Mr. Farid Ahmed Khan	CEO	7,464,267.39	6,764,175.13	95,640.04	-
2	Mr. Mubeen Ashraf Bhimani	CIA	423,332.84	423,332.84	-	-

- 12- سال کے دوران، کے پر کوئی ڈائریکٹرز بینگ میں شرکت کی۔ تاہم، چار ڈائریکٹرز تصدیق شدہ بورڈ ڈویوٹیز سیریز پروگرام کے تحت، جبکہ ایک ڈائریکٹر ڈائریکٹرز بیت کے پروگرام سے مستثنیٰ ہے وہ ڈائریکٹرز فنڈ اور مینجمنٹ کمپنی، اس کی پالیسیوں پر لاگو متعلقہ قوانین اور طریقہ کار اور یادداشت کی دفعات اور ایسوسی ایشن کے مضامین کے ساتھ اچھی طرح واقف ہیں اور ان کے فرائض اور ذمہ داریوں سے آگاہ ہیں۔
- 13- مینجمنٹ کمپنی کے بو ڈ آف ڈائریکٹرز کا اجلاس ہر سہ ماہی میں ایک مرتبہ منعقد کی جاتی ہیں۔ سال کے پانچ ملاقات کے دوران منعقد کی گئی۔ 44th، 43rd، کے 45th، 46th اور ڈائریکٹرز ملاقاتوں کی 47th بورڈ بالترتیب 27 اگست، 2015، 30 اکتوبر، 2015، 16 دسمبر، 2015، فروری 08، 2016 اور 27 اپریل، 2016 منعقد کیا گیا تھا۔ ڈائریکٹرز اور ملاقاتوں میں دیگر افراد کی طرف سے حاضری کے سلسلے میں معلومات کی مندرجہ ذیل ہے:

S. No.	Name of Director	Number of meetings		Leave granted	Meetings not attended
		Held	Attended		
1	Sheikh Mukhtar Ahmed	5	4	1	46th
2	Mohammad Naeem Mukhtar	5	4	1	45th,
3	Muhammad Waseem Mukhtar	5	4	1	46th
4	Tariq Mahmood	5	4	1	43rd,
5	Kamran Nishat	5	3	2	46th, 47th
6	Muhammad Kamran Shehzad	5	5	-	-
7	Farid Ahmed Khan	5	5	-	-

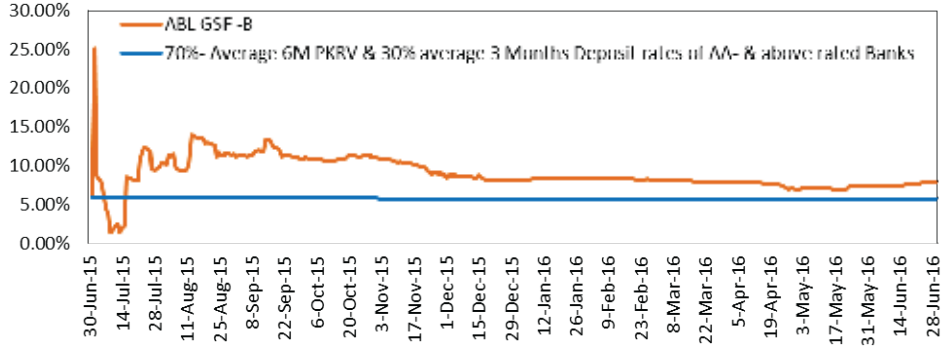
- 14- بورڈ کے ملازمتی فوائد و معاوضے کا اجلاس اور ایک سال میں کم از کم تین بار منعقد کی ضرورت ہے۔ سال کے دوران ایک اجلاس منعقد کیا گیا تھا۔ معاوضے کمیٹی کا 18th اجلاس 10 مارچ 2016 کو منعقد کیا گیا تھا، ملاقاتوں میں ڈائریکٹرز کی طرف سے حاضری معلومات ذیل میں دی گئی ہے:





ٹی ڈی آر اور کیش برابر اثاثوں میں سرمایہ کاری رکھی۔

ہم نے ڈی کارپوریٹ طلب اور لیکویڈیٹی دباؤ کی پیداوار میں تیزی کیلئے طویل دورانیہ PIBs بیچ کر فائدہ اٹھایا نتیجے کے طور پر، PIBs میں سرمایہ کاری آگے بڑھنے میں شرح میں اتار چڑھاؤ کی وجہ سے گزشتہ سال کے کل اثاثوں کی 23.28 فیصد رہا۔ 48.810 فیصد کے مقابلے میں اس کے علاوہ نقد اثاثوں سے سال کے آخر پر بیٹنگوں کی طرف سے پیش کردہ اعلیٰ شرح کی زیادہ سے زیادہ فائدہ اٹھانے کی غرض سے کل اثاثہ جات کے 75.45 فیصد پر کھڑے تھے۔



