

# 2017 ANNUAL REPORT



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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

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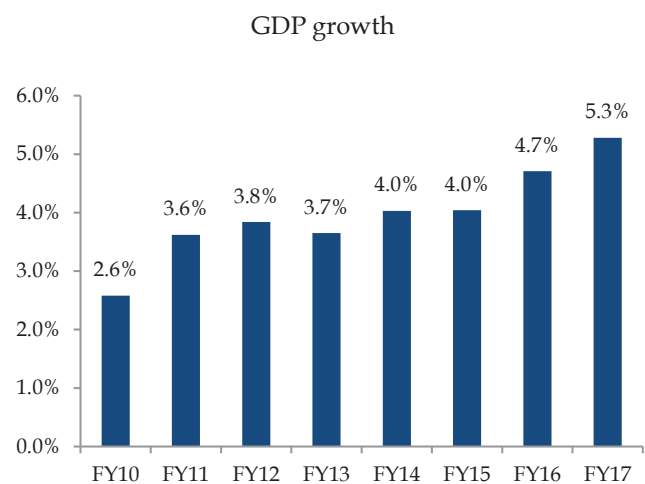
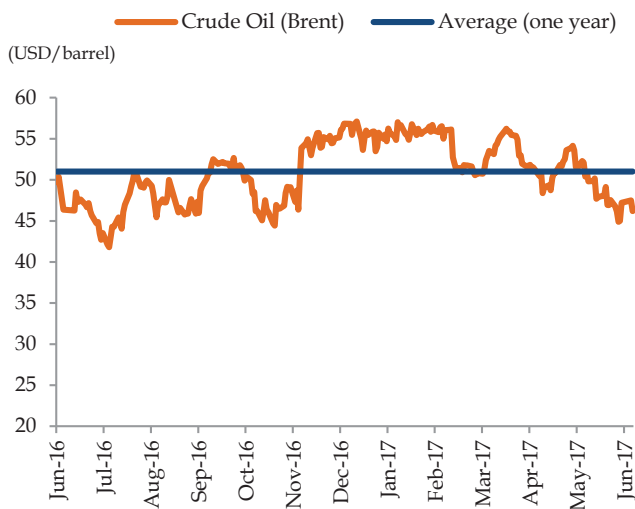
<b>Management Company:</b>	ABL Asset Management Company Limited 14 -MB, DHA Phase-6, Lahore.	
<b>Board of Directors</b>	Sheikh Mukhtar Ahmed Mr. Mohammad Naeem Mukhtar Mr. Muhammad Waseem Mukhtar Mr. Tahir Hasan Qureshi Mr. Kamran Nishat Mr. Muhammad Kamran Shehzad Mr. Alee Khalid Ghaznavi	Chairman      CEO/Director
<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 Mr. Alee Khalid Ghaznavi	Chairman Member Member
<b>Chief Executive Officer of The Management Company:</b>	Mr. Alee Khalid Ghaznavi	
<b>Chief Financial Officer &amp; Company Secretary:</b>	Mr. Saqib Matin	
<b>Chief Internal Auditor:</b>	Mr. Kamran Shahzad	
<b>Trustee:</b>	Central Depository Company of Pakistan Limited. CDC-House, Shahrah-e-Faisal, Karachi	
<b>Bankers to the Fund:</b>	Allied Bank Limited Bank Al- Falah Limited United Bank Limited Askari Bank Limited Bank Islami Limited Dubai Islamic bank Pakistan 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 Advocates & Legal Consultants No. 7, 11th Zamzama Street, 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 Islamic Pension Fund (ABL-IPF), is pleased to present the Financial Statements (audited) of ABL Islamic Pension Fund for the year ended June 30, 2017.

### ECONOMIC PERFORMANCE REVIEW

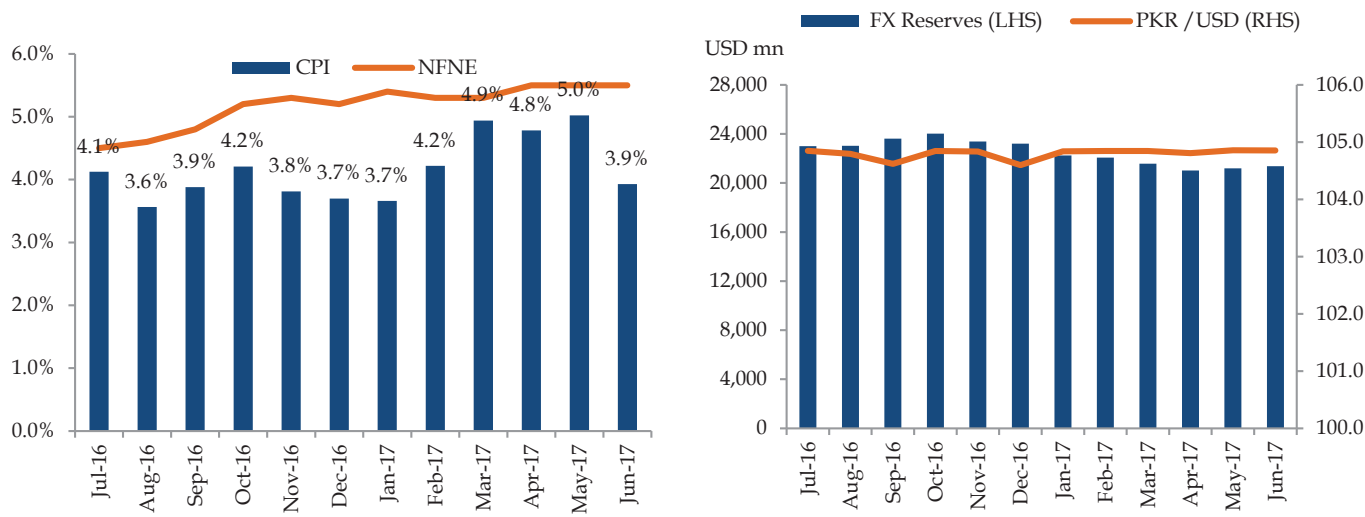
Pakistan economic performance continued its upward trajectory in FY17, posting a decade high GDP growth of 5.3% against the target of 5.7%. For the first time in history, Pakistan's economy has crossed USD300 billion mark. This tremendous growth is primarily attributed to services sector growth (5.9%) and industrial sector (5.0%); however, agricultural sector posted a growth of 3.5%. Service sector emerged as the major driver of economic growth in FY17 by surpassing the targeted growth of 5.7%. In contrast to last year's muted growth, agricultural sector rebounded to 3.5% (-0.2% in FY16) on the back of increased support price of crops, significant increase in credit to agriculture sector (PKR704.5 billion, +17.8%YoY), PKR25 billion subsidy on fertilizers, reduction in sales tax on tractors from 10% to 5% and relatively favorable weather conditions. During FY17, industrial sector recorded a growth of 5.0%, decrease of 78bpsYoY; however, Large Scale Manufacturing (LSM) posted growth of 4.6% against 3.3% last year. During the last 3 years, industrial sector growth remained consistently above 5.0%. On the other hand, inflation clocked-in at 4.2% in FY17 compared to 2.9% in the preceding year. The uptick in the inflation is due to the revival of international commodity prices, particularly oil as evident by 16%YoY increase in Brent Oil to USD50.9/barrel, and increase in domestic demand on the back of rising economic activities. Encouragingly, IMF program, albeit with some hitches, completed in FY17 where Govt., by and large, managed to meet its performance criteria in each quarter which resulted in timely disbursements of USD6.6 billion under Extended Fund Facility (EFF) program.



On the external front, current account deficit (CAD) increased by 1.5xYoY to USD12.1 billion in FY17, highest in the last nine years. This significant increase is attributable to the worsening trade account and decline in workers remittances. During the year imports jumped by 18.4% to USD53.0 billion, where major increase is due to machinery imports related to China Pakistan Economic Corridor (CPEC) related projects. Weak commodity prices, subdued global demand (especially in Eurozone) and firm domestic exchange rate compared to regional currencies (REER PKR126.4/USD) resulted in a 1.4%YoY dip in exports to USD21.7 billion during FY17 as compared to USD21.9 billion in FY16. Moreover, 4.9%YoY increase in the services deficit as a result of lower inflows in lieu of the Coalition Support Fund (CSF) compounded the deterioration of the trade account with the trade deficit for the year widening by 39.4%YoY to USD26.9 billion compared to USD19.3 billion last year. A decline in remittances of 3.1%YoY, to USD19.3 billion due to economic slowdown in MENA region put further pressure on the current account, pushing the deficit to 4.0% of the GDP during FY17 vs. 1.7% in FY16.

Moreover, insufficient investments to finance CAD, which remained higher than expectations, coupled with steady decline in workers' remittances weakened country's FX reserves from USD23.1 billion to USD21.4 billion in FY17. Despite decline in FX reserves, country managed to restrict PKR/USD at 104.8 versus 104.4 in FY16.

In order to support economic growth, State Bank of Pakistan (SBP) maintained policy rate at historic low of 5.75%, amidst benign inflationary outlook. Multiyear low interest rates and improved law & order situation translated into uptick in private sector credit offtake to clocked in at PKR747.9 billion (Up 67.6%YoY) during FY17. Similarly, total investment to GDP ratio increased to 15.8% in FY17 as compared to 15.2% in the preceding year. The total savings to GDP ratio slightly decreased to 13.1% in FY17 against 14.3% last year.



On the fiscal front, consolidated budget deficit widened to 3.9% of GDP in 9MFY17 from 3.4% of GDP in the same period last year (SPLY). Lower revenue generation served as a major drag on fiscal performance with total revenue/GDP ratio retreating to 9.4% in 9MFY17 from 10.0% in the SPLY while current expenditures registered a notable reduction from 11.5% to 10.8% of GDP. Provincial surplus clocked in at PKR138 billion or 0.4% of GDP; nevertheless, it remained well below the annual target of PKR339 billion. Pakistan's economy is all-set to see a period of sustained economic growth as the fast-track work on China Pakistan Economic Corridor (CPEC) promises to bring USD62 billion into the economy. CPEC is expected to improve bilateral trade flows and power generation and boost infrastructure buildup, providing an impetus to the economy. Furthermore, improving security situation, continuation of benign oil price outlook and improving power supply situation would bolster overall economic activity going forward. That said, key concerns remain on the external account front vis-à-vis the overvalued currency and mounting external debt.

### MUTUAL FUND INDUSTRY REVIEW

Total assets under management (AUMs) of Pakistan's open end mutual fund industry posted a stellar growth of 39.9% in FY17 from PKR473 billion to PKR662 billion. This growth was led by Equity and Islamic Equity funds categories which contributed 58.2% of the growth. The Equity sector remained in the limelight due to 1) improving corporate profitability on the back of soft inflation outlook, low discount rate, improving law & order situation and 2) rally on the reclassification from MSCI FM Index to the MSCI EM Index. The industry witnessed increasing investor interest in the Islamic investment opportunities as evident from the fact that 75.1% of the total AUM growth came from Shariah compliant funds. On cumulative basis, the Equity category (comprising of Equity and Islamic Equity funds) registered an increase of 61.8%YoY to close at PKR288 billion in June 2017 compared to PKR178 billion in June 2016. Strong stock market performance in FY17, in anticipation of Pakistan's re-classification to MSCI EM, allowed the Equity Funds to post a growth of 41.8%YoY to close at PKR157 billion. Similarly, Islamic equity funds posted a solid growth of 94.5%YoY to reach at PKR131 billion, facilitated by launch of new funds under Islamic fund of funds category. On cumulative basis, the fixed income category (comprising of Income, Aggressive Income and Money Market funds) registered a decline of 3.6%YoY to close at PKR156 billion in June 2017 compared to PKR162 billion in June 2016. In the fixed income market, with interest rates expected to go up, shorter duration Money Market Funds witnessed an increase of 43.2%YoY to PKR71 billion in FY17. On the other hand Islamic income funds' (comprising of Islamic Income, Islamic Money Market and Islamic Aggressive Income) AUMs increased by 49.9%YoY to PKR58 billion, largely due to increasing investor interest in Islamic investments. Since interest rates have bottomed out, any uptick in interest rates will attract investors to fixed income segment.

## EQUITY MARKET REVIEW

Pakistan stock market (PSX) continued its previous seven years trend as KMI30, which is the benchmark for Shariah compliant funds, posted another year of stellar returns and increased by 18.8% in FY17 to close at 78,598 points. Despite net outflow of USD630.7 million from foreign investors during the year, performance of the market remained impressive as local investors adequately absorbed the foreign selling. The return can be attributed mostly to Cements, OMC's and Automobile's sectors as they generated 37%, 20% and 14% of the returns, respectively. PSX remained in limelight, during FY17, in anticipation of Pakistan's reclassification to Morgan Stanley Capital International (MSCI's) Emerging Markets (EM) from Frontier Markets (FM) index which caused a significant bull run at the bourse. However, political uncertainty on Panama Leaks case diluted the returns of equity investors towards the end of FY17. Average daily volumes of KMI30 have increased by 30% in FY17 to 71.7 million shares as compared to 55.2 million shares in the previous year. Moving ahead, we expect the market to post handsome returns as attractive valuation, reclassification of Pakistan to MSCI EM Index and clarity on the Panama case should attract sizeable foreign & local funds. The market remains attractive as it is trading at FY17 price-to-earnings (P/E) of 9.5x, a significant 29% discount to the MSCI EM Index, and also provides a dividend yield (DY) of 5.8%.

## ISLAMIC MONEY MARKET REVIEW

On the Islamic side, money market remained very liquid where placements were made 25-50bps below 6-months Treasury bill (T-Bills) due to massive deposit growth of 17.1%YoY (deposits as on March 30, 2017). Moreover, market share of Islamic Banking Institutions' deposits in overall banking deposits stood at 13.2% by end of March 2017. Similarly, total assets of Islamic Banking in overall banking size also increased to 11.7% by March 2017 as compared to 11.4% in June 2016. During FY17, Govt. of Pakistan (GOP) Ijarah Sukuk 15 worth PKR50 billion matured on June 25, 2017. As a result, State Bank of Pakistan (SBP) conducted Ijarah Sukuk auction on June 29, 2017 and issued Ijarah Sukuks worth PKR71 billion (PKR21 billion in excess of maturity amount) in order to help Islamic Banks to meet statutory liquidity requirements (SLR). The fresh Ijara Sukuks were issued at a fixed rate of 5.24%. This being the first Ijarah Sukuk auction since March 2016, massive participation of PKR167 billion was witnessed with bids ranging from 4.00% to 6.49%. The GOP also issued a USD1.0 billion Ijarah Sukuk in the international market at a rate of 5.5% in October 2016 to raise foreign exchange. There was an increasing trend of Corporate Sukuk issuance as Fatima Fertilizer, Meezan Bank and Pak Elektron issued Sukuks worth PKR19 billion which were oversubscribed due to limited availability of Shariah compliant instruments at attractive rates.

M2 growth for FY17 clocked-in at 13.7% compared to 13.6% in SPLY. Increase in money supply was mainly attributable to increase of 18.3% (up by PKR2,161 billion) in Net Domestic Assets (NDA) as credit to private sector improved by PKR748 billion in FY17 against PKR447 billion in SPLY. Net Foreign Assets (NFA) posted a significant decline of 40.2% to reach at PKR602 billion in FY17 from PKR1,008 billion in SPLY, due to extensive external debt servicing and expanding trade deficit. Govt. borrowing from commercial banks had increased by PKR179 billion in FY17 as compared to an increase of PKR1,278 billion in the SPLY. The Govt. borrowing from SBP increased by PKR908 billion as the completion of the IMF program allowed the Govt. more leeway.

## FUND PERFORMANCE

Our Islamic VPS is systematically classified into 3 sub fund categories based on the risk appetite of our long term investors i.e. ("Debt Sub fund", "Money Market Sub Fund" & "Equity Sub Fund").

### Debt Sub fund

The fund posted an annualized return of 4.52% during the period under review. The Debt Sub Fund was mainly invested in GoP Ijarah Sukuk i.e. 73.06% at the end of the period, investment in Corporate Sukuk was confined to 9.72%, while bank deposits and the other assets were 16.54% and 0.68% respectively.

### Money Market Sub Fund

The fund posted an annualized return of 3.22% during the period under review. The Fund mainly kept its investment as cash at banks (70.23%) at the end of the period, investment in GoP Ijarah Sukuk and GOP Guaranteed Corporate Sukuk was comprised of 29.24%, while others were 0.53% respectively.

