

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

Management Company:	ABL Asset Management Company Limited 14 -MB, DHA Phase-6, Lahore.	
Board of Directors	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
Audit Committee:	Mr. Kamran Nishat Mr. Muhammad Waseem Mukhtar Mr. Muhammad Kamran Shehzad	Chairman Member Member
Human Resource and Remuneration Committee	Mr. Muhammad Waseem Mukhtar Mr. Kamran Nishat Mr. Alee Khalid Ghaznavi	Chairman Member Member
Chief Executive Officer of The Management Company:	Mr. Alee Khalid Ghaznavi	
Chief Financial Officer & Company Secretary:	Mr. Saqib Matin	
Chief Internal Auditor:	Mr. Kamran Shahzad	
Trustee:	MCB Financial Services Limited 4th Floor, Perdesi House Old Queens Road Karachi - 74400	
Bankers to the Fund:	Allied Bank Limited Bank Islami Pakistan Limited UBL Ameen Islamic Banking	
Auditor:	A.F. Ferguson & Co Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, Karachi.	
Legal Advisor:	Ijaz Ahmed & Associates Advocates & Legal Consultants No. 7, 11th Zamzama Street, Phase V DHA Karachi.	
Registrar:	ABL Asset Management Company Limited. 11 - B, Lalazar, M. T. Khan Road, Karachi.	

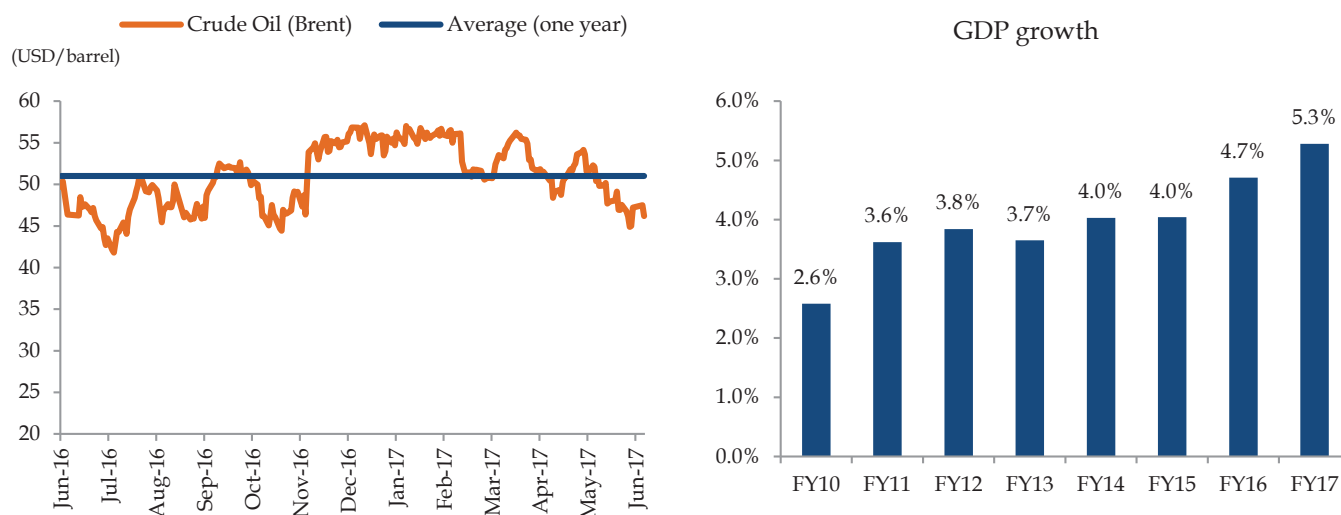
REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of ABL Asset Management Company Limited, the management company of ABL Islamic stock Fund (ABL-ISF), is pleased to present the Audited Financial Statements of ABL Islamic Stock 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.

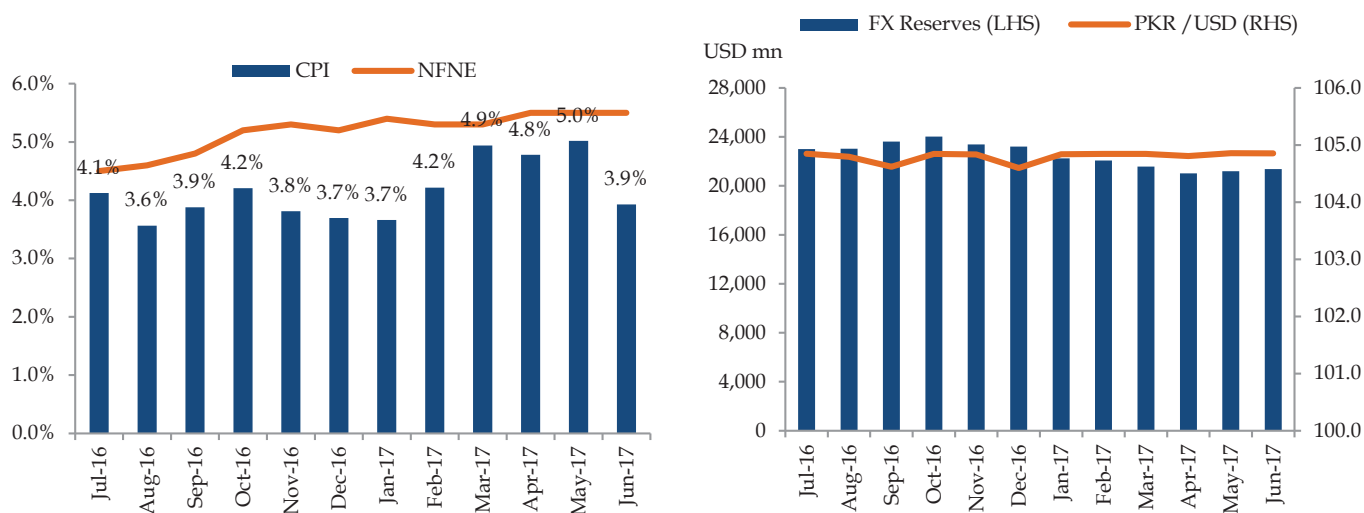
During the last 3 years, industrial sector growth remained consistently above 5.0%. On the other hand, inflation clocked-in at 4.2% in FY17 compared to 2.9% in the preceding year. The uptick in the inflation is due to the revival of international commodity prices, particularly oil as evident by 16% YoY 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. Going forward despite the looming exchange rate risk, outlook is still encouraging due to decade low interest rates, attractive risk adjusted return and improved economic landscape.