منافع

بورڈ آف ڈائریکٹرز کی جانب سے اے بی ایل ایسیٹ مینجمنٹ کمپنی لمیٹڈ کے چیف ایگزیکٹو آفیسر (ABL AMCL) منظور شدہ فی یونٹ Re.0.0182 (Rs.10 کے برابر قیمت کے 0.18 فیصد) کی مجموعی تقسیم کا اعلان کر دیا گیا ہے، 30 جون، 2016 کو ختم ہونے والے سال کے لیے۔ یہ فی یونٹ Re.0.7935 کی مجموعی عبوری منافع کی تقسیم (Rs.10 کے برابر قیمت کے 7.94 فیصد) کے علاوہ ہے 30 جون 2016 کے ختم ہونے والے سال کے لیے پہلے سے ہی تقسیم کیا۔

کارپوریٹ گورننس کے ضابطے کی تعمیل

بورڈ آف ڈائریکٹرز فرماتے ہیں کہ:

- 1- مالیاتی رپورٹ کافی معاملات کی حالت، آپریشن، نقدی بہاؤ اور یونٹ ہولڈرز فنڈ میں تبدیلیوں کے نتائج پیش کر رہے ہیں۔
- 2- فنڈ کے اکاؤنٹس کی مناسب کتابوں/دستاویز کو برقرار رکھا گیا ہے۔
- 3- مناسب اکاؤنٹنگ پالیسیوں کے تسلسل مالی بیانات اور اکاؤنٹنگ اندازوں کی تیاری میں لاگو مناسب اور دانشمندانہ فیصلوں کی بنیاد پر ہیں۔
- 4- متعلقہ بین الاقوامی اکاؤنٹنگ معیارات، پاکستان میں قابل عمل طور پر، غیر بینکاری مالیاتی کمپنیوں کی دفعات (اسٹیبلشمنٹ اینڈ ریگولیشن) دستور العمل، 2003 اور غیر بینکاری مالیاتی کمپنیوں اور مطلع اداروں کے ضابطے، 2008، ٹرسٹ ڈیڈ کی ضروریات اور ہدایات کی طرف سے جاری سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، مالی بیانات کی تیاری میں پیروی کی گئی ہے؛
- 5- اندرونی کنٹرول کے نظام کے ڈیزائن میں مضبوط ہے اور موثر طریقے سے عملدرآمد اور نگرانی کی گئی ہے؛
- 6- فنڈ کی صلاحیت پر کوئی قابل ذکر شکوک و شبہات کی تشویش نہیں ہے۔

میں زیادہ تر مائع رہی اور سال بھر میں پالیسی ریٹ کی کمی اسٹیٹ بینک بار بار اوپن مارکیٹ آپریشنز (او ایم او) کے ذریعے لیکویڈیٹی کی دستیابی کو یقینی بنایا ہے۔ مارکیٹ سرکاری سرمایہ کاری اور پالیسی ریٹ کی شرح کے فرق سے فائدہ اٹھانے کے لیے سرکاری سرمایہ کاری میں اضافہ ہوا OMO اختتام پر سائز جون 2016 میں 1.566 کھرب پاکستانی روپے کی سطح پر پہنچ گئی۔ سال کے دوران، 2,427 ارب پاکستانی روپے کی بڑے پیمانے پر شرکت کو ایف آئی بی ایس میں رپورٹ کیا گیا تھا۔ تاہم حکومت 1,000 ارب پاکستانی روپے سے پی آئی بی ایس سے 725 ارب پاکستانی روپے کے ہدف اور اختتامی سرمایہ کاری کے خلاف 695 ارب پاکستانی روپے کی مالیت بالترتیب اٹھایا، اسی طرح کے رجحان بھی حکومت بالترتیب 5.1 ٹریلین پاکستانی روپے اور 4.47 ٹریلین کا ہدف اختتامی سرمایہ کاری کے خلاف 4.88 ٹریلین پاکستانی روپے سے قبول ہوا جبکہ ٹریڈری بلز، میں 8.948 ٹریلین پاکستانی روپے کی کل شرکت کو ریکارڈ کیا گیا تھا۔