### Equity Sub Fund

The fund posted an absolute return of 28.01% during the period under review. The Fund was invested 95.75% in equities at end of the period with major exposure in Oil & Gas Exploration (16.71%) and Cement Sectors (16.71%).



## AUDITORS

M/s. Deloitte Yousuf Adil (Chartered Accountants), on the recommendation of the Audit Committee of the Board of Directors, being eligible for re-appointment have been appointed as auditors for the year ending June 30, 2018 for ABL Islamic Pension Fund (ABL-PF).

## MANAGEMENT QUALITY RATING

On December 30, 2016, JCR-VIS Credit Rating Company Limited as reaffirmed the Management Quality Rating of ABL Asset Management Company Limited (ABL AMC) at 'AM2+' (AM-Two-Plus) with a 'Stable' Outlook.

## OUTLOOK

We hold a positive view on equities as the recent fall in market has largely been due to political factors even though the fundamentals remained unchanged. We believe Economic growth trajectory to remain on track as the investments in power and infrastructure projects in the light of CPEC and private sector expansions would not be impacted by the recent political developments. With intact strong market fundamentals, we believe that the recent correction has provided lucrative entry point to long-term investors. Going ahead, abundant domestic liquidity, ameliorating macroeconomic indicators and attractive valuations will continue to complement market re-rating theme, setting aside political tensions.

While Economic growth remained on track throughout the year, risks related to CPI and Balance of Payments position pose serious challenges to the economy and may dictate the overall direction of monetary and fiscal policies in FY'18. On the external side, widening of trade deficit on account of hike in imports and declining remittances may trigger weaknesses on exchange rate front. Devaluation of PKR may trigger further widening of fiscal deficit along with adverse impact on headline inflation.

Based on the above assumptions, we believe that SBP will maintain a stable policy rate in FY18 Hence; we will maintain a low duration portfolio while optimizing the accrual base via placement of funds in floating rate instruments along with deposit placements with bank and DFIs.

## 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) for their continued guidance and support. The Directors also appreciate the efforts put in by the management team.

For & on behalf of the Board

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**ALEE KHALID GHAZNAVI**

Chief Executive Officer

Lahore, August 23, 2017

## FUND MANAGER REPORT

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### OBJECTIVE

To provide a secure source of savings and regular income after retirement to the Participants.

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#### Debt Sub fund

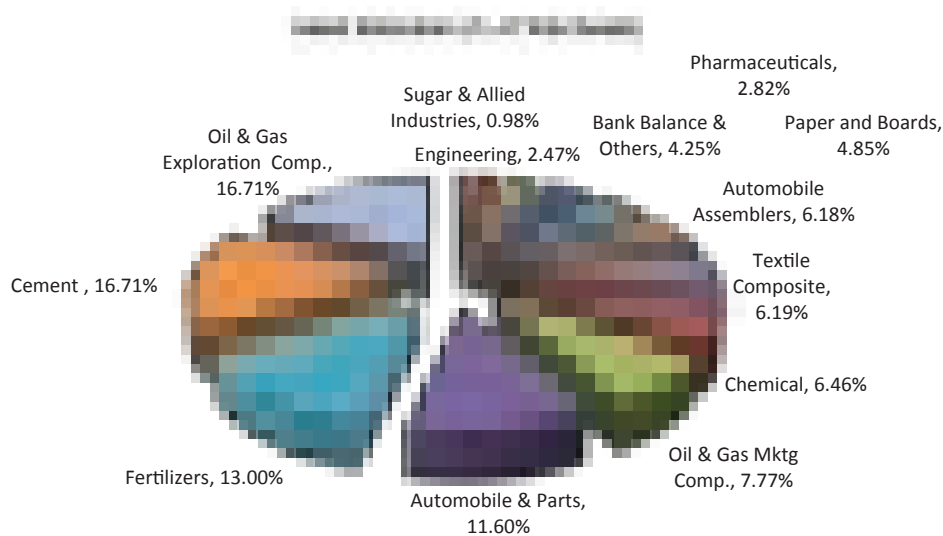
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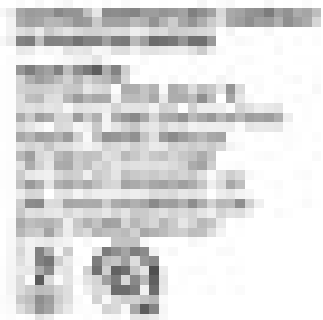


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Based on the above assumptions, we believe that SBP will maintain a stable policy rate in FY18 Hence; we will maintain a low duration portfolio while optimizing the accrual base via placement of funds in floating rate instruments along with deposit placements with bank and DFIs.



**Investment Report for the Reporting Period**  
**2023**

**Report of the Trustees pursuant to Article 17(1) of the Islamic Finance Act 2013**

The Islamic Finance Act 2013 requires the Trustees of the Islamic Finance Act 2013 to provide a report to the members of the Islamic Finance Act 2013. This report provides information on the performance of the Islamic Finance Act 2013 during the reporting period. The Trustees have reviewed the performance of the Islamic Finance Act 2013 and are satisfied that the Islamic Finance Act 2013 has performed well during the reporting period.

**Trustees:**  
**Mr. [Name]**  
**Ms. [Name]**  
**Mr. [Name]**  
**Ms. [Name]**





INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF THE GROUP FOR THE YEAR ENDED 31 DECEMBER 2018

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

- 1. The financial statements of the group for the year ended 31 December 2018, comprising:
- 2. The balance sheet as at 31 December 2018;
- 3. The profit and loss account, the statement of comprehensive income, the statement of changes in equity and the cash flow statement for the year;
- 4. The notes to the financial statements.

We have audited the financial statements of the group for the year ended 31 December 2018, as set out above, and the related accounting policies and disclosures.

Our opinion is based on the work we have done in accordance with the auditing standards applicable in the United Kingdom

Our opinion is that the financial statements of the group for the year ended 31 December 2018, taken as a whole, are fair, in all material aspects, and give a true and fair view of the financial position of the group as at 31 December 2018, of its performance for the year and of the cash flows of the group for the year.

What we have audited

The financial statements of the group for the year ended 31 December 2018, comprise the balance sheet as at 31 December 2018, the profit and loss account, the statement of comprehensive income, the statement of changes in equity and the cash flow statement for the year, and the related accounting policies and disclosures.

We have audited the financial statements of the group for the year ended 31 December 2018, in accordance with the auditing standards applicable in the United Kingdom. These standards require us to obtain sufficient appropriate evidence to be able to give an opinion on the financial statements. Our audit included examining, on a test basis, evidence relating to the amounts and disclosures in the financial statements. We also performed procedures to evaluate the appropriateness of the accounting policies used and the reasonableness of the accounting estimates and related disclosures made by the group.

We have also audited the information in the financial statements that is related to the group's compliance with the provisions of the Companies Act 2006 that relate to the financial statements.

Opinion

In our opinion:

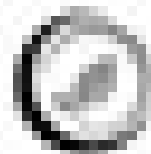
- (a) the financial statements of the group for the year ended 31 December 2018, taken as a whole, are fair, in all material aspects, and give a true and fair view of the financial position of the group as at 31 December 2018, of its performance for the year and of the cash flows of the group for the year;
- (b) the group has complied with the provisions of the Companies Act 2006 that relate to the financial statements.



## ABL MUSTAQBIL

- 1. The investment objectives, strategies, risks and other material information concerning this fund and its investments are contained in the prospectus.
- 2. Investment objectives, strategies, risks and other material information concerning this fund and its investments are contained in the prospectus.
- 3. Investment objectives, strategies, risks and other material information concerning this fund and its investments are contained in the prospectus.
- 4. Investment objectives, strategies, risks and other material information concerning this fund and its investments are contained in the prospectus.
- 5. Investment objectives, strategies, risks and other material information concerning this fund and its investments are contained in the prospectus.

**ABL MUSTAQBIL**  
 ISLAMIC PENSION FUND  
 ABL Asset Management  
 Discover the potential



Al-Mustaqbil  
ISLAMIC PENSION FUND

**Page 14**

Investment in the securities market is subject to the following categories of risks: market risk, credit risk, liquidity risk, interest rate risk, and operational risk.

Market risk is the risk of changes in the price of securities due to changes in market conditions. Credit risk is the risk of default by the issuer of securities. Liquidity risk is the risk of inability to sell securities at the desired price. Interest rate risk is the risk of changes in the value of securities due to changes in interest rates. Operational risk is the risk of loss due to human error, system failure, or external events.

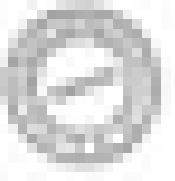
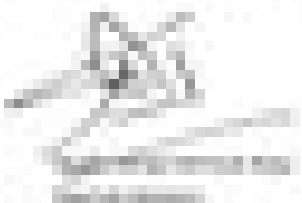
The management of the fund is subject to the risks of the securities market and the risks of the fund's operations.

**Other risks of the fund**

Other risks of the fund include the risk of changes in the value of securities due to changes in market conditions, the risk of default by the issuer of securities, the risk of inability to sell securities at the desired price, the risk of changes in the value of securities due to changes in interest rates, and the risk of loss due to human error, system failure, or external events.

The fund's performance is subject to the risks of the securities market and the risks of the fund's operations.

The fund's performance is subject to the risks of the securities market and the risks of the fund's operations.



ABL MUSTAQBIL  
ISLAMIC PENSION FUND

# ABL ISLAMIC PENSION FUND

## STATEMENT OF ASSETS AND LIABILITIES

### AS AT JUNE 30, 2017

Note	June 30, 2017				June 30, 2016				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
(Rupees)				(Rupees)					
<b>ASSETS</b>									
Balances with banks	4	3,597,845	8,689,379	25,714,323	38,001,547	2,548,387	2,471,549	18,995,279	24,015,215
Investments	5	94,035,289	43,622,807	10,708,950	148,367,046	71,988,322	41,090,356	15,201,750	128,280,428
Dividend receivable		399,121	-	-	399,121	342,172	-	-	342,172
Profit receivable	6	19,671	253,134	193,137	465,942	31,504	190,271	197,647	419,422
Formation cost	7	2,627	2,627	2,627	7,881	21,793	21,793	21,793	65,379
Deposits and other receivables	8	156,563	128,192	10,903	295,658	145,438	1,238,860	520,480	1,904,778
<b>Total assets</b>		<b>98,211,116</b>	<b>52,696,139</b>	<b>36,629,940</b>	<b>187,537,195</b>	<b>75,077,616</b>	<b>45,012,829</b>	<b>34,936,949</b>	<b>155,027,394</b>
<b>LIABILITIES</b>									
Payable to the Pension Fund Manager	9	426,511	284,802	240,615	951,928	396,357	292,008	257,935	946,300
Payable to the Trustee	10	15,012	7,505	5,344	27,861	13,546	8,191	6,370	28,107
Payable to the Securities and Exchange Commission of Pakistan	11	31,194	15,736	11,654	58,584	19,942	13,280	11,137	44,359
Accrued expenses and other liabilities	12	895,831	90,706	57,672	1,044,209	619,751	84,588	67,614	771,953
Payable to the auditors		50,003	50,003	50,005	150,011	35,333	35,333	35,334	106,000
<b>Total liabilities</b>		<b>1,418,551</b>	<b>448,752</b>	<b>365,290</b>	<b>2,232,593</b>	<b>1,084,929</b>	<b>433,400</b>	<b>378,390</b>	<b>1,896,719</b>
<b>NET ASSETS</b>		<b>96,792,565</b>	<b>52,247,387</b>	<b>36,264,650</b>	<b>185,304,602</b>	<b>73,992,687</b>	<b>44,579,429</b>	<b>34,558,559</b>	<b>153,130,675</b>
<b>PARTICIPANTS' SUB FUNDS (AS PER STATEMENT ATTACHED)</b>		<b>96,792,565</b>	<b>52,247,387</b>	<b>36,264,650</b>	<b>185,304,602</b>	<b>73,992,687</b>	<b>44,579,429</b>	<b>34,558,559</b>	<b>153,130,675</b>
(Number of shares)				(Number of shares)					
<b>NUMBER OF UNITS IN ISSUE</b>	16	<b>517,727</b>	<b>457,059</b>	<b>325,946</b>		<b>506,626</b>	<b>407,603</b>	<b>320,618</b>	
(Rupees)				(Rupees)					
<b>NET ASSET VALUE PER UNIT</b>		<b>186.9568</b>	<b>114.3121</b>	<b>111.2596</b>		<b>146.0498</b>	<b>109.3697</b>	<b>107.7875</b>	
<b>CONTINGENCIES AND COMMITMENTS</b>	13								

The annexed notes 1 to 27 form an integral part of these financial statements.

For ABL Asset Management Company Limited  
(Pension Fund Manager)

ALEE KHALID GHAZNAVI  
Chief Executive Officer

MUHAMMAD KAMRAN SHEHZAD  
Director



# ABL ISLAMIC PENSION FUND

## INCOME STATEMENT

### FOR THE YEAR ENDED JUNE 30, 2017

Note	For the year ended June 30, 2017				For the year ended June 30, 2016				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
(Rupees)									
<b>INCOME</b>									
Financial profit	18	305,189	2,453,656	1,791,780	4,550,625	200,382	2,390,880	1,845,230	4,436,492
Unrealised appreciation on remeasurement of investments classified as financial assets at fair value through profit or loss - net	19	9,149,360	751,591	158,391	10,059,342	6,600,097	303,688	8,522	6,912,307
Capital gain / (loss) on sale of investments		11,652,644	-	-	11,652,644	(776,993)	(222,826)	(205,331)	(1,205,150)
Dividend income		3,073,235	-	-	3,073,235	3,119,655	-	-	3,119,655
<b>Total Income</b>		<b>24,180,428</b>	<b>3,205,247</b>	<b>1,950,171</b>	<b>29,335,846</b>	<b>9,143,141</b>	<b>2,471,742</b>	<b>1,648,421</b>	<b>13,263,304</b>
Reversal of provision against Workers' Welfare Fund	12	348,488	65,658	49,856	464,002	-	-	-	-
<b>Total income</b>		<b>24,528,916</b>	<b>3,270,905</b>	<b>2,000,027</b>	<b>29,799,848</b>	<b>9,143,141</b>	<b>2,471,742</b>	<b>1,648,421</b>	<b>13,263,304</b>
<b>EXPENSES</b>									
Remuneration of the Pension Fund Manager		1,417,901	715,292	529,713	2,662,906	906,439	603,633	506,238	2,016,310
Sindh Sales Tax on remuneration of the Pension Fund Manager		184,327	92,988	68,863	346,178	147,206	98,030	82,213	327,449
Federal Excise Duty on remuneration of the Pension Fund Manager		-	-	-	-	145,030	96,581	80,998	322,609
Remuneration of the Trustee		159,127	80,892	59,983	300,002	134,966	90,109	75,746	300,821
Sindh Sales Tax on remuneration of the Trustee		20,687	10,514	7,798	38,999	18,895	12,615	10,605	42,115
Annual fee of the Securities and Exchange Commission of Pakistan		31,194	15,736	11,654	58,584	19,942	13,280	11,137	44,359
Auditors' remuneration	20	55,121	55,121	55,123	165,365	41,785	41,785	41,785	125,355
Security transaction charges		184,301	7,527	-	191,828	191,398	7,053	-	198,451
Bank charges		29,658	4,835	11,355	45,848	32,344	19,925	11,247	63,516
Amortisation of formation cost	7	19,166	19,166	19,166	57,498	19,167	19,167	19,167	57,501
Legal and professional charges		-	-	-	-	20,046	-	-	20,046
Printing and other expenses		76,871	76,869	78,202	231,942	47,811	47,810	47,810	143,431
<b>Total operating expenses</b>		<b>2,178,353</b>	<b>1,078,940</b>	<b>841,857</b>	<b>4,099,150</b>	<b>1,725,029</b>	<b>1,049,988</b>	<b>886,946</b>	<b>3,661,963</b>
<b>Net income for the year from operating activities</b>		<b>22,350,563</b>	<b>2,191,965</b>	<b>1,158,170</b>	<b>25,700,698</b>	<b>7,418,112</b>	<b>1,421,754</b>	<b>761,475</b>	<b>9,601,341</b>
Provision for Sindh Workers' Welfare Fund		(633,377)	(73,755)	(39,909)	(747,041)	-	-	-	-
Provision for Workers' Welfare Fund		-	-	-	-	(148,362)	(28,435)	(15,229)	(192,026)
<b>Net income for the year before taxation</b>		<b>21,717,186</b>	<b>2,118,210</b>	<b>1,118,261</b>	<b>24,953,657</b>	<b>7,269,750</b>	<b>1,393,319</b>	<b>746,246</b>	<b>9,409,315</b>
Taxation	14	-	-	-	-	-	-	-	-
<b>Net income for the year after taxation</b>		<b>21,717,186</b>	<b>2,118,210</b>	<b>1,118,261</b>	<b>24,953,657</b>	<b>7,269,750</b>	<b>1,393,319</b>	<b>746,246</b>	<b>9,409,315</b>
Other comprehensive income		-	-	-	-	-	-	-	-
<b>Total comprehensive income</b>		<b>21,717,186</b>	<b>2,118,210</b>	<b>1,118,261</b>	<b>24,953,657</b>	<b>7,269,750</b>	<b>1,393,319</b>	<b>746,246</b>	<b>9,409,315</b>
<b>Earning Per Unit</b>	15	<b>41.95</b>	<b>4.63</b>	<b>3.43</b>		<b>14.35</b>	<b>3.42</b>	<b>2.33</b>	

The annexed notes 1 to 27 form an integral part of these financial statements.