ایم 2 نمو 13.7 فیصد 13.2 فیصد کے مقابلے میں رہا رقم کی رسد میں اضافہ بنیادی طور پر 223.847 ارب پاکستانی روپے کیخلاف 460.598 بلین پاکستانی روپے تک بہتری آئی ہے نجی شعبے کو قرضے کے طور پر آپ کی دیشی اثاثے (این ڈی اے) میں (253 ارب پاکستانی روپے کی طرف سے) 23.12 فیصد کا اضافہ کرنے کے لئے منسوب کیا گیا تھا۔ این ایف اے کی وجہ اس سال کے دوران خاموش کر دیا غیر ملکی قرضہ کرنے ایس پی ایل وای میں 219.705 پاکستانی روپے بی سے ایف وای 16 میں 96، 11 (193، 43 ارب پاکستانی روپے) کا ایک اہم کمی تعینات۔ سی بی ایس سے حکومتی قرض گیری فی الحال ایف وای 15 میں -335، 1 ٹریلین پاکستانی روپے کیخلاف 1.27 ٹریلین پاکستانی روپے پر کھڑے 46 ارب پاکستانی روپے کی مجموعی رقم ایس بی ایف سے ریٹائر کیا گیا تھا۔

## میوچل فنڈ انڈسٹری کا جائزہ

پاکستان کی فنڈ انڈسٹری کے مجموعی اثاثے FY16 میں 12.1 فیصد کی مستحکم ترقی (422 ارب پاکستانی روپے 473 ارب پاکستانی روپے) پوسٹ ہوئے۔ یہ اضافہ انکم فنڈ اور Aggressive فلسفہ انکم میں ہوا تھا۔ انکم فنڈ FY16 میکرو اشارے میں بہتری کی طرف جاری مالیاتی نرمی (ڈی آر میں کاٹ مجموعی 75bps) کے پیچھے سومی CPI رہے۔ 21.8 فیصد کا اضافہ 80 ارب پاکستانی روپے سے جون 2015 میں 98 ارب پاکستانی روپے جون 2016 میں دوسرا پہلو پر کم سود کی شرح منی مارکیٹ فنڈ سے 16 ارب پاکستانی روپے (نیچے 23.8 فیصد سال بسال) اخراج کی وجہ سے 50 ارب پاکستانی روپے ہو گئے۔ ایم ایس سی آئی ایمر جنگ مارکیٹ اور پرکشش بھاؤ شدہ مالی پاکستان کے دوبارہ درجہ بندی مضبوط اسٹاک مارکیٹ کی کارکردگی خاص طور پر 16 ارب کو بند ہوئے اور ایکویٹی فنڈز کے زمرے میں 2.8 فیصد سال بسال اضافہ ہوا۔ اسی طرح اسلامی ایکویٹی فنڈز 67 ارب پاکستانی روپے (سالانہ) کی ترقی اسلاک فنڈ کے تحت نئے فنڈز کے اجراء کی طرف سے سہولت فراہم کی جسکو بوسٹ کیا خاص طور پر کارپوریٹ، بینکوں اور انشورنس کے شعبوں نے ٹیکس رجیم کے باوجود، آؤٹ لک اب بھی پرخطر اثاثوں میں فنڈز کے بھاؤ کے طور پر حوصلہ افزا ہے وجہ دہائی کی کم شرح سود، پر کشش رسک ایڈجسٹڈ ریٹرن اور بہتر اقتصادی کارکردگی رہی۔

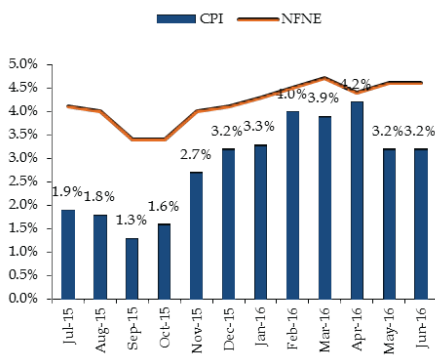
## فنڈ کی کارکردگی

اے بی ایل جی ایس ایف کا سالانہ منافع، 8.05% جو کہ 5.67% بیچ مارک کے خلاف تھا، اے بی ایل جی ایس ایف 30 جون، 2016 جائزہ مدت کے دوران انکم فنڈ کے زمرے میں بہترین کارکردگی دکھانے کے فنڈز کے درمیان تھا، اے بی ایل جی ایس ایف 3.38% اضافہ کے ساتھ 9.496 ارب ہو گیا 9.185 ارب سے ڈسکاؤنٹ ریٹ میں کٹوتی سے ہمارے طویل مدت بانڈ پورٹ فولیو نے فائدہ اٹھایا۔ ہم نے فعال طور پر سود کی شرح اور مارکیٹ میں لیکویڈیٹی رجحان کے مطابق پی آئی بی سے