For ABL Asset Management Company Limited  
(Pension Fund Manager)

ALEE KHALID GHAZNAVI  
Chief Executive Officer

MUHAMMAD KAMRAN SHEHZAD  
Director

# ABL ISLAMIC PENSION FUND

## STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB FUND

### FOR THE YEAR ENDED JUNE 30, 2017

	For the year ended June 30, 2017				For the year ended June 30, 2016			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees)				(Rupees)			
Net assets at the beginning of the year	73,992,687	44,579,429	34,558,559	153,130,675	53,364,074	37,300,567	34,011,735	124,676,376
Issue of units *	16 & 17 7,862,837	7,243,542	851,863	15,958,242	14,209,894	7,549,239	736,502	22,495,635
Redemption of units *	16 & 17 (6,780,145)	(1,693,794)	(264,033)	(8,737,972)	(851,031)	(1,663,696)	(935,924)	(3,450,651)
	1,082,692	5,549,748	587,830	7,220,270	13,358,863	5,885,543	(199,422)	19,044,984
Net capital gain on sale of investments	11,652,644	-	-	11,652,644	(776,993)	(222,826)	(205,331)	(1,205,150)
Unrealised appreciation on remeasurement of investments classified as 'financial assets at fair value through profit or loss' - net	9,149,360	751,591	158,391	10,059,342	6,600,097	303,688	8,522	6,912,307
Other net income for the year	915,182	1,366,619	959,870	3,241,671	1,446,646	1,312,457	943,055	3,702,158
	21,717,186	2,118,210	1,118,261	24,953,657	7,269,750	1,393,319	746,246	9,409,315
Net assets at the end of the year	96,792,565	52,247,387	36,264,650	185,304,602	73,992,687	44,579,429	34,558,559	153,130,675

\* Total number of units issued and redeemed during the year is disclosed in note 16 of these financial statements.

The annexed notes 1 to 27 form an integral part of these financial statements.

For ABL Asset Management Company Limited  
(Pension Fund Manager)

ALEE KHALID GHAZNAVI  
Chief Executive Officer

  
MUHAMMAD KAMRAN SHEHZAD  
Director

# ABL ISLAMIC PENSION FUND

## CASH FLOW STATEMENT

### FOR THE YEAR ENDED JUNE 30, 2017

Note	For the Year Ended June 30, 2017				For the Year Ended June 30, 2016			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees)				(Rupees)			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>								
Net income for the year	21,717,186	2,118,210	1,118,261	24,953,657	7,269,750	1,393,319	746,246	9,409,315
<b>Adjustments - for non cash and other items</b>								
Amortisation of formation cost	19,166	19,166	19,166	57,498	19,167	19,167	19,167	57,501
Unrealised appreciation on remeasurement of investments classified as 'Financial assets at fair value through profit or loss' - net	(9,149,360)	(751,591)	(158,391)	(10,059,342)	(6,600,097)	(303,688)	(8,522)	(6,912,307)
Dividend income	(3,073,235)	-	-	(3,073,235)	(3,119,655)	-	-	(3,119,655)
Reversal of provision against Workers' Welfare Fund	(348,488)	(65,658)	(49,856)	(464,002)	148,362	28,435	15,229	(192,026)
Provision for Sindh Workers' Welfare Fund	633,377	73,755	39,909	747,041	-	-	-	-
Federal Excise Duty on remuneration of the Pension Fund Manager	-	-	-	-	145,030	96,581	80,998	322,609
	9,798,646	1,393,882	969,089	12,161,617	(2,137,443)	1,233,814	853,118	(50,511)
<b>Decrease / (increase) in assets</b>								
Receivable against sale of investment	-	-	-	-	9,297,482	-	-	9,297,482
Income receivable	11,833	(62,863)	4,510	(46,520)	7,206	(21,091)	14,024	139
Deposit and other receivables	(11,125)	1,110,668	509,577	1,609,120	(45,438)	(1,133,689)	(433,889)	(1,613,016)
	708	1,047,805	514,087	1,562,600	9,259,250	(1,154,780)	(419,865)	7,684,605
<b>Increase / (decrease) in liabilities</b>								
Payable against purchase of investments	-	-	-	-	(9,272,153)	-	-	(9,272,153)
Payable to the Pension Fund Manager	30,154	(7,206)	(17,320)	5,628	(87,526)	(121,667)	(30,689)	(239,882)
Payable to the Trustee	1,466	(686)	(1,026)	(246)	3,878	374	(802)	3,450
Payable to the auditors	14,670	14,670	14,671	44,011	2,000	1,999	2,001	6,000
Payable to the Securities and Exchange Commission of Pakistan	11,252	2,456	517	14,225	9,520	3,867	2,019	15,406
Accrued expenses and other liabilities	(8,809)	(1,979)	5	(10,783)	96,848	(53,949)	(56,791)	(13,892)
	48,733	7,255	(3,153)	52,835	(9,247,433)	(169,376)	(84,262)	(9,501,071)
Dividend received	3,016,286	-	-	3,016,286	2,900,003	-	-	2,900,003
Purchase and sale of investments - net	(12,897,607)	(1,780,860)	4,651,191	(10,027,276)	(16,335,116)	(2,833,575)	19,733,972	565,281
Net cash generated from / (used in) operating activities	(33,234)	668,082	6,131,214	6,766,062	(15,560,739)	(2,923,917)	20,082,963	1,598,307
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>								
Receipts on issuance of units	7,862,837	7,243,542	851,863	15,958,242	14,209,894	7,549,239	736,502	22,495,635
Payments on redemption of units	(6,780,145)	(1,693,794)	(264,033)	(8,737,972)	(851,031)	(2,272,168)	(1,848,632)	(4,971,831)
Net cash generated from / (used in) financing activities	1,082,692	5,549,748	587,830	7,220,270	13,358,863	5,277,071	(1,112,130)	17,523,804
Net increase / (decrease) in cash and cash equivalents during the year	1,049,458	6,217,830	6,719,044	13,986,332	(2,201,876)	2,353,154	18,970,833	19,122,111
Cash and cash equivalents at the beginning of the year	2,548,387	2,471,549	18,995,279	24,015,215	4,750,263	118,395	24,446	4,893,104
Cash and cash equivalents at the end of the year	3,597,845	8,689,379	25,714,323	38,001,547	2,548,387	2,471,549	18,995,279	24,015,215

The annexed notes 1 to 27 form an integral part of these financial statements.

For ABL Asset Management Company Limited  
(Pension Fund Manager)

ALEE KHALID GHAZNAVI  
Chief Executive Officer

MUHAMMAD KAMRAN SHEHZAD  
Director

# ABL ISLAMIC PENSION FUND

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED JUNE 30, 2016

### 1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 ABL Islamic Pension Fund ("the Fund") has been established under the Voluntary Pension Scheme Rules, 2005 (VPS Rules) via a Trust Deed dated March 19, 2014 executed between ABL Asset Management Company Limited (ABL AMC) as Pension Fund Manager and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund was authorised by the Securities & Exchange Commission of Pakistan (SECP) as an Islamic pension fund on July 7, 2014. The Pension Fund Manager has been licensed to act as a Pension Fund Manager under the VPS Rules through a certificate of registration issued by the SECP. During the current year, management company has moved its registered office from 11-B, Lalazar, M T Khan Road, Karachi. The new registered office is situated at Plot No. 14, Main Boulevard, DHA Phase 6, Lahore.
- 1.2 The Fund commenced its operations from August 20, 2014. The Fund is a voluntary pension fund and offers units for public subscription on a continuous basis. The units are non-transferable except in the circumstances mentioned in the Voluntary Pension System Rules, 2005 and can be redeemed by surrendering them to the Fund. Further, as per the offering document, the Fund can not distribute any income from the Fund whether in cash or otherwise.
- 1.3 The Fund's objective is to enable the participants to contribute in a diversified portfolio of securities, which are shariah compliant. Under the Trust Deed, all the conducts and acts of the Fund are based on shariah requirements. The Pension Fund Manager has appointed a Shariah Advisory Council to ensure that the activities of the Fund are in compliance with the principles of shariah. The Shariah Advisory Council submits its report on an annual basis after the year end.

All operational, management and investment activities of ABL Islamic Pension Fund are undertaken in accordance with the Islamic Shariah guidelines provided by the Shariah advisor.

- 1.4 At present, the Fund consists of the following three Sub-Funds. The investment policy for each of the sub-funds are as follows:

#### **ABL Islamic Pension Fund - Equity Sub-Fund (ABLPF - ESF)**

The Equity Sub-Fund shall have an average minimum investment in shariah compliant listed equity securities of ninety percent (90%) of its Net Asset Value. Investment in equity securities of a single company shall not exceed 10% of the net assets value of the equity sub fund or paid-up capital of that company, whichever is lower, provided that exposure in companies belonging to a single sector as classified by the Stock Exchange shall not exceed 30% or the index weight, whichever is higher, subject to a maximum of 35% of the net assets of Shariah compliant equity sub fund.

#### **ABL Islamic Pension Fund - Debt Sub-Fund (ABLPF - DSF)**

The assets of shariah compliant Debt Sub-Fund may be deposited in Islamic commercial banks having not less than "A+" rating or islamic windows of commercial banks, having not less than "AA" rating or may be invested in islamic bonds or sukuks issued by entities either owned by the Federal Government or guaranteed by the Federal Government. The weighted average time to maturity of securities held in the portfolio of a debt sub-fund shall not exceed five (5) years.

#### **ABL Islamic Pension Fund - Money Market Sub-Fund (ABLPF - MMSF)**

The weighted average time to maturity of the net assets of the Money Market Sub-fund shall not exceed one year. Time to maturity of any asset in the portfolio of Money Market Sub-fund shall not exceed 6 months except in case of Shariah Compliant Government Securities such as Government Ijarah Sukuks which may be kept up to 3 years.

- 1.5 The Fund offers four types of allocation schemes, as prescribed by the SECP under VPS Rules, 2005 vide its Circular no. 36 of 2009 dated December 10, 2009 to the participants of the Fund namely High Volatility, Medium Volatility, Low Volatility and Lower Volatility. The participant has the option to suggest a minimum percentage of allocation to the above allocation schemes (subject to the minimum percentages prescribed in the offering document). Based on the minimum allocation, the funds are allocated to the above stated sub-funds. The units held by the participants in the Sub-Funds can be redeemed on or before their retirement and in case of disability or death subject to conditions laid down in the Offering Document, VPS Rules and the Income Tax Ordinance, 2001. According to the Trust Deed, there shall be no distribution from the Sub-Funds, and all income earned by the Sub-Funds shall be accumulated and retained in the Sub-Funds.

1.6 Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as a Trustee of the Fund.

## 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 (IASB) as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Voluntary Pension System Rules, 2005 (VPS Rules) and the directives issued by the Securities and the Exchange Commission of Pakistan (SECP). Wherever the requirements of the Trust Deed, the VPS Rules or the directives issued by the SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the VPS Rules, 2005 or the requirements of the said directives prevail.

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

There are certain new and amended standards and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2016 but are considered not to be relevant or to have any significant effect on the Fund's operations and are, therefore, not disclosed in these financial statements.

### 2.3 Standards, Interpretations and amendments to published approved accounting standards that are not yet effective

There are certain new and amended standards and interpretations that are mandatory for the accounting period beginning on or after July 1, 2017 but are considered not to be relevant or to have any significant effect on the Fund's operations and are, therefore, not disclosed in these financial statements.

#### 2.3.1 Further, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standards, Interpretations or Amendments	Effective date (accounting period beginning on or after)
- IFRS-9 Financial Instruments	January 1, 2018
- IFRS-15 Revenue from contracts with customers	January 1, 2018
- IFRS-16 Leases	January 1, 2019

### 2.4 Critical accounting estimates and judgments

The preparation of 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 judgment in 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; the results of which form the basis of making judgments about carrying values of assets and liabilities. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year or in the year of revision and future year 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:

- i) Classification and valuation of financial assets (notes 3.2 and 5)
- ii) Impairment of financial assets (note 3.2.6)
- iii) Taxation (note 3.7 and 14)
- iv) Recognition of provision against Federal Excise Duty and Workers' Welfare Fund (note 9.3 and 12.1)

### 2.5 Basis of measurement

These financial statements have been prepared under the historical cost convention except for 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 and 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 to all the years presented 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 Pension Fund Manager 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 profit 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 & 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 Transaction costs

Transaction costs associated with the acquisition of investments at fair value through profit or loss are charged to the income statement currently.

#### 3.2.4 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.

### 3.2.5 Subsequent measurement

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

Subsequent to initial recognition, financial assets classified as "at fair value through profit or loss" and "available for sale" 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 the determination of 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 on the MUFAP website.

##### - Basis of Valuation of Equity Securities

The investment of the Fund in equity securities is valued on the basis of quoted market price available at the stock exchange.

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

Net gains and losses arising from changes in fair value of available for sale financial assets are taken to other comprehensive income until these are derecognised or impaired. At this time, the cumulative gain or loss previously recognised in 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 is also recognised in the 'income statement' when the financial assets carried at amortised cost are derecognised or impaired.

### 3.2.6 Impairment

The Fund assesses at each reporting date whether there is an objective evidence that the financial assets or a group of financial assets are impaired. The carrying value 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.

In case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of an equity security below its cost is considered as an objective evidence of impairment. In case of available for sale securities, the cumulative loss previously recognised in the statement of other comprehensive income is removed therefrom and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are only reversed when the equity instruments are derecognised.

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 Pension Fund Manager in accordance with the requirements of the Securities and Exchange Commission of Pakistan.

### 3.2.7 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all 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 amount is reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

### 3.5 Formation cost

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 three years in accordance with the requirements set out in the Trust Deed of the Fund. These expenses were paid for by the Pension Fund Manager and are payable to them by 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 taxation under clause 57 (3) (viii) of the Part I of the Second Schedule to the Income Tax Ordinance, 2001.

### 3.8 Revenue recognition

- 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 appreciation / (diminution) in the value of investments classified as 'Financial assets at fair value through profit or loss' are included in the income statement in the period which they arise.
- Income on debt and government securities are recognised on an accrual basis.
- Dividend income is recognised when the rights to receive the dividend are established
- Profit on bank deposits and on investments is recognised on an accrual basis

### 3.9 Expenses

- The Pension Fund Manager's remuneration and the trustee's remuneration is charged to the Sub-Funds in proportion to the net assets of the Sub-Funds.
- Security transaction costs, bank charges, borrowing / financial costs, taxes applicable to the income, and other costs are charged to the pertinent Sub-Funds.
- Audit fees, legal and related costs, annual fees payable to the Commission and other costs are charged to the Sub-Funds in proportion to the net assets of the Sub-Funds.



### 3.10 Issue, Allocation, Reallocation and Redemption of Units

Contributions received from the participants are allocated to the Sub-Funds on the basis of the allocation scheme selected by each participant out of the allocation schemes offered by the pension fund manager. The net asset value (NAV) per unit of each Sub-Fund is determined at the close of each business day, according to the procedures outline in the VPS Rules and are applicable for allocation of units in each Sub-Fund for all the contribution amount realised and credited in collection account of the Sub-Fund during the business hours' in that business day.

The Pension Fund Manager makes reallocation of the units between the Sub-Funds at least once a year to ensure that the allocations of the units of all the participants are according to the allocation scheme selected by the participants.

All Sub-Funds units are automatically redeemed at the close of the dealing day at which the retirement date falls or death of a participant has been confirmed. The participants may also withdraw from the scheme prior to retirement. The redemption from the respective Sub-Fund is made at the Net Asset Value per unit prevailing at the close of the dealing day on which the request is received, subject to deduction of zakat and taxes, as applicable.

In case of partial withdrawals, units are redeemed on a pro rata basis by ensuring that the remaining units are in accordance with the allocation scheme last selected by the participant.

Proceeds received on redemption / paid on issuance of units are reflected in the participant's Sub-Fund. The voluntary pension system rules, 2005 specify that the distribution of dividend shall not be allowed for pension funds and return to unit holders is, therefore, only possible through redemption of units which is based on the Net Asset Value (NAV). Hence, the management believes that creation of income equalization mechanism through separate recording of "element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed" is not required.

### 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.

Note	June 30, 2017				June 30, 2016				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
(Rupees)									
<b>4</b>	<b>BALANCES WITH BANKS</b>								
Profit and loss sharing accounts	4.1 & 4.2	3,597,845	8,689,379	25,714,323	38,001,547	2,548,387	2,471,549	18,995,279	24,015,215

4.1 Deposits in profit and loss sharing accounts include aggregate balance of Rs.14,825,386 (2016: Rs.11,524,873) with Allied Bank Limited, a related party, which carry profit rates ranging from 3% to 6.7% (2016: 3% to 6.25%) per annum.

4.2 These profit and loss sharing accounts carry profit at rates ranging from 2.75% to 6.7% (2016: 3% to 6.25%) per annum.

Note	June 30, 2017				June 30, 2016				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
(Rupees)									
<b>5</b>	<b>INVESTMENTS by Category</b>								
Financial assets 'at fair value through profit or loss' - net									
Listed equity securities	5.1	94,035,289	-	-	94,035,289	71,988,322	-	-	71,988,322
Government securities									
- GoP Ijarah sukuk	5.1.3 & 5.1.5	-	38,501,225	10,708,950	49,210,175	-	38,048,223	13,551,750	51,599,973
Other sukuks	5.1.4 & 5.1.6	-	5,121,582	-	5,121,582	-	3,042,133	1,650,000	4,692,133
<b>Investments at fair value</b>		<b>94,035,289</b>	<b>43,622,807</b>	<b>10,708,950</b>	<b>148,367,046</b>	<b>71,988,322</b>	<b>41,090,356</b>	<b>15,201,750</b>	<b>128,280,428</b>

## 5.1 Equity Sub Fund - Listed equity securities

Ordinary shares have a face value of Rs 10/= each except for the shares of Thal Limited which has a face value of Rs. 5

Name of the investee company	Number of shares					As at June 30, 2017			Market value as a percentage of		Holding as a percentage of paid-up capital of investee company
	As at July 1, 2016	Purchased during the year	Bonus received during the year	Sold during the year	As at June 30, 2017	Carrying value	Market value	Unrealised gain / (loss)	Net assets of the sub fund	Total market value of investments	
----- (Rupees) -----											
<b>AUTOMOBILE ASSEMBLER</b>											
Indus Motor Company Limited	750	-	-	750	-	-	-	-	-	-	0.0000%
Pak Suzuki Motor Company Limited	-	8,900	-	-	8,900	-	-	-	-	-	0.0000%
Honda Atlas Cars (Pakistan) Limited	11,000	4,700	-	8,700	7,000	3,097,992	6,073,830	2,975,838	6.28%	6.46%	0.0049%
Ghandhara Industries Limited	-	3,600	-	3,600	-	-	-	-	-	-	0.0000%
Ghandhara Nissan Limited	-	6,000	-	6,000	-	-	-	-	-	-	0.0000%
						<b>3,097,992</b>	<b>6,073,830</b>	<b>2,975,838</b>	<b>6.28%</b>	<b>6.46%</b>	
<b>AUTOMOBILE PARTS AND ACCESSORIES</b>											
General Tyres and Rubber Company of Pakistan Limited	-	8,000	-	-	8,000	2,407,263	2,428,000	20,737	2.51%	2.58%	0.0134%
Thal Limited	-	16,700	-	1,900	14,800	5,957,465	8,969,244	3,011,779	9.27%	9.54%	0.0183%
						<b>8,364,728</b>	<b>11,397,244</b>	<b>3,032,516</b>	<b>11.78%</b>	<b>12.12%</b>	<b>0.0317%</b>
<b>CEMENT</b>											
D.G. Khan Cement Limited	27,700	1,500	-	11,300	17,900	3,486,286	3,815,564	329,278	3.94%	4.06%	0.0041%
Attock Cement Pakistan Limited	-	3,000	-	3,000	-	-	-	-	-	-	0.0000%
Lucky Cement Limited	10,400	6,700	-	7,300	9,800	7,255,237	8,195,348	940,111	8.47%	8.72%	0.0030%
Pioneer Cement Limited	14,500	3,500	-	-	18,000	2,107,290	2,340,000	232,710	2.42%	2.49%	0.0079%
Cherat Cement Company Limited	6,500	18,500	-	13,500	11,500	1,432,698	2,055,970	623,272	2.12%	2.19%	0.0065%
Fauji Cement Company Limited	-	45,000	-	45,000	-	-	-	-	-	-	0.0000%
Kohat Cement Limited	5,800	-	-	5,800	-	-	-	-	-	-	0.0000%
Dewan Cement Limited	-	50,000	-	50,000	-	-	-	-	-	-	0.0000%
						<b>14,281,511</b>	<b>16,406,882</b>	<b>2,125,371</b>	<b>16.95%</b>	<b>17.46%</b>	
<b>CHEMICALS</b>											
I.C.I. Pakistan Limited	-	8,800	-	3,000	5,800	3,871,524	6,348,390	2,476,866	6.56%	6.75%	0.0063%
Sitara Chemical Industries Limited	-	5,000	-	5,000	-	-	-	-	-	-	-
						<b>3,871,524</b>	<b>6,348,390</b>	<b>2,476,866</b>	<b>6.56%</b>	<b>6.75%</b>	
<b>ENGINEERING</b>											
Crescent Steel and Allied Products Limited	8,000	-	-	8,000	-	-	-	-	-	-	0.0000%
Mughal Iron and Steel Industries Limited	-	10,000	-	10,000	-	-	-	-	-	-	0.0000%
						-	-	-	-	-	0.0000%
<b>FERTILIZER</b>											
Dawood Hercules Corporation Limited	16,500	-	-	16,500	-	-	-	-	-	-	-
Engro Fertilizer Limited	27,000	122,500	-	27,000	122,500	8,566,665	6,766,900	(1,799,765)	6.99%	7.20%	0.0092%
Engro Corporation Limited	20,400	6,000	-	8,000	18,400	6,187,442	5,996,744	(190,698)	6.20%	6.38%	0.0035%
						<b>14,754,107</b>	<b>12,763,644</b>	<b>(1,990,463)</b>	<b>13.19%</b>	<b>13.58%</b>	
<b>FOOD &amp; PERSONAL CARE PRODUCTS</b>											
Engro Foods Limited	-	15,000	-	15,000	-	-	-	-	-	-	-
						-	-	-	-	-	-
<b>INDUSTRIAL METALS AND MINING</b>											
International Steels Limited	-	23,000	-	4,000	19,000	2,924,100	2,429,910	(494,190)	2.51%	2.58%	0.0044%
						-	-	-	-	-	-
<b>LEATHER &amp; TANNERIES</b>											
Service Pakistan Limited	1,750	1,050	-	2,800	-	-	-	-	-	-	0.0000%
						-	-	-	-	-	-
<b>OIL &amp; GAS EXPLORATION COMPANIES</b>											
Mari Petroleum Company Limited	4,300	800	-	1,000	4,100	3,780,233	6,460,124	2,679,891	6.67%	6.87%	0.0037%
Oil & Gas Development Company Limited	23,000	45,000	-	34,500	33,500	5,170,148	4,713,115	(457,033)	4.87%	5.01%	0.0008%
Pakistan Oilfields Limited	9,850	2,000	-	6,500	5,350	1,928,112	2,451,103	522,991	2.53%	2.61%	0.0023%
Pakistan Petroleum Limited	30,300	8,000	-	19,500	18,800	3,042,306	2,785,032	(257,274)	2.88%	2.96%	0.0010%
						<b>13,920,799</b>	<b>16,409,374</b>	<b>2,488,575</b>	<b>16.95%</b>	<b>17.45%</b>	
<b>OIL &amp; GAS MARKETING COMPANIES</b>											
Hascol Petroleum Limited (Note 5.1.2)	440	-	-	-	440	85,963	150,084	64,121	0.16%	0.16%	0.0004%
Pakistan State Oil Company Limited	-	14,200	-	1,700	12,500	5,177,957	4,841,875	(336,082)	5.00%	5.15%	0.0046%
Attock Petroleum Limited	50	-	-	-	50	21,877	31,322	9,445	0.03%	0.03%	0.0001%
Sui Northern Gas Pipelines Limited	-	41,500	-	24,000	17,500	2,459,700	2,606,100	146,400	2.69%	2.77%	0.0028%
						<b>7,745,497</b>	<b>7,629,381</b>	<b>(116,116)</b>	<b>7.88%</b>	<b>8.11%</b>	
<b>PAPER &amp; BOARD</b>											
Packages Limited	6,400	3,550	-	3,100	6,850	5,081,598	4,764,722	(316,876)	4.92%	5.07%	0.0077%
						-	-	-	-	-	-
<b>PHARMACEUTICALS</b>											
The Searle Company Limited (Note 5.1.2)	5,155	5,200	1,258	6,200	5,413	2,880,739	2,771,348	(109,391)	2.86%	2.95%	0.0035%
						-	-	-	-	-	-
<b>POWER GENERATION &amp; DISTRIBUTION</b>											
The Hub Power Company Limited	59,300	28,900	-	88,200	-	-	-	-	-	-	-
Kot Addu Power Company Limited	42,500	-	-	42,500	-	-	-	-	-	-	-
						-	-	-	-	-	-
<b>SUGAR AND ALLIED INDUSTRIES</b>											
Faran Sugar Mills Industries	-	12,000	-	-	12,000	2,160,000	963,120	(1,196,880)	1.00%	1.02%	0.0480%
						-	-	-	-	-	-
<b>TEXTILE COMPOSITE</b>											
Kohinoor Textile Mills Limited	33,500	-	-	33,500	-	-	-	-	-	-	-
Nishat Mills Limited	21,000	50,500	-	33,200	38,300	5,803,334	6,077,444	274,110	6.28%	6.45%	0.0109%
						<b>5,803,334</b>	<b>6,077,444</b>	<b>274,110</b>	<b>6.28%</b>	<b>6.45%</b>	
<b>Total June 30, 2017</b>						<b>84,885,929</b>	<b>94,035,289</b>	<b>9,149,360</b>	<b>97.16%</b>	<b>100.00%</b>	
<b>Total June 30, 2016</b>						<b>65,388,225</b>	<b>71,988,322</b>	<b>6,600,097</b>	<b>97.30%</b>	<b>100.00%</b>	

5.1.2 The Finance Act 2014 introduced amendments to the Income Tax Ordinance 2001. As a result of these amendments, companies are liable to withhold bonus shares at the rate of 5 percent. These shares will be released upon payment of tax by shareholders. The value of tax will be computed on the basis of day-end price on the first day of book closure.

### 5.1.3 Debt Sub Fund - Government Securities - GoP Ijarah Sukuk

GoP - Ijarah Sukuk	Tenure	As at July 01, 2016	Purchased during the year	Disposed of during the year	Matured during the year	As at June 30, 2017	Cost of holding as at June 30, 2017	Market value as at June 30, 2017	Appreciation / (diminution)	Market value as a percentage of total investment of the Sub-Fund	Market value as a percentage of net assets of the Sub-Fund
-----Number of certificates-----						-----Rupees-----			-----%age-----		
Government of Pakistan (GoP) - Ijarah Sukuks	3 years	377	-	-	-	377	37,931,773	38,501,225	569,452	88.26	73.69
June 30, 2016							37,754,162	38,048,223	294,061	92.60	85.35

5.1.3.1 These Sukuks carry effective yield of 5.45% to 5.51% (2016: 5.15% to 5.69%) per annum and will mature by December 2018.

### 5.1.4 Debt Sub Fund - Sukuk Certificates

Name of investee company	Tenure	As at July 01, 2016	Purchased during the year	Disposed of during the year	Matured during the year	As at June 30, 2017	Cost of holding as at June 30, 2017	Market value as at June 30, 2017	Appreciation / (diminution)	Market value as a percentage of total investment of the Sub-Fund	Market value as a percentage of net assets of the Sub-Fund					
-----Number of certificates-----						-----Rupees-----			-----%age-----							
Engro Fertilizers Limited - 1	5 years	160	-	-	-	160	650,843	661,324	10,481	1.52	1.27					
Engro Fertilizers Limited - 2	6 months	50	-	-	50	-	-	-	-	-	-					
K-Electric Limited	7 years	400	-	-	-	400	2,018,600	2,092,940	74,340	4.80	4.01					
Meezan Bank Limited - Tier II	10 years	-	2	-	-	2	2,000,000	2,085,188	85,188	4.78	3.99					
Fatima Fertilizer Company Limited	5 years	-	60	-	-	60	270,000	282,130	12,130	0.65	0.54					
June 30, 2017							610	62	-	50	622	4,939,443	5,121,582	182,139	12	9.81
June 30, 2016							3,032,506	3,042,133	9,627	7.40	6.82					

5.1.4.1 These sukuks carry effective yield of 8.21% (2016: 10.38%) per annum and will mature by September 2026.

### 5.1.5 Money Market Sub Fund - Government Securities (GoP Ijarah Sukuk)

GoP - Ijarah Sukuk	Tenure	As at July 01, 2016	Purchased during the year	Disposed of during the year	Matured during the year	As at June 30, 2017	Cost of holding as at June 30, 2017	Market value as at June 30, 2017	Appreciation / (diminution)	Market value as a percentage of total investment of the Sub-Fund	Market value as a percentage of net assets of the Sub-Fund
-----Number of Certificates-----						-----Rupees-----			-----%age-----		
Government of Pakistan (GoP) - Ijarah Sukuks	3 years	136	-	-	31	105	10,550,559	10,708,950	158,391	100	29.53
June 30, 2016							13,543,228	13,551,750	8,522	89.15	39.21

5.1.5.1 These sukuks carry effective yield of 3.89% to 6.57% (2016: 5.15% to 5.61%) per annum and will mature by December 2018.

### 5.1.6 Money Market Sub Fund - Sukuk Certificates

Name of investee company	Tenure	As at July 01, 2016	Purchased during the year	Disposed of during the year	Matured during the year	As at June 30, 2017	Cost of holding as at June 30, 2017	Market value as at June 30, 2017	Appreciation / (diminution)	Market value as a percentage of total investment of the Sub-Fund	Market value as a percentage of net assets of the Sub-Fund	
-----Number of certificates-----						-----Rupees-----			-----%age-----			
Engro Fertilizers Limited	6 months	330	-	-	330	-	-	-	-	-	-	
June 30, 2017							330	-	-	330	-	-
June 30, 2016							1,650,000	1,650,000	-	10.85	4.77	

Note	June 30, 2017				June 30, 2016				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
----- (Rupees) -----									
6	<b>PROFIT RECEIVABLE</b>								
	Profit receivable on bank deposits	19,671	103,180	172,528	295,379	31,504	87,147	164,114	282,765
	Profit receivable on government securities	-	149,954	20,609	170,563	-	103,124	33,533	136,657
		19,671	253,134	193,137	465,942	31,504	190,271	197,647	419,422
7	<b>FORMATION COST</b>								
	Balance as at July 01, 2016	21,793	21,793	21,793	65,379	40,960	40,960	40,960	122,880
	Less: amortisation during the year	19,166	19,166	19,166	57,498	19,167	19,167	19,167	57,501
	Balance as at June 30, 2017	2,627	2,627	2,627	7,881	21,793	21,793	21,793	65,379

7.1 Formation cost represents expenditure incurred prior to the commencement of operations of the Fund. This cost is being amortised over three years in accordance with the requirement set out in the Trust Deed.