مقابلے میں کمی کے نتیجے میں نچلے CAD کا اثر سیلابت زر میں مسلسل اضافہ، ME، یورو بانڈ ز اور دیگر کثیر جہتی ذرائع سے رقوم کی آمد FX ذخائر 18.7USD بلین سے USD 3.1 بلین تک پہنچا اور FY16 میں ارب FX کے ذخائر میں قابل ذکر بہتری بھی محسوس کی گئی۔ PKR، USD 104.8 میں سال کو بند کرنے کے لیے PKR فرسودگی کو محدود صرف 3.0 فیصد (سالانہ) سے ملک کی مدد کی۔

اسٹیٹ بینک آف پاکستان کے سو می افراط زر کی آؤٹ لک اور بیرونی اکاؤنٹ کو مضبوط بنانے کے درمیان اس کی مالیاتی نرمی موقف جاری رکھا اور اقتصادی ترقی کی حمایت کرنے کے لئے 6.25 فیصد کی 44 سالہ کم ترین مجموعی 75bps کی طرف ڈسکاؤنٹ ریٹ کم کر دیا۔ ملٹی سال کی کم سود کی شرح اور بہتر امن وامان کی صورت حال میں ترجمہ FY16 دوران، 460.60PKR ارب (نمبر - 106 فیصد YOY) میں گھٹری کے مطابق نجی شعبے کے قرضے۔ FY15 میں 15.5 فیصد کے مقابلے میں جی ڈی پی کے تناسب سے مجموعی سرمایہ کاری FY16 میں 15.2 فیصد رہ گئی۔ GDP کے تناسب سے کل بچت قدرے FY15 میں 14.5 فیصد کے خلاف FY16 میں 14.6 فیصد اضافہ ہوا۔



مالی محاذ پر کم طاقت کی سیسڈی کی وجہ سے تیل کی قیمتیں ڈوبنے کا سبب بنی جارحانہ ٹیکس کے اقدامات جیسے سپر ٹیکس، غیر فائیلر اور ڈسمبر کے منی بجٹ کے اعلان میں ٹیکس کی زیادتی کے ساتھ مل کر اس ٹیکس وصولی کے ہدف کو حاصل کرنے میں حکومت مدد کی FY16 میں 3.1 ٹریلین تاہم مالیاتی خسارہ جی ڈی پی کے 4.3 فیصد کے ہدف کے مقابلے جی ڈی پی کا 4.45 فیصد پر قدرے زیادہ بڑے پیمانے پر بہتری نظر آئی اگرچہ 5.3 فیصد سے FY15 میں رہی پاکستان کی معیشت میں USD 46 بلین لانے کا وعدہ کیا ہے جس میں چین پاکستان اقتصادی راہداری پر آخری ٹریک کام (CPEC) کے ساتھ پائیدار اقتصادی ترقی کی مدت کو دیکھنے کے لئے مقرر کیا گیا ہے۔ CPEC معیشت کے لیے ایک محرک دینے، باہمی تجارت، بجلی کی پیداوار اور بنیادی ڈھانچے کو بہتر بنانے کے اضافے کی توقع کی جاسکتی ہے مزید برآں، کثیر دہائی، کم سود، اور ایل این جی کے ذریعے سلامتی کی صورت حال اور توانائی کے بحران کے حال کو بہتر بنانے کے لیے، API اور IPL پائپ لائن مجموعی اقتصادی سرگرمی کو آگے بڑھانے کی تقویت مل سکتی۔

## منی مارکیٹ کا جائزہ

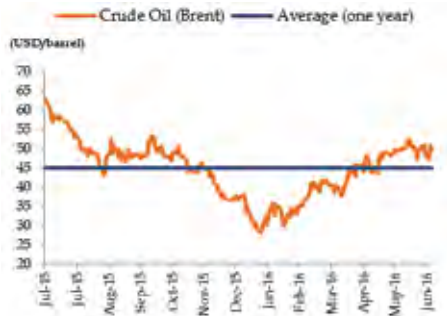
فلکسڈ انکم مارکیٹ اسٹیٹ بینک کی طرف سے مزید مالیاتی نرمی (75 بی پی ایس کی مجموعی ڈسکاؤنٹ ریٹ کٹ) کے بعد معاشی حال میں بہتری کے طور پر FY16 بھر کے واقعات سے بھرپور رہا ہانوی مارکیٹ میں تمام ٹینورز بھر (107 بی پی ایس سے 247 بی پی ایس) اوسط گرانہ FY15 میں 4.6 فیصد کے مقابلے میں FY16 میں 2.9 فیصد ریکارڈ کی گئی۔ افراط زر کی شرح میں یہ کمی کے عالمی مارکیٹوں میں مسلسل اشیاء کی کم قیمتوں، اہم غذائی اشیاء کی آرام دہ رسد اور ایک مستحکم شرح تبادلہ کا نتیجہ تھا۔ منی مارکیٹ