Note	June 30, 2017				June 30, 2016				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
<b>8</b>	(Rupees)				(Rupees)				
<b>DEPOSITS AND OTHER RECEIVABLES</b>									
Security deposit with Central Depository Company of Pakistan Limited	100,000	100,000	-	200,000	100,000	100,000	-	200,000	
Deposit in IPS account	-	28,192	10,903	39,095	-	1,138,860	520,480	1,659,340	
Advance tax	56,563	-	-	56,563	45,438	-	-	45,438	
	<b>156,563</b>	<b>128,192</b>	<b>10,903</b>	<b>295,658</b>	<b>145,438</b>	<b>1,238,860</b>	<b>520,480</b>	<b>1,904,778</b>	
<b>9</b>	<b>PAYABLE TO THE PENSION FUND MANAGER</b>								
Remuneration to the Pension Fund Manager	9.1	125,012	62,396	44,446	231,854	90,258	54,578	42,437	187,273
Sindh Sales Tax on remuneration of the Pension Fund Manager	9.2	47,623	31,671	26,873	106,167	44,007	31,200	27,035	102,242
Federal Excise Duty on remuneration of the Pension Fund Manager	9.3	221,132	165,270	147,503	533,905	221,132	165,270	147,503	533,905
Formation cost		21,793	21,793	21,793	65,379	40,960	40,960	40,960	122,880
Sales load Payable		10,951	3,672	-	14,623	-	-	-	-
		<b>426,511</b>	<b>284,802</b>	<b>240,615</b>	<b>951,928</b>	<b>396,357</b>	<b>292,008</b>	<b>257,935</b>	<b>946,300</b>

9.1 In accordance with the provisions of the VPS Rules, the Pension Fund Manager is entitled to a remuneration for its services by way of an annual management fee not exceeding 1.50% of the net assets of each sub-fund calculated on a daily basis.

9.2 During the year, Sindh sales tax has been charged at the rate of 13% (2016: 14%).

9.2.1 Consequent to change in registered office of the management company, the Fund has completed its registration process with the Punjab Revenue Authority in July 2017 and, moving forward, the services obtained by the Fund will be subject to the Punjab sales tax at a rate specified in the Punjab Sales Tax on Services Act, 2012. The Punjab sales tax rate is currently charged at 16% of the remuneration of the Management Company.

9.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from June 13, 2013. As the asset management services rendered by the Management Company of the Fund were already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund, the Management Company was of the view that further levy of FED was not justified.

On 4 September 2013, a Constitutional Petition was 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.

During the current year, the SHC 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) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

With effect from July 01, 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. 533,905 (2016: Rs. 533,905) 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 ABLIPF - ESF, ABLIPF - DSF and ABLIPF - MMSF as at June 30, 2017 would have been higher by Re. 0.4271, Re. 0.3616 and Re. 0.4525 per unit respectively.

## 10 PAYABLE TO THE TRUSTEE

Note	June 30, 2017				June 30, 2016				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
	(Rupees)				(Rupees)				
Trustee Fee	10.1	13,285	6,641	4,729	24,655	11,883	7,185	5,587	24,655
Sindh Sales Tax on remuneration of the Trustee	10.2	1,727	864	615	3,206	1,663	1,006	783	3,452
		15,012	7,505	5,344	27,861	13,546	8,191	6,370	28,107

10.1 CDC being the trustee of the Fund is entitled to a monthly remuneration for services rendered to the Sub-Funds under the provisions of the Trust Deed as per the tariff specified therein which is charged in proportion to the daily net assets of the pertinent sub-fund. The remuneration is paid to the trustee monthly in arrears. The tariff structure applicable to the Fund as at June 30, 2017 is as follows:

Net Assets (Rupees)		Tariff
From	To	
1	1 billion	Rs. 0.3 million or 0.15% per annum of net assets whichever is higher.
Above 1 billion	3 billion	Rs. 1.5 million plus 0.10% per annum of net assets on amount exceeding Rs 1 billion
Above 3 billion	6 billion	Rs. 3.5 million plus 0.08% per annum of net assets on amount exceeding Rs 3 billion
Above 6 billion	N/A	Rs. 5.9 million plus 0.06% per annum of net assets on amount exceeding Rs 6 billion

10.2 During the year, Sindh Sales Tax has been charged at the rate of 13% (2016: 14%). As Mentioned in note 9.2.1, the Fund will be subject to Punjab Sales Tax at the rate of 16% with effect from July 2017.

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

This represents annual fee payable to the Securities and Exchange Commission of Pakistan (SECP) in accordance with rule 36 of the Voluntary Pension System Rules, 2005 whereby each Sub-Fund is required to pay to the SECP an amount equal to one thirtieth of 1% of the average annual net assets of each of the Sub-Funds.

## 12 ACCRUED EXPENSES AND OTHER LIABILITIES

Note	June 30, 2017				June 30, 2016				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
	(Rupees)				(Rupees)				
Provision for Workers' Welfare Fund	12.1	-	-	-	-	348,488	65,658	49,856	464,002
Provision for Sindh Workers' Welfare Fund	12.1	633,377	73,755	39,909	747,041	-	-	-	-
Printing charges		15,582	15,582	16,913	48,077	16,666	16,667	16,667	50,000
Security transaction charges		7,084	-	-	7,084	61,444	-	-	61,444
Withholding tax payable		1,394	986	850	3,230	9,017	1,880	1,091	11,988
Charity payable	12.2	233,582	-	-	233,582	179,324	-	-	179,324
Other payable		4,812	383	-	5,195	4,812	383	-	5,195
		895,831	90,706	57,672	1,044,209	619,751	84,588	67,614	771,953

12.1 The Finance Act, 2008 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 / Voluntary Pension Schemes (CISs and VPSs) whose income exceeds Rs 0.5 million in a tax year were 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 was higher. The Mutual Funds Association of Pakistan (MUFAP) filed a constitutional petition in the Honourable Sindh High Court (SHC) challenging the applicability of WWF on CISs which is pending adjudication. Similar cases were disposed of by the Peshawar and the Lahore High Courts in which these amendments were declared unlawful and unconstitutional. However, these decisions were challenged in the Supreme Court of Pakistan.

Subsequently, the Finance Act, 2015 introduced an amendment under which CISs / mutual funds have been excluded from the definition of "industrial establishment" subject to WWF under the WWF Ordinance. Consequently, mutual funds are not subject to this levy after the introduction of this amendment which is applicable from tax year 2016.

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

Furthermore, as a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF.

In view of the above developments regarding the applicability of WWF and SWWF on VPS / mutual funds, MUFAP had recommended the following to all its members on January 12, 2017:

- based on legal opinion, the entire provision against WWF held by the VPS till June 30 2015, to be reversed on January 12, 2017; and
- as a matter of abundant caution provision in respect of SWWF to be made on a prudent basis with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e., starting from May 21, 2015).

Accordingly, on January 12, 2017 the provision for WWF was reversed and the provision for SWWF was made for the period from May 21, 2015 to January 12, 2017. Thereafter, the provision for SWWF is being made by the Funds on a daily basis going forward.

The above decisions were communicated to the Securities and Exchange Commission of Pakistan (SECP) and the Pakistan Stock Exchange Limited on January 12, 2017. The SECP vide its letter dated February 1, 2017 had advised MUFAP that the adjustments relating to the above should be prospective and supported by adequate disclosures in the financial statements of the VPS / mutual funds. Accordingly, necessary adjustments in this respect were recorded in the books of the Funds on January 12, 2017.

Had the provision for SWWF not been recorded in the financial statements of the Fund, the net asset value per unit of the ABLIPF - ESF, ABLIPF - DSF and ABLIPF - MMSF as at June 30, 2017 would have been higher by Re. 0.856, Re. 0.0945 and Re. 0.7 per unit respectively (June 2016: ABLIPF - ESF Re. 0.6879, ABLIPF - DSF Rs. 0.1611, ABLIPF - MMSF Re. 0.1611).

- 12.2** According to the instructions of the Shariah Advisory Board of the Fund, any income earned by the Fund from investments / portion of investments made in non shariah compliant avenues, should be donated for charitable purposes directly by the Fund. An amount of Rs. 233,582 (2016: Rs. 179,324) has been recognised by the Fund as charity expense.

## **13 CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments outstanding as at June 30, 2017 and June 30, 2016.

## 14 TAXATION

No provision for taxation has been made for the year ended June 30, 2017, in view of the exemption available to the Fund under clause 57(3)(viii) of Part-1 of the Second Schedule to the Income Tax Ordinance, 2001. The Fund is also exempt from the provision of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

## 15 EARNINGS PER UNIT (EPU)

Earnings per unit are calculated based on the number of units outstanding as at year end as in the opinion of the management, the determination of the cumulative weighted average number of outstanding units for calculating EPU is not practicable.

## 16 NUMBER OF UNITS IN ISSUE

	June 30, 2016				June 30, 2015			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Number of Units)							
Total units in issue at the beginning of the year	506,626	407,603	320,618	1,234,847	407,848	353,089	322,618	1,083,555
Add: issue of units during the year	45,469	64,456	7,723	117,648	105,083	70,238	6,871	182,192
Less: units redeemed during the year	34,368	15,000	2,395	51,763	6,305	15,724	8,871	30,900
Total units in issue at the end of the year	517,727	457,059	325,946	1,300,732	506,626	407,603	320,618	1,234,847

## 17 CONTRIBUTION TABLE

	2017						
	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Total
	Units	Rupees	Units	Rupees	Units	Rupees	Rupees
Individuals	45,469	7,862,837	64,456	7,243,542	7,723	851,861	15,958,240
	2016						
	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Total
	Units	Rupees	Units	Rupees	Units	Rupees	Rupees
Individuals	105,083	14,209,894	70,238	7,549,239	6,871	736,502	22,495,635

## 18 FINANCIAL PROFIT

	For the year ended June 30, 2016				For the period from August 20, 2014 to June 30, 2015			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees)							
Profit from government securities	-	2,243,583	730,957	2,974,540	-	2,358,091	1,471,546	3,829,637
Profit on balances with banks	305,189	210,073	1,060,823	1,576,085	200,382	32,789	373,684	606,855
	305,189	2,453,656	1,791,780	4,550,625	200,382	2,390,880	1,845,230	4,436,492

## 19 UNREALISED APPRECIATION ON REMEASUREMENT OF INVESTMENTS CLASSIFIED AS 'FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS' - NET

	For the year ended June 30, 2016				For the period from August 20, 2014 to June 30, 2015			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees)							
Market value of investments	94,035,289	43,622,807	10,708,950	148,367,046	71,988,322	41,090,356	15,201,750	128,280,428
Less: cost of investments	(84,885,929)	(42,871,216)	(10,550,559)	(138,307,704)	(65,388,225)	(40,786,668)	(15,193,228)	(121,368,121)
	9,149,360	751,591	158,391	10,059,342	6,600,097	303,688	8,522	6,912,307

## 20 AUDITORS' REMUNERATION

Annual statutory audit fee	50,000	50,000	50,000	150,000	33,333	33,334	33,333	100,000
Sindh Sales Tax on audit fee	4,452	4,452	4,452	13,356	4,000	4,000	4,000	12,000
Out of pocket expenses	669	669	671	2,009	4,452	4,452	4,451	13,355
	55,121	55,121	55,123	165,365	41,785	41,786	41,784	125,355

## 21 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

- 21.1 Connected persons / related parties include 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 and 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.
- 21.2 Transactions with connected persons are in the normal course of business, at contracted rates and at the terms determined in accordance with market rates.
- 21.3 Remuneration to the Pension Fund Manager is determined in accordance with the provisions of the Voluntary Pension Schemes and the Trust Deed respectively.
- 21.4 Remuneration of the Trustee is determined in accordance with the provisions of the Trust Deed.
- 21.5 Details of transactions with connected persons / related parties during the year are as follows:

	For the year ended June 30, 2017				For the year ended June 30, 2016			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees)				(Rupees)			
<b>ABL Asset Management Company Limited</b>								
<b>- Pension Fund Manager</b>								
Remuneration	1,417,901	715,292	529,713	2,662,906	906,439	603,633	506,238	2,016,310
Sindh sales tax on Remuneration	184,327	92,988	68,863	346,178	147,206	98,030	82,213	327,449
Federal excise duty on Remuneration	-	-	-	-	145,030	96,581	80,998	322,609
<b>Central Depository Company of Pakistan Limited - Trustee</b>								
Trustee fee	159,127	80,892	59,983	300,002	134,966	90,109	75,746	300,821
Sindh sales tax on remuneration	20,687	10,514	7,798	38,999	18,895	12,615	10,605	42,115
<b>Allied Bank Limited</b>								
Bank charges	28,212	3,709	6,712	38,633	29,017	14,659	4,845	48,521
Profit on bank deposits	240,720	205,125	203,610	649,455	170,930	22,229	80,389	273,548

## 21.6 Details of balances with connected persons / related parties as at year end

	June 30, 2017				June 30, 2016			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees)				(Rupees)			
<b>ABL Asset Management Company Limited</b>								
<b>- Pension Fund Manager</b>								
Number of units held: 300,000 units in each sub-fund	56,087,040	34,293,630	33,377,880	123,758,550	43,814,940	32,810,910	32,336,250	108,962,100
Remuneration payable	125,012	62,396	44,446	231,854	90,258	54,578	42,437	187,273
Sindh sales tax on remuneration	47,623	31,671	26,873	106,167	44,007	31,200	27,035	102,242
Federal excise duty on remuneration	221,132	165,270	147,503	533,905	221,132	165,270	147,503	533,905
Formation cost payable	21,793	21,793	21,793	65,379	40,960	40,960	40,960	122,880
Sales load payable	10,951	3,672	-	14,623	-	-	-	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>								
Trustee fee payable	13,285	6,641	4,729	24,655	11,883	7,185	5,587	24,655
Sindh sales tax on remuneration	1,727	864	615	3,206	1,663	1,006	783	3,452
Security deposit	100,000	100,000	-	200,000	100,000	100,000	-	200,000
Deposit in IPS accounts	-	28,192	10,903	39,095	-	1,138,860	520,480	1,659,340
<b>Allied Bank Limited</b>								
Balances in profit and loss sharing accounts	3,155,354	7,645,651	4,024,381	14,825,386	2,524,095	2,454,815	6,545,963	11,524,873
Profit receivable on bank deposits	17,973	22,975	2,075	43,023	23,013	8,393	164,114	195,520



2017

Particulars	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund			Total
	Loans and receivables	At fair value through profit or loss	Sub-total	Loans and receivables	At fair value through profit or loss	Sub-total	Loans and receivables	At fair value through profit or loss	Sub-total	
(Rupees)										
<b>Financial assets</b>										
Balances with banks	3,597,845	-	3,597,845	8,689,379	-	8,689,379	25,714,323	-	25,714,323	38,001,547
Investments	-	94,035,289	94,035,289	-	43,622,807	43,622,807	-	10,708,950	10,708,950	148,367,046
Dividend receivable	399,121	-	399,121	-	-	-	-	-	-	399,121
Profit receivable	19,671	-	19,671	253,134	-	253,134	193,137	-	193,137	465,942
Deposits and other receivables	100,000	-	100,000	128,192	-	128,192	10,903	-	10,903	239,095
	4,116,637	94,035,289	98,151,926	9,070,705	43,622,807	52,693,512	25,918,363	10,708,950	36,627,313	187,472,751

2017

Particulars	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund			Total
	At fair value through profit or loss	Other financial liabilities	Sub-total	At fair value through profit or loss	Other financial liabilities	Sub-total	At fair value through profit or loss	Other financial liabilities	Sub-total	
(Rupees)										
<b>Financial liabilities</b>										
Payable to the Pension Fund Manager	-	426,511	426,511	-	284,802	284,802	-	240,615	240,615	951,928
Payable to the Trustee	-	15,012	15,012	-	7,505	7,505	-	5,344	5,344	27,861
Payable to the auditors	-	50,003	50,003	-	50,003	50,003	-	50,005	50,005	150,011
Accrued expenses and other liabilities	-	261,060	261,060	-	15,965	15,965	-	16,913	16,913	293,938
	-	752,586	752,586	-	358,275	358,275	-	312,877	312,877	1,423,738

2016

Particulars	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund			Total
	Loans and receivables	At fair value through profit or loss	Sub-total	Loans and receivables	At fair value through profit or loss	Sub-total	Loans and receivables	At fair value through profit or loss	Sub-total	
(Rupees)										
<b>Financial assets</b>										
Balances with banks	2,548,387	-	2,548,387	2,471,549	-	2,471,549	18,995,279	-	18,995,279	24,015,215
Investments	-	71,988,322	71,988,322	-	41,090,356	41,090,356	-	15,201,750	15,201,750	128,280,428
Dividend receivable	342,172	-	342,172	-	-	-	-	-	-	342,172
Profit receivable	31,504	-	31,504	190,271	-	190,271	197,647	-	197,647	419,422
Deposits and other receivables	100,000	-	100,000	1,238,860	-	1,238,860	520,480	-	520,480	1,859,340
	3,022,063	71,988,322	75,010,385	3,900,680	41,090,356	44,991,036	19,713,406	15,201,750	34,915,156	154,916,577

2016

Particulars	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund			Total
	At fair value through profit or loss	Other financial liabilities	Sub-total	At fair value through profit or loss	Other financial liabilities	Sub-total	At fair value through profit or loss	Other financial liabilities	Sub-total	
(Rupees)										
<b>Financial liabilities</b>										
Payable to the Pension Fund Manager	-	396,357	396,357	-	292,008	292,008	-	257,935	257,935	946,300
Payable to the Trustee	-	13,546	13,546	-	8,191	8,191	-	6,370	6,370	28,107
Payable to the auditors	-	35,333	35,333	-	35,333	35,333	-	35,334	35,334	106,000
Accrued expenses and other liabilities	-	244,246	244,246	-	18,930	18,930	-	17,758	17,758	280,934
	-	689,482	689,482	-	354,462	354,462	-	317,397	317,397	1,361,341

## 23 FINANCIAL RISK MANAGEMENT

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

### 23.1 Market risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate as a result of changes in market prices. The Management Company manages the market risk through diversification of the investment portfolio by exposures and by following the internal guidelines established by the investment committee.

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

#### 23.1.1 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.

#### 23.1.2 Profit rate risk

Profit 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 profit rates.

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

Presently the Fund does not hold any fixed rate instruments that expose the Fund to cash flow profit risk

##### b) Sensitivity analysis of variable rate instruments

Presently the Debt Sub-Fund and Money Market Sub-Fund hold KIBOR based profit bearing Sukuks exposing each of the Sub-Funds to cash flow interest rate risk. The impact of 100 basis points increase / decrease in KIBOR on June 30, 2017, with all other variables held constant, on the net assets of the Fund for the year is shown below:

	Effect on income and net assets		
	Debt Sub-Fund	Money Market Sub-Fund	Total
	-----Rupees-----		
Increase of 100 basis points	821,239	107,090	928,329
Decrease of 100 basis points	(821,239)	(107,090)	(928,329)

The composition of the Fund's investment portfolio and rates published by the MUFAP is expected to change over time. Therefore, the sensitivity analysis prepared as of June 30, 2017 is not necessarily indicative of the effect on the Fund's net assets due to future movements in interest rates.

The Fund also holds balances in certain saving accounts, the interest rate of which in certain circumstances ranged between 3% - 6.7% per annum.

Yield / profit 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, 2017					As at June 30, 2016						
	Effective yield / profit rate %	Exposed to yield / profit risk			Not exposed to yield / profit rate risk	Total	Effective yield / profit rate %	Exposed to yield / profit risk			Not exposed to yield / profit rate risk	Total
		Upto three months	More than three months and upto one year	More than one year				Upto three months	More than three months and upto one year	More than one year		

Rupees

Rupees

ABL Islamic Pension Fund - Equity Sub Fund

On-balance sheet financial instruments

Financial assets

Bank balances	3 - 6.7	3,597,845	-	-	-	3,597,845	3.00 - 6.25	2,548,387	-	-	-	2,548,387
Investments		-	-	-	94,035,289	94,035,289		-	-	-	71,988,322	71,988,322
Dividend receivable		-	-	-	399,121	399,121		-	-	-	342,172	342,172
Profit receivable		-	-	-	19,671	19,671		-	-	-	244,246	244,246
Deposits and other receivable		-	-	-	100,000	100,000		-	-	-	100,000	100,000
<b>Sub total</b>		<b>3,597,845</b>	<b>-</b>	<b>-</b>	<b>94,554,081</b>	<b>98,151,926</b>		<b>2,548,387</b>	<b>-</b>	<b>-</b>	<b>72,461,998</b>	<b>75,010,385</b>

Financial liabilities

Payable to the Pension Fund Manager		-	-	-	426,511	426,511		-	-	-	396,357	396,357
Payable to the Trustee		-	-	-	15,012	15,012		-	-	-	13,546	13,546
Payable to the auditors		-	-	-	50,003	50,003		-	-	-	35,333	35,333
Accrued expenses and other liabilities		-	-	-	261,060	261,060		-	-	-	244,246	244,246
<b>Sub total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>752,586</b>	<b>752,586</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>689,482</b>	<b>689,482</b>

On-balance sheet gap

<b>3,597,845</b>	<b>-</b>	<b>-</b>	<b>93,801,495</b>	<b>97,399,340</b>
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<b>2,548,387</b>	<b>-</b>	<b>-</b>	<b>71,772,516</b>	<b>74,320,903</b>
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Total interest rate sensitivity gap

<b>3,597,845</b>	<b>-</b>	<b>-</b>	<b>93,801,495</b>	<b>97,399,340</b>
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<b>2,548,387</b>	<b>-</b>	<b>-</b>	<b>71,772,516</b>	<b>74,320,903</b>
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Cumulative interest rate sensitivity gap

<b>3,597,845</b>	<b>3,597,845</b>	<b>3,597,845</b>
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<b>2,548,387</b>	<b>2,548,387</b>	<b>2,548,387</b>
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Particulars	As at June 30, 2017					As at June 30, 2016						
	Effective yield / profit rate %	Exposed to yield / profit risk			Not exposed to yield / profit rate risk	Total	Effective yield / profit rate %	Exposed to yield / profit risk			Not exposed to yield / profit rate risk	Total
		Upto three months	More than three months and upto one year	More than one year				Upto three months	More than three months and upto one year	More than one year		

Rupees

Rupees

ABL Islamic Pension Fund - Debt Sub Fund

On-balance sheet financial instruments

Financial assets

Bank balances	3 - 6.7	8,689,379	-	-	-	8,689,379	3.00 - 6.25	2,471,549	-	-	-	2,471,549
Investments	5.45 - 8.21	2,754,264	40,868,543	-	-	43,622,807	4.39 - 11.21	41,090,356	-	-	-	41,090,356
Profit receivable		-	-	-	253,134	253,134		-	-	-	190,271	190,271
Deposit and other receivable		-	-	-	128,192	128,192		-	-	-	1,238,860	1,238,860
<b>Sub total</b>		<b>11,443,643</b>	<b>40,868,543</b>	<b>-</b>	<b>381,326</b>	<b>52,693,512</b>		<b>43,561,905</b>	<b>-</b>	<b>-</b>	<b>1,429,131</b>	<b>44,991,036</b>

Financial liabilities

Payable to the Pension Fund Manager		-	-	-	284,802	284,802		-	-	-	292,008	292,008
Payable to the Trustee		-	-	-	7,505	7,505		-	-	-	8,191	8,191
Payable to the Auditors		-	-	-	50,003	50,003		-	-	-	35,333	35,333
Accrued expenses and other liabilities		-	-	-	15,965	15,965		-	-	-	18,930	18,930
<b>Sub total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>358,275</b>	<b>358,275</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>354,462</b>	<b>354,462</b>

On-balance sheet gap

<b>11,443,643</b>	<b>40,868,543</b>	<b>-</b>	<b>23,051</b>	<b>52,335,237</b>
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<b>43,561,905</b>	<b>-</b>	<b>-</b>	<b>1,074,669</b>	<b>44,636,574</b>
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Total interest rate sensitivity gap

<b>11,443,643</b>	<b>40,868,543</b>	<b>-</b>	<b>23,051</b>	<b>52,335,237</b>
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<b>43,561,905</b>	<b>-</b>	<b>-</b>	<b>1,074,669</b>	<b>44,636,574</b>
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Cumulative interest rate sensitivity gap

<b>11,443,643</b>	<b>52,312,186</b>	<b>52,312,186</b>
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<b>43,561,905</b>	<b>43,561,905</b>	<b>43,561,905</b>
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Particulars	As at June 30, 2017					Total	As at June 30, 2016					Total
	Effective yield / profit rate %	Exposed to yield / profit risk			Not exposed to yield / profit rate risk		Effective yield / profit rate %	Exposed to yield / profit risk			Not exposed to yield / profit rate risk	
		Upto three months	More than three months and upto one year	More than one year				Upto three months	More than three months and upto one year	More than one year		

-----Rupees-----

-----Rupees-----

#### ABL Islamic Pension Fund - Money Market Sub Fund

##### On-balance sheet financial instruments

##### Financial assets

Balances with banks	2.75 - 6.75	25,714,323	-	-	-	25,714,323	3.00 - 6.25	18,995,279	-	-	-	18,995,279
Investments	3.98 - 6.57	-	10,708,950	-	-	10,708,950	4.39 - 6.94	15,201,750	-	-	-	15,201,750
Profit receivable		-	-	-	193,137	193,137		-	-	-	197,647	197,647
Deposit and other receivable		-	-	-	10,903	10,903		-	-	-	520,480	520,480
<b>Sub total</b>		<b>25,714,323</b>	<b>10,708,950</b>	<b>-</b>	<b>204,040</b>	<b>36,627,313</b>		<b>34,197,029</b>	<b>-</b>	<b>-</b>	<b>718,127</b>	<b>34,915,156</b>

##### Financial liabilities

Payable to the Pension Fund Manager		-	-	-	240,615	240,615		-	-	-	257,935	257,935
Payable to the Trustee		-	-	-	5,344	5,344		-	-	-	6,370	6,370
Payable to the Auditors		-	-	-	50,005	50,005		-	-	-	35,334	35,334
Accrued expenses and other liabilities		-	-	-	16,913	16,913		-	-	-	17,758	17,758
<b>Sub total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>312,877</b>	<b>312,877</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>317,397</b>	<b>317,397</b>

##### On-balance sheet gap

		<b>25,714,323</b>	<b>10,708,950</b>	<b>-</b>	<b>(108,837)</b>	<b>36,314,436</b>		<b>34,197,029</b>	<b>-</b>	<b>-</b>	<b>400,730</b>	<b>34,597,759</b>
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##### Total interest rate sensitivity gap

		<b>25,714,323</b>	<b>10,708,950</b>	<b>-</b>	<b>(108,837)</b>	<b>36,314,436</b>		<b>34,197,029</b>	<b>-</b>	<b>-</b>	<b>400,730</b>	<b>34,597,759</b>
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##### Cumulative interest rate sensitivity gap

		<b>25,714,323</b>	<b>36,423,273</b>	<b>36,423,273</b>				<b>34,197,029</b>	<b>34,197,029</b>	<b>34,197,029</b>		
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### 23.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Fund's price risk generally arises on equity securities.

The Fund manages this risk by limiting its investment exposure in the following ways:

- Through diversification of investment portfolio
- Placing limits on individuals and aggregate exposures in accordance with the internal risk management policies and regulations laid down by the SECP.

The Fund's investments in equity securities are publicly traded and are valued at the rates quoted on the relevant stock exchanges.

In case of 5% change in KMI 30 index on June 30, 2017, with all other variables held constant, net income for the year would increase / decrease by Rs. 0.1235 (2016: Rs. 0.812) million as a result of gains / losses on equity securities classified as at fair value through profit or loss.

The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Sub-Funds equity instruments moved according to historical correlation with the index. This represents the Pension Fund Manager's best estimate of a reasonable possible shift in the KMI 30 index, having regard to historical volatility of the index. The composition of the Sub-Fund investment's portfolio and the correlation thereof to the KMI 30 index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2017 is not necessarily indicative of the effect on the Sub-Fund's net assets of future movements in the level of the KMI 30 index.

## 23.2 Credit risk

Credit risk represents the risk of a loss if the counter parties fail to perform as contracted. Credit risk mainly arises from deposits with banks, credit exposure arising as a result of dividends receivable on equity securities and investment in debt securities. For banks and financial institutions balances are kept with reputed parties. Credit risk on dividend receivable is minimal due to statutory protection. All transactions in listed securities are settled / paid for upon delivery market clearing system. The risk of default is considered minimal due to inherent systematic measures taken therein. Debt securities held by the Fund mainly consist of government securities that represent the interest of the Government of Pakistan and therefore not exposed to credit risk. The remaining debt securities are with reputable counter parties and therefore credit risk is minimal.

Credit risk is managed and controlled by the Pension Fund Manager of the Fund in the following manner:

- The Fund limits its exposure to credit risk by only investing in liquid debt securities that have at minimum an investment grade as rated by a credit rating agency approved by the SECP. In the absence of issue rating, the Fund ensures that the entity has an investment grade as rated by a credit rating agency approved by the SECP.
- The risk of counter party exposure due to failed trades causing a loss to the Fund is mitigated by a periodic review of trade reports, credit ratings and financial statements on a regular basis.

23.2.1 The analysis below summarises the available published credit ratings of the Fund's bank balances as at June 30, 2017:

Balances with banks by rating category

Name of the bank	Equity Sub Fund			Debt Sub Fund			Money Market Sub Fund		
	Rating agency	Latest available published rating	Percentage of bank balance	Rating agency	Latest available published rating	Percentage of bank balance	Rating agency	Latest available published rating	Percentage of bank balance
Allied Bank Limited	PACRA	AA+	87.70%	PACRA	AA+	87.99%	PACRA	AA+	15.65%
Askari Bank Limited	PACRA	AA+	1.02%	PACRA	AA+	0.15%	PACRA	AA+	22.20%
Dubai Islamic Bank Pakistan Limited	JCR-VIS	AA-	-	JCR-VIS	AA-	-	JCR-VIS	AA-	19.73%
Bank Islami Pakistan Limited	PACRA	A+	-	PACRA	A+	-	PACRA	A+	21.51%
United Bank Limited	JCR-VIS	AAA	11.28%	JCR-VIS	AAA	11.86%	JCR-VIS	AAA	20.90%

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

The analysis below summarises the available published credit ratings of the Fund's bank balances as at June 30, 2016:

Name of the bank	Equity Sub Fund			Debt Sub Fund			Money Market Sub Fund		
	Rating agency	Latest available published rating	Percentage of bank balance	Rating agency	Latest available published rating	Percentage of bank balance	Rating agency	Latest available published rating	Percentage of bank balance
Allied Bank Limited	PACRA	AA+	99.05%	PACRA	AA+	99.32%	PACRA	AA+	70.64%
Askari Bank Limited	PACRA	AA+	0.13%	PACRA	AA+	0.31%	PACRA	AA+	14.54%
United Bank Limited	JCR-VIS	AAA	0.14%	JCR-VIS	AAA	0.32%	JCR-VIS	AAA	14.82%

## 23.2.2 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is mainly held with / invested in various banks and securities issued by the State Bank of Pakistan on behalf of Government of Pakistan and other corporate entities. The Fund has maintained deposits and invested in sukuku of high credit reputed entities and therefore the management believes that the fund is not exposed to any credit risk.

## 23.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligation in full as they fall due or can only do so on 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 disposed of. The Fund's investments are considered readily realisable.

The Fund can borrow in the short term to ensure settlements. 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 redemption requests 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, 2017				As at June 30, 2016			
	Upto three months	More than three months and upto one year	More than one year	Total	Upto three months	More than three months and upto one year	More than one year	Total
	-----Rupees-----				-----Rupees-----			
<b>Liabilities</b>								
<b>ABL Islamic Pension Fund - Equity Sub Fund</b>								
Payable to the Pension Fund Manager	426,511	-	-	426,511	396,357	-	-	396,357
Payable to the Trustee	15,012	-	-	15,012	13,546	-	-	13,546
Payable to the auditors	50,003	-	-	50,003	35,333	-	-	35,333
Accrued expenses and other liabilities	261,060	-	-	261,060	244,246	-	-	244,246
	<u>752,586</u>	<u>-</u>	<u>-</u>	<u>752,586</u>	<u>689,482</u>	<u>-</u>	<u>-</u>	<u>689,482</u>
<b>ABL Islamic Pension Fund - Debt Sub Fund</b>								
Payable to the Pension Fund Manager	284,802	-	-	284,802	292,008	-	-	292,008
Payable to the Trustee	7,505	-	-	7,505	8,191	-	-	8,191
Payable to the auditors	50,003	-	-	50,003	35,333	-	-	35,333
Accrued expenses and other liabilities	15,965	-	-	15,965	18,930	-	-	18,930
	<u>358,275</u>	<u>-</u>	<u>-</u>	<u>358,275</u>	<u>354,462</u>	<u>-</u>	<u>-</u>	<u>354,462</u>
<b>ABL Islamic Pension Fund - Money Market Sub Fund</b>								
Payable to the Pension Fund Manager	240,615	-	-	240,615	257,935	-	-	257,935
Payable to the Trustee	5,344	-	-	5,344	6,370	-	-	6,370
Payable to the auditors	50,005	-	-	50,005	35,334	-	-	35,334
Accrued expenses and other liabilities	16,913	-	-	16,913	17,758	-	-	17,758
	<u>312,877</u>	<u>-</u>	<u>-</u>	<u>312,877</u>	<u>317,397</u>	<u>-</u>	<u>-</u>	<u>317,397</u>

## 23.4 Fair value of financial instruments

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

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

Fair value of investments is determined as follows:

- Fair value of listed equity securities is determined on the basis of closing market prices quoted on the respective Pakistan stock exchange.
- The fair value of all other financial assets and financial liabilities of the Fund approximate their carrying amounts due to short term maturities of these instruments.