## میمنجمنٹ کمپنی ڈائریکٹرز کی رپورٹ

اے بی ایل ایسیٹ میمنجمنٹ کمپنی لمیٹڈ، ABL گورنمنٹ سیکورٹیز فنڈ (ABL-GSF) کے میمنجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز، 30 جون 2016 کو ختم ہونے والے سال کے لئے اے بی ایل گورنمنٹ سیکورٹیز فنڈ کے آڈٹ شدہ مالیاتی رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

### اقتصادی کارکردگی کا جائزہ

پاکستان کی معاشی زمین کی ترمین برینٹ (19.7 فیصد YOY طرف سے نیچے) بنیادی طور پر اضافے کی فراہمی اور عالمی طلب کی کمزور حرکات کی وجہ سے USD49.71 / بی بی ایل میں سال اختتام کرنے کے ساتھ، خام تیل کی قیمتوں میں مسلسل بھاگ دوڑ کی طرف کی تحت FY16 میں بتدریج بہتری کو ظاہر کرنے کے لئے جاری ہے۔ اداس تیل کی مارکیٹ CPL اور CAD کی طرح پاکستان کے اہم معاشی اشارے کے لئے امدادی سچے کرنے کے لئے جاری ہیں۔ مثبت پیش رفت اور سازگار امن و امان کی صورت حال کے باوجود، ملک کو ایک بار پھر، 5.7 فیصد کے اس اقتصادی ترقی کا ہدف یاد کیا گیا اور 4.7 فیصد کی معمولی اضافہ درج FY09 کے بعد حاصل کیا گیا۔ سب سے زیادہ شرح اگرچہ جی ڈی پی میں Subpar نمایا کمزور اشیاء کی قیمتوں اور اہم فیصلوں (کپاس اور چاول)، جس میں ایک 2.0 فیصد (سالانہ) اضافہ منفی علاقے میں زراعت کی ترقی میں کمی سے منسوب کر سکتے ہیں۔ تاہم اور خدمات کے شعبے (FY15 میں 3.6 فیصد کے خلاف FY16 میں 3.3 فیصد) (FY15 میں 4.8 فیصد کے خلاف FY16 میں 6.8 فیصد) میں صنعتی ترقیاتی معاشی پیداوار کے لئے کچھ محرک فراہمی کی گی۔ حوصلہ افزا IMP، پروگرام، کچھ ہجکیوں کے ساتھ ہی سہی، لیکن آسانی سے چلے گئے اور حکومت، کی طرف سے اور بڑے۔ سہ ماہی EFF پروگرام کے تحت 6 ارب USD (کل حجم کا تقریباً 91 فیصد) کی بروقت ادائیگی جس کے نتیجے میں اس کی کارکردگی کے معیار کو پورا کرنے کے لئے منظم رہے۔



خارجی محاذ پر جاری حسابات کا خسارہ 2.7 ارب USD FY15 میں ایک بڑی وجہ مہذب USD19.9 بلین ترسیلات زر میں 6.4 فیصد (سالانہ) کی ترقی کے لئے کے مقابلے میں USD2.5 ارب FY16 میں 6.8 فیصد (سالانہ) کے ذریعے اکٹھا کیا گیا تھا۔ اس کے علاوہ، کولیشن سپورٹ فنڈ کی رقم کی آمد کی وجہ سے خدمات خسارے میں 18.5 فیصد (سالانہ) قطرہ FY15 میں بمقابلہ 1،0 فیصد جی ڈی پی کا 9،0 فیصد پر چل کرنے کے لئے CAD سے مدد ملی۔ دوسری طرف، تجارتی خسارہ 7.4 فیصد (سالانہ) کی طرف USD18.5 بلین FY16 میں USD17.2 بلین گزشتہ سال کے مقابلے میں وسیع رہی برآمدات میں 8.6 فیصد سال بسال کی خاصی کمی در آمد بل (نیچے 2.0 فیصد (سالانہ) کی طرف USD40.5 بلین) میں کم تیل کی قیمتوں کے فوائد بہہ گیا ہے۔ کمزور اشیاء کی قیمتوں میں دب عالمی طلب (خاص طور پر فروروزون میں) اور علاقائی کرنسیوں (USD/PKR II 9.2 پر REER) کے مقابلے میں فرم ملکی زرمبادلہ کی شرح USD22.0 بلین برآمدات USD24.1 بلین FY15 میں کے