### 23.4.1 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:

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

As at June 30, 2017, the Fund held the following financial instruments measured at fair value:

	As at June 30, 2017				As at June 30, 2016			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
-----Rupees-----								
<b>ASSETS</b>								
<b>Financial assets at fair value through profit or loss</b>								
<b>ABL Islamic Pension Fund - Equity Sub Fund</b>								
Listed equity securities	94,035,289	-	-	94,035,289	71,988,322	-	-	71,988,322
<b>ABL Islamic Pension Fund - Debt Sub Fund</b>								
Government securities - GoP Ijarah sukuk	-	38,501,225	-	38,501,225	-	38,048,223	-	38,048,223
Other sukuk	-	5,121,582	-	5,121,582	-	3,042,133	-	3,042,133
<b>ABL Islamic Pension Fund - Money Market Sub Fund</b>								
Government securities - GoP Ijarah sukuk	-	10,708,950	-	10,708,950	-	13,551,750	-	13,551,750
Other sukuk	-	-	-	-	-	1,650,000	-	1,650,000

## 24 PARTICIPANTS' SUB FUND RISK MANAGEMENT

The participants' sub fund is represented by the net assets attributable to participant / redeemable units. The participants of the Fund are entitled 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 participants' sub funds.

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 participants and to maintain a strong base to meet unexpected losses or opportunities.

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

## 25 FINANCIAL PERFORMANCE

Particulars	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund		
	2017	2016	2015	2016	2016	2015	2017	2016	2015
-----Rupees-----									
Net income	21,717,186	7,269,750	9,806,184	2,118,210	1,393,319	1,823,936	1,118,261	746,246	1,696,719
Capital gain / (loss) on sale of investments - net	11,652,644	(776,993)	5,246,283	-	(222,826)	-	-	(205,331)	68,869
Unrealised gain / (loss) on re-measurement of investments classified as financial assets at fair value through profit or loss - net	9,149,360	6,600,097	4,203,744	751,591	303,688	251,573	158,391	8,522	215,078
Dividend income	3,073,235	3,119,655	1,355,186	-	-	-	-	-	-
Financial profit	305,189	200,382	306,369	2,453,656	2,390,880	2,445,369	1,791,780	1,845,230	2,256,784
Net asset value per unit as at June 30	186.9568	146.0499	130.8431	114.3121	109.3697	105.6407	111.2596	107.7875	105.4243
Total net assets as at June 30	96,792,565	73,992,687	53,364,074	52,247,387	44,579,429	37,300,567	36,264,650	34,558,559	34,011,735
Total contributions received - Gross	7,862,837	14,209,894	43,651,046	7,243,542	7,549,239	36,799,286	851,863	736,502	34,172,936

## 25.1 Highest and lowest issue price of units issued during the year

Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		
Lowest issue price	Highest issue price	Lowest issue price	Highest issue price	Lowest issue price	Highest issue price	
----- (Rupees) -----						
For the year ended June 30, 2017	146.0498	213.7953	109.3272	114.4614	107.7875	111.3047
For the year ended June 30, 2016	121.7672	149.0375	105.6407	109.5639	105.4243	107.8934

## 26 GENERAL

26.1 Figures have been rounded off to the nearest rupee.

26.2 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.

## 27 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 23, 2017 by the Board of Directors of the Pension Fund Manager.

For ABL Asset Management Company Limited  
(Pension Fund Manager)

■ ■  
ALEE KHALID GHAZNAVI  
Chief Executive Officer

  
MUHAMMAD KAMRAN SHEHZAD  
Director



توجہ آئل و گیس ایکسپلوریشن (16.71%) اور سیمنٹ سیکٹرز (16.71%) پر دی گئی۔

## آڈیٹرز

میسرز ڈیلوائٹ یوسف عادل (چارٹرڈ اکاؤنٹنٹس) کو اہل ہونے کی بنیاد پر بورڈ آف ڈائریکٹرز کی آڈٹ کمیٹی کی سفارشات پر 30 جون 2018 کو ختم ہونے والے سال کے لئے اے بی ایل اسلامک پینشن فنڈ (اے بی ایل-آئی پی ایف) کے آڈیٹرز کی حیثیت سے دوبارہ مقرر کیا جا رہا ہے۔

## بینجمنٹ کو الٹی ریٹنگ

30 دسمبر 2016 کو جے سی آر-وی آئی ایس کرڈٹ ریٹنگ کمپنی لمیٹڈ نے اے بی ایل ایسیٹ بینجمنٹ کمپنی لمیٹڈ (اے بی ایل-اے ایم سی) کی بینجمنٹ کو الٹی ریٹنگ کی 'AM2+' (اے-ٹو-پلس) مع 'مستحکم' آڈٹ لک پر دوبارہ توثیق کی ہے۔

## آڈٹ لک اور حکمت عملی

ہم ایکویٹیز پر مثبت نظریہ رکھتے ہیں جیسا کہ مارکیٹ میں سیاسی عناصر کے باعث حالیہ دنوں میں گراؤٹ دیکھنے میں آئی۔ اگرچہ بنیادی عناصر میں کوئی تبدیلی نہیں آئی۔ اقتصادی شرح نمو، ہموار سطح پر برقرار رہی کیونکہ سی بیک کے تناظر میں پاور اور انفراسٹرکچر منصوبوں میں سرمایہ کاری اور نجی شعبے میں توسیعی منصوبوں کے باعث حالیہ سیاسی اکھاڑ پھاڑ نے صورتحال پر منفی اثرات مرتب نہیں ہوئے۔ مارکیٹ کی مستحکم بنیادوں کے ساتھ ہمیں یقین ہے کہ حالیہ درستی طویل مدتی سرمایہ کاروں کو پرکشش داخلی راستے فراہم کر رہی ہے۔ آگے بڑھتے ہوئے بڑی مقامی لیکویڈیٹی، مستند میکرو اکنامک اشاریے اور شاندار ویلیو ایڈیشنز سیاسی تناؤ کو ایک جانب دھکیل کر بہترین مارکیٹ ری ریٹنگ تقسیم برقرار رکھیں گی۔

اگرچہ اقتصادی شرح نمو کا سلسلہ پورے سال برقرار رہا تاہم پی پی آئی سے متعلق خطرات اور ادائیگیوں کے پینلن کی صورتحال معیشت کے لئے سخت چیلنجز کا سبب بنی رہی اور یہ مالی سال 18ء میں بھی مانیٹری اور مالیاتی پالیسیوں کی مجموعی سمت پر دباؤ برقرار رکھ سکتی ہے۔ بیرونی جانب درآمدات میں مہنگائی کے ضمن میں تجارتی خسارہ بڑھ جانے اور زر ترسیل میں کمی آنے سے زرمبادلہ کی شرح کے محاذ پر کمزوری ظاہر ہو سکتی ہے۔ پاک روپے کی قدر میں کمی مالیاتی خسارہ کو مزید بڑھانے کے ساتھ افراط زر کی مرکزی سطح پر برے اثرات مرتب کرے گی۔

مذکورہ بالا مفروضوں کی بنیاد پر ہم یقین کرتے ہیں کہ اسٹیٹ بینک آف پاکستان مالی سال 18ء میں مستحکم پالیسی ریٹ برقرار رکھے گا لہذا ہم ایک مختصر مدت کا پورٹ فولیو رکھیں گے جبکہ فلوئنگ ریٹ انسٹرومنٹس میں فنڈز کی پلیسمنٹ کے ذریعے حقیقی بنیاد پر توجہ دینے کے ساتھ بینک اور ڈی ایف آئیز کے پاس ڈپازٹس جمع رکھنے پر بھرپور توجہ دی جائے گی۔

## اعتراف

ہم اپنے معزز انویسٹرز کے شکرگزار ہیں جنہوں نے ہم پر اعتماد ظاہر کیا۔ بورڈ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، ٹرسٹی (سینٹرل ڈپازٹری کمیٹی آف پاکستان لمیٹڈ) اور پاکستان اسٹاک ایکسچینج لمیٹڈ کی انتظامیہ کا بھی ان کی مستقل رہنمائی اور تعاون پر مشکور ہے۔ ڈائریکٹرز انتظامی ٹیم کی جانب سے کی گئی کاوشوں پر انہیں بھی خراج تحسین پیش کرتے ہیں۔

برائے اور مخائب بورڈ

علی خالد غزنوی  
چیف ایگزیکٹو آفیسر

لاہور، 23 اگست 2017

## اسلامک منی مارکیٹ کا جائزہ

اسلامی حوالے سے منی مارکیٹ انتہائی لیکویڈ سطح پر رہی جہاں پر YoY % 17.1 کی وسیع تر ڈپازٹ شرح نمو (ڈپازٹس برطبق 30 مارچ 2017) کے باعث 6 ماہ کے ٹریڈری بل (T-Bills) سے چھٹی سطح پر 25-50 bps پر موجود رہے۔ مزید برآں اسلامک بینکنگ انسٹی ٹیوشنز کے ڈپازٹس کا مارکیٹ شیئر مجموعی بینکنگ ڈپازٹس میں مارچ 2017 کے اختتام پر 13.2 فیصد پر موجود تھا۔ اسی طرح مجموعی بینکاری کے حجم میں اسلامی بینکاری کے مجموعی اثاثہ جات بھی مارچ 2017 تک 11.7 فیصد تک بڑھ گئے جو کہ جون 2016 میں 11.4 فیصد تھے۔ مالی سال 17ء کے دوران حکومت پاکستان (GoP) نے 25 جون 2017 کو 150 ارب پاک روپے مالیت کے اجارہ سکوک 15 کو مچھوڑا۔ جس کے نتیجے میں اسٹیٹ بینک پاکستان (ایس بی پی) نے 29 جون 2017 کو اجارہ سکوک کا نیلام منعقد کیا ہے اور اجارہ سکوکس مالیتی 71 ارب پاک روپے (مچھوڑی کی رقم کے 21 ارب پاک روپے اضافی) جاری کئے تاکہ اسٹیٹوٹری لیکویڈیٹی ریکوائزمنٹس (statutory liquidity requirements) یعنی قانونی لیکویڈیٹی کی شرائط (SLR) کو پورا کرنے کے لئے اسلامی بینکوں کی مدد کی جاسکے۔ تازہ ترین اجارہ سکوکس 5.24 فیصد کے فکسڈ ریٹ پر جاری کئے گئے تھے۔ یہ مارچ 2016 سے پہلا اجارہ سکوک نیلام تھا جس میں 4.00 فیصد سے 6.49 فیصد کی رینج میں پیشکشوں کے ساتھ 167 ارب پاک روپے کی بڑی شراکت کی گئی تھی۔ حکومت پاکستان نے اکتوبر 2016 میں 5.5 فیصد کی شرح پر بین الاقوامی مارکیٹ میں 1.0 ارب امریکی ڈالر کے اجارہ سکوک جاری کئے تاکہ غیر ملکی زرمبادلہ میں اضافہ کیا جاسکے۔ یہ کارپوریٹ سکوک کے اجراء کا بڑھتا ہوا رجحان تھا جیسا کہ فاطمہ فریڈا، میزبان بینک اور پاک الیکٹرون نے 19 ارب پاک روپے مالیت کے سکوکس جاری کئے جو پرکشش نرخوں پر شریعت کے مطابق انسٹرومنٹس کی محدود دستیابی کے باعث اور سبسکرائبرز ہونے لگے۔

مالی سال 2017 کے لئے M2 گروتھ 13.7 فیصد ظاہر کی گئی اس کے مقابلے میں گزشتہ سال کی اسی مدت میں یہ 13.6 فیصد تھی۔ رقم کی فراہمی میں اضافہ بنیادی طور پر نیٹ ڈومیسٹک ایسیٹس (NDA) میں 18.3 فیصد اضافے (2,161 ارب پاک روپے) سے منسوب ہے جیسا کہ نجی شعبے کے لئے کریڈٹ مالی سال 2017 میں 748 ارب پاک روپے تک بڑھ گیا جو گزشتہ مالی سال کی اسی مدت 447 ارب پاک روپے تھا۔ نیٹ فارن ایسیٹس (NFA) 40.2 فیصد کی نمایاں کمی ظاہر کرتے ہوئے مالی سال 2017 میں 602 ارب پاک روپے پر چاہنے جو گزشتہ مالی سال کی اس مدت میں 1,008 ارب پاک روپے تھے اور اس کی وجہ وسیع تر بیرونی قرضہ جاتی سروس اور تجارتی خسارے میں اضافہ تھا۔ تجارتی بینکوں سے سرکاری قرضے مالی سال 2017 میں 179 ارب پاک روپے تک بڑھ گئے جو گزشتہ مالی سال کے دوران 1,278 ارب پاک روپے تھے۔ اسٹیٹ بینک آف پاکستان سے حکومتی قرضے میں 908 ارب پاک روپے تک اضافہ ہوا کیونکہ آئی ایم ایف پروگرام کی تکمیل پر حکومت کو مزید سہولت میسر آ گئی تھی۔

## فنڈ کی کارکردگی

ہمارے اسلامک وی پی ایس کو ہمارے طویل مدتی سرمایہ کاروں کے خطرات قبول کرنے کی بنیاد پر 3 ذیلی فنڈ لنگیجریز یعنی ”ڈیٹ سب فنڈ“، ”منی مارکیٹ سب فنڈ“ اور ”ایکویٹی سب فنڈ“ میں تقسیم کر دیا گیا ہے۔

## ڈیٹ سب فنڈ

فنڈ نے زیر جائزہ مدت کے دوران 4.52 فیصد کا سالانہ منافع ظاہر کیا۔ ڈیٹ سب فنڈ نے مدت کے اختتام تک حکومت پاکستان کے اجارہ سکوک میں مرکزی سرمایہ کاری یعنی 73.06 فیصد تک کی۔ کارپوریٹ سکوک میں سرمایہ کاری 9.72 فیصد جبکہ بینک ڈپازٹس اور دیگر اثاثہ جات میں بالترتیب 16.54 فیصد اور 0.68 فیصد پر مشتمل تھی۔

## منی مارکیٹ سب فنڈ

فنڈ نے زیر جائزہ مدت کے دوران 3.22 فیصد کا سالانہ منافع ظاہر کیا۔ فنڈ نے مرکزی طور پر مدت کے اختتام پر بینکوں میں نقد کی حیثیت سے (70.23 فیصد) حکومت کے اجارہ سکوک اور حکومت پاکستان کے گارنٹی شدہ کارپوریٹ سکوک میں 29.240 پر سرمایہ کاری کی جبکہ دیگر 0.53 پر مشتمل تھی۔

## ایکویٹی سب فنڈ

فنڈ نے زیر جائزہ مدت کے دوران 28.01 فیصد کا حقیقی منافع ظاہر کیا۔ فنڈ نے مدت کے اختتام تک ایکویٹیز میں 95.75 فیصد پر سرمایہ کاری کی جبکہ مرکزی

جس سے معیشت کو نمایاں استحکام ملے گا۔ مزید برآں امن و امان کی بہتر صورتحال، تیل کی قیمتوں میں متوقع استحکام اور پاور سپلائی میں بہتری سے مجموعی طور پر اقتصادی سرگرمیاں تیزی سے فروغ پائیں گی۔ جائزے کے مطابق بیرونی اکاؤنٹ کے محاذ نیز کرنسی کی قدر میں کمی اور بیرونی قرضے کا دباؤ باعث تشویش رہیں گے۔

## میوچل فنڈ انڈسٹری کا جائزہ

پاکستان کی اوپن اینڈ میوچل فنڈ انڈسٹری کی مینجمنٹ کے تحت مجموعی اثاثہ جات (AUMs) نے مالی سال 2017 میں 39.9 فیصد کی مستحکم شرح نمو ظاہر کی اور بڑھ کر 473 ارب پاک روپے سے 662 ارب پاک روپے ہو گئے۔ یہ گروتھ ایکویٹی اور اسلامک ایکویٹی فنڈز کی کٹیگری کے ذریعے ممکن ہوئی جس نے شرح نمو میں 58.2 فیصد کی شراکت کی۔ ایکویٹی کا شعبہ مرکز نگاہ بنا رہا جس کی وجہ 1) سافٹ افراط زر کے آؤٹ لک، کم شرح سود، امن و امان کی صورتحال میں بہتری کے باعث کارپوریٹ منافع جات میں بہتری اور 2) MSCI FM انڈیکس سے MSCI EM انڈیکس تک ری کلاسیفیکیشن پر ریلی تھی۔ صنعت میں اسلامک سرمایہ کاری کے مواقع میں انویسٹرز کی بڑھتی ہوئی دلچسپی دیکھی گئی جیسا کہ اس حقیقت سے واضح ہے کہ مجموعی اے یو ایم (AUM) کی شرح نمو کا 75.1 فیصد شریعت کمپلائنس فنڈز سے حاصل کیا گیا۔ مجموعی بنیاد پر ایکویٹی کٹیگری (ایکویٹی اور اسلامک ایکویٹی فنڈز پر مشتمل) 61.8% YoY کا اضافہ رجسٹرڈ کرتے ہوئے جون 2017 میں 288 ارب پاک روپے پر بند ہوئے جو اس کے مقابلے میں جون 2016 میں 178 ارب پاک روپے تھے۔ MSCI EM کے لئے پاکستان کی ری کلاسیفیکیشن کے امکانات سے مالی سال 17ء میں مستحکم اسٹاک مارکیٹ کا کردگی نے ایکویٹی فنڈز کو 41.8% YoY کی شرح نمو ظاہر کرنے کا اہل بنا یا اور 157 ارب پاک روپے پر بند ہوئے۔ اسی طرح اسلامک ایکویٹی فنڈز 94.5% YoY کی مستحکم شرح نمو ظاہر کرتے ہوئے 131 ارب پاک روپے پر پہنچ گئے جس سے فنڈز کٹیگری کی اسلامک فنڈز کے تحت نئے فنڈز کو متعارف کرانے میں سہولت حاصل ہوئی۔ مجموعی بنیاد پر فیکسڈ انکم کٹیگری (انکم، ایگریسیو انکم اور منی مارکیٹ فنڈز پر مشتمل) نے 3.6% YoY کی کمی رجسٹرڈ کی اور جون 2017 میں 156 ارب پاک روپے پر بند ہوئے جو اس کے مقابلے میں جون 2016 میں 162 ارب پاک روپے تھے۔ فیکسڈ انکم مارکیٹ میں شرح سود متوقع طور پر بڑھنے کے ساتھ، مختصر مدت کی منی مارکیٹ کے فنڈز مالی سال 2017 میں 43.2% YoY تک اضافے کے ساتھ 71 ارب پاک روپے ہو گئے۔ دوسری جانب اسلامک انکم فنڈز (اسلامک انکم، اسلامک منی مارکیٹ اور اسلامک ایگریسیو انکم پر مشتمل) کے اے یو ایم (AUMs) 49.9% YoY تک بڑھ کر 58 ارب پاک روپے تک بڑھ گئے جس کی بڑی وجہ اسلامی سرمایہ کاریوں میں انویسٹرز کی بڑھتی ہوئی دلچسپی تھی۔ چونکہ شرح سود میں کمی رونما ہوئی ہے اس لئے شرح سود میں کوئی بھی بہتری سرمایہ کاروں کے لئے فیکسڈ انکم کے شعبے میں پرکشش ترغیب کا باعث ہوگی۔

## ایکویٹی مارکیٹ کا جائزہ

پاکستان کی اسٹاک مارکیٹ (PSX) نے 130 KM کے مطابق اپنے گزشتہ سات سالوں سے برقرار رجحان کو جاری رکھا جو شریعت کمپلائنس فنڈز کے لئے بیخبر مارک ہے اور اس نے ایک اور سال میں مستحکم منافع ظاہر کیا اور مالی سال 17ء میں 18.8 فیصد تک اضافے کے ساتھ 78,598 پوائنٹس پر بند ہوئے۔ سال کے دوران غیر ملکی سرمایہ کاروں کی جانب سے 630.7 ملین امریکی ڈالر کے نیٹ اخلاء کے باوجود مارکیٹ کی صورتحال متاثر کن رہی کیونکہ مقامی سرمایہ کاروں نے مناسب حد تک غیر ملکی فروخت کو حاصل کر لیا تھا۔ اس منافع کو سینٹ، او ایم سی اور آٹو موبائل کے شعبوں سے منسوب کیا جاسکتا ہے کیونکہ ان شعبوں نے بالترتیب 37 فیصد، 20 فیصد اور 14 فیصد منافع جات حاصل کئے۔ پی ایس ایکس مالی سال 17ء کے دوران فرنٹیئر مارکیٹس (FM) انڈیکس سے مورگن اسٹینلی کیپٹل انٹرنیشنل (MSCI's) ایئر جگت مارکیٹس (EM) کے لئے پاکستان کی ری کلاسیفیکیشن کے باعث نمایاں رہا جس کی وجہ اس موقع پر ایک نمایاں بل (Bull) کا دوڑا تھا۔ تاہم پاناما لیکس کیس کے باعث سیاسی بے یقینی کی وجہ سے مالی سال 17ء کے اختتام ایکویٹی انویسٹرز کے منافع جات کمزور ہو گئے۔ 130 KM کے اوسط روزانہ کے حجم مالی سال 17ء میں 30 فیصد تک بڑھ کر 71.7 ملین شیئرز ہو گئے جو گزشتہ سال 55.2 ملین شیئرز تھے۔ آگے بڑھتے ہوئے ہم توقع کرتے ہیں کہ مارکیٹ شاندار منافع جات حاصل کرے گی کیونکہ پرکشش ویلیویشن، MSCI EM انڈیکس کے لئے پاکستان کی ری کلاسیفیکیشن اور پاناما لیکس کا فیصلہ بڑی تعداد میں غیر ملکی اور مقامی فنڈز کو پرکشش ترغیب دے گا۔ مارکیٹ مالی سال 17ء کے دوران 9.5x کی نرخ-تا-آمدنی (پرائس-ٹو-ارننگز) (P/E) پر تجارت کے باعث پرکشش رہی اور MSCI EM انڈیکس کے لئے 29 فیصد کا نمایاں ڈسکاؤنٹ اور علاوہ ازیں 5.8 فیصد کی منافع منقسمہ پیداوار (ڈیویڈنڈ ایبلڈ-ڈی) بھی فراہم کی گئی۔

درآمدات 18.4 فیصد بڑھ کر 53.0 ارب امریکی ڈالر ہو گئی جس کی بڑی وجہ پاک چائنہ اقتصادی راہداری (CPEC) سے منسلک پروجیکٹس کے لئے متعلقہ مشینری کی درآمد تھی۔ کمزور کموڈٹی نرخوں عالمی سطح پر طلب (بالخصوص یوروزون میں) اور دیگر علاقائی کرنسیوں کے مقابلے میں مستحکم مقامی زرمبادلہ کی شرح (دوبارہ 126.4 پاک روپے/ امریکی ڈالر) کے نتیجے میں YoY 1.4% کی شرح سے برآمدات کم ہو کر مالی سال 2017 میں 21.7 ارب امریکی ڈالر رہ گئیں جو مالی سال 2016 میں 21.9 ارب امریکی ڈالر تھیں۔

مزید برآں سروسز خسارے میں YoY 4.9% اضافہ ہوا جس کی وجہ کولیشن سپورٹ فنڈ (CSF) کے تبادلے میں کمتر انفلوئز کے سبب ٹریڈ اکاؤنٹ کی صورتحال کا خراب ہونا اور سال کے لئے ٹریڈ خسارہ YoY 39.4% تک بڑھ کر 26.9 ارب امریکی ڈالر ہو جانا تھا جو اس کے مقابلے میں گزشتہ سال 19.3 ارب امریکی ڈالر تھا۔ زرتربیل میں YoY 3.1% تک کمی آئی اور یہ 19.3 ارب امریکی ڈالر رہا جس کی وجہ MENA ریجن میں اقتصادی سرگرمیوں کا سہت ہو جانا تھا جس سے کرنٹ اکاؤنٹ پر مزید باؤ بڑھا اور مالی سال 2017 کے دوران جی ڈی پی کا خسارہ 4.0 فیصد ہو گیا جو مالی سال 2016 میں 1.7 فیصد تھا۔ مزید برآں کرنٹ اکاؤنٹ خسارہ میں فنانس کے لئے ناکافی سرمایہ کاریاں، جو توقعات سے زیادہ بلند سطح پر رہیں اور اس کے ساتھ بیرون ملک محنت کشوں کے زرتربیل میں مسلسل کمی نے ملک کے غیر ملکی زرمبادلہ کے ذخائر کو 23.1 ارب امریکی ڈالر سے کم کرتے ہوئے مالی سال 2017 میں 21.4 ارب امریکی ڈالر پر پہنچا دیا۔ زرمبادلہ کے ذخائر میں کمی کے باوجود ملک میں امریکی ڈالر کے مقابلے میں پاک روپے کی شرح 104.8 روپے پر مستحکم رہی جو مالی سال 2016 میں 104.4 روپے تھی۔

اقتصادی ترقی میں معاونت کی غرض سے اسٹیٹ بینک آف پاکستان (ایس پی پی) نے شدید افراط زر پیش نظر ہونے کے باوجود پالیسی ریٹ کو 5.75% کی تاریخی کم سطح پر برقرار رکھا۔ کثیر سالہ کمترین شرح سود اور امن و امان کی بہتر ہوتی صورتحال نے نجی شعبے کے کریڈٹ کو استحکام پہنچایا اور یہ مالی سال 2017 کے دوران 747.9 ارب پاک روپے (YoY 67.6% اضافہ) رہا۔ اسی طرح جی ڈی پی کے لئے مجموعی سرمایہ کاری کا تناسب مالی سال 2017 میں 15.8 فیصد تک بڑھ گیا جو گزشتہ سال 15.2 فیصد تھا۔ جی ڈی پی کے مجموعی بچت کا تناسب معمولی حد تک کم ہو کر مالی سال 2017 میں 13.1 فیصد ہو گیا جو گزشتہ سال 14.3 فیصد پر تھا۔



مالیاتی محاذ پر مجموعی بچت خسارہ بڑھ کر مالی سال 2017 کے 9 ماہ میں جی ڈی پی کا 3.9 فیصد ہو گیا جو گزشتہ سال کی اسی مدت (SPLY) میں جی ڈی پی کا 3.4 فیصد تھا۔ کمترین ریونیو جنریشن نے مالیاتی کارکردگی پر اہم اثرات ظاہر کئے اس کے ساتھ مجموعی ریونیو/ جی ڈی پی کا تناسب مالی سال 2017 کے 9 ماہ میں 9.4 فیصد تک پیچھے ہٹ گیا جو گزشتہ مالی سال کی اس مدت میں 10.0 فیصد پر تھا جبکہ موجودہ اخراجات قابل ذکر کمی کے ساتھ جی ڈی پی کے 11.5 فیصد سے کم ہو کر 10.8 فیصد ہو گئے۔ صوبائی سرپلس 138 ارب پاک روپے یا جی ڈی پی کا 0.4 فیصد ظاہر ہوا۔ اس کے باوجود یہ 339 ارب پاک روپے کے سالانہ ہدف سے کم پر برقرار رہا۔ پاکستان کی معیشت مستقبل طور پر اقتصادی استحکام کے دور سے گزرنے کے لئے تیار ہے کیونکہ چائنہ پاکستان اکنامک کوریڈور (CPEC) پر تیزی سے کام جاری ہونے کے باعث معیشت میں 62 ارب امریکی ڈالر کی سرمایہ کاری متوقع ہے۔ سی پیک سے متوقع طور پر باہمی ٹریڈ فلوز اور پاور جنریشن کے ساتھ انفراسٹرکچر کو قابل قدر فروغ حاصل ہوگا

## مینجمنٹ کمپنی کے ڈائریکٹرز کی رپورٹ

اے بی ایل اسلامک پینشن فنڈ (اے بی ایل-آئی پی ایف) کی انتظامی کمپنی اے بی ایل ایسیٹ مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز 30 جون 2017 کو ختم ہونے والے سال کے لئے اے بی ایل اسلامک پینشن فنڈ کے آڈٹ شدہ مالیاتی حسابات پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

### اقتصادی کارکردگی کا جائزہ

پاکستان کی اقتصادی کارکردگی نے پیشقدمی کرتے ہوئے مالیاتی سال 2017 میں ترقی کا سفر جاری رکھا اور 5.7 فیصد کے ہدف کے مقابلے میں 5.3 فیصد کی شرح سے مکمل دہائی کی سب سے بلند ترقی ڈی پی گروتھ حاصل کی۔ ملک کی تاریخ میں پہلی بار پاکستان کی معیشت 300 ارب امریکی ڈالر کے نشان کو عبور کر گئی۔ یہ زبردست شرح نمو بنیادی طور پر سروسز سیکٹر کی گروتھ (5.9 فیصد) اور صنعتی سیکٹر (5.0 فیصد) سے منسوب کی جاسکتی ہے جبکہ زرعی شعبے نے 3.5 فیصد کی شرح نمو ظاہر کی۔ سروس سیکٹر 5.7 فیصد کی ہدف شدہ شرح نمو کو عبور کرتے ہوئے مالی سال 2017 میں اقتصادی ترقی کے لحاظ سے اہم ترین شعبہ کی حیثیت سے ابھر کر سامنے آیا۔ گزشتہ سال کی خاموش شرح نمو کے مقابلے میں زرعی شعبہ فصلوں کی امدادی قیمت میں اضافے، زرعی شعبے کے لئے قرضوں میں اضافے کر دینے (704.5 ارب پاک روپے، +17.8% YoY)، کھادوں پر 25 ارب پاک روپے کی سبسڈی، ٹریڈنگ پر سٹریٹجی میں 10 فیصد سے 5 فیصد تک کمی اور اس سے منسلک موافق موہمی صورتحال کے باعث دوبارہ بہتری کی جانب گامزن ہوتے ہوئے 3.5 فیصد پر آگیا (مالی سال 2016 میں -0.2 فیصد پر تھا)۔ مالی سال 2017 کے دوران صنعتی شعبے نے 5.0 فیصد کی شرح نمو ظاہر کی اور 78 bps YoY کی کمی دیکھنے میں آئی جبکہ لارج اسکیل میڈیونیکسچرنگ (LSM) (بڑے پیمانے پر تیار کرنے والے شعبے) نے گزشتہ سال کے 3.3 فیصد کے برخلاف 4.6 فیصد کی شرح نمو ظاہر کی۔

گزشتہ تین سالوں کے دوران صنعتی شعبے کی شرح نمو بدستور 5 فیصد سے زائد پر برقرار رہی۔ دوسری جانب افراط زر کی شرح مالی سال 2017 میں 4.2 فیصد پر رہی جو گزشتہ سال 2.9 فیصد پر تھی۔ افراط زر میں تیزی کی وجہ بین الاقوامی ایشیائے ضروریہ کے نرخوں کی بحالی تھی۔ بالخصوص آئل، جیسا کہ برینٹ آئل 16% YoY اضافے کے ساتھ 50.9 امریکی ڈالر فی بیرل ہو گیا اور بڑھتی ہوئی معاشی سرگرمیوں کے باعث مقامی طلب میں اضافے کے باعث افراط زر کی شرح بڑھی۔ حوصلہ افزا امرچنڈر کاؤٹوں کے باوجود آئی ایم ایف کا پروگرام تھا، جو مالی سال 2017 میں مکمل ہو گیا جہاں حکومت نے وسیع طور پر ایک سہ ماہی میں اپنی کارکردگی پر پورا اترتے ہوئے اس کا بندوبست کیا جس کے نتیجے میں ایکسٹریڈ ڈیفنڈنس بیلنٹی (EFF) پروگرام کے تحت 6.6 ارب امریکی ڈالر کی بروقت تقسیم ہوئی۔



بیرونی محاذ پر کرنٹ اکاؤنٹ خسارہ (CAD) 1.5x YoY تک بڑھ کر مالی سال 2017 میں 12.1 ارب امریکی ڈالر ہو گیا جو گزشتہ 9 سالوں کے دوران بلند ترین ہے۔ اس غیر معمولی اضافے کی وجہ ٹریڈ اکاؤنٹ کی بدترین صورتحال اور بیرون ملک محنت کشوں کی جانب سے بھیجی جانے والی زرتریل میں کمی تھی۔ سال کے دوران



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