EQUITY MARKET OVERVIEW

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%.

SECTOR OVERVIEW

On the Oil and Gas Exploration & Production (E&P) front, FY17 has been the year of revival for global crude oil prices, where Arab light prices increased by 19.7%YoY to USD48.6/bbl, due to the decision to cut down production by 1.2 million barrels per day (bpd) and 0.6 million bpd by Organization of Petroleum Exporting Countries (OPEC) and non OPEC countries respectively. After falling 8.5% in FY16, local crude oil production could recover only 2.1% to 0.88 million bpd. Production growth, especially by Oil & Gas Development Company (OGDC), was initially very strong but did not sustain until the end of the year. This was because of delay in full commissioning of long-pending kunnar pasakhi deep (KPD-TAY II) and slowdown in other major fields, namely Nashpa and Tal. For instance, OGDC's oil production peaked at 47,000bpd but closed the year at 44,000bpd. Pakistan Petroleum Limited (PPL) was more aggressive on the exploration front, drilling a number of wells in the frontier areas; whereas, OGDC is still conducting seismic and geological surveys in future prospective blocks. In case of PPL, the most awaited news - notification of Sui's new gas price which would enable the company to book the same - did not transpire during the year.

OMCs were one of the best performing sectors of the year, returning 61.2%. This was mainly driven by 74.6% of Hascol Petroleum (HASCOL) and 43.2% of Attock Petroleum (APL) while Pakistan State Oil (PSO) remained almost flat at 3.2%. Industry petroleum sales were up 9.8% YoY to 25.8mn tons, where all major products - Furnace oil (+6.5% YoY), High Speed Diesel (+9.5%YoY) and Motor gasoline (+15.5% YoY) - showed handsome growth. Petroleum prices trended up (+8-10% YoY) which boosted profitability as well, ceasing a long spell of earnings attrition before FY17. Thus 9MFY17 profits (ex-SHEL) were up by 150%YoY. HASCOL continued to outperform the industry while PSO and APL held on to their market share. PSO and APL also embarked on large investment in the storage to ward off competition and ramp up sales growth. As for circular debt, as soon as the IMF program ended in September 2016, circular debt buildup resumed and was exacerbated by the Govt.'s lack of focus due to the ongoing political issues. This dampened the sentiment for PSO, hence its comparative underperformance.

Independent Power Producers (IPPs) underperformed the broader KSE100 index during FY17 due to circular debt worsening liquidity of the energy chain. Sector return was a meager 4% compared to 23.2% rise in the KSE100 index. The Govt. has thus far not been successful in containing the chronic circular debt problem, despite considerably lower international crude oil prices. The intensity of the situation can be gauged from curtailment in dividend payouts of Nishat Power Ltd. (NPL) and Nishat Chunian Power Ltd. (NCPL). Nonetheless, going forward, PKR depreciation may keep sector's profitability in the limelight, thanks to its USD based returns. So far, the Govt. has maintained aggressive focus on increasing power generation; however, recurring delays in financial close of important projects may not bode well for timely completion of the projects.

Cement sector performance remained subdued in FY17 with annual return of 16.1% as compared to 23.2% by the benchmark index. This performance was a result of concerns over the pricing power of cement manufacturers as almost all major companies announced capacity expansions. Nevertheless, the sector remained the 4th highest contributor to the index gain with ~900 points addition. On the dispatches front, the sector witnessed relatively subdued growth of 3.7% in the volumes with dispatches settling at 40.3 million tons. During the year, local dispatches recorded a decent growth of 8.0% to post a record high of 35.6 million tons. The growth in local demand can be attributed to; i) 18% higher Federal PSDP spending to PKR744 billion, ii) developments on CPEC infrastructure projects, and iii) increasing private sector construction activities. However, exports dipped by an alarming 20.6% to close at a meager 4.7 million tons, primarily a result of shifting focus to the local market, Pak - Afghan border issues and an influx of cheap Iranian cement in the Afghanistan market. On the profitability side, the concerns of shrinking margins arose during the year as power prices increased substantially, specifically coal prices which averaged USD76/ton (up 45%YoY). Going forward, higher Federal PSDP allocation of PKR1.0tr (up 35%YoY) and CPEC related projects are expected to drive dispatches growth.

After witnessing depressed offtake in FY16 on account of weak farmer economics and low commodity prices, fertilizer sale volumes picked up in FY17. We attribute this improvement to cash subsidy of PKR25 billion announced in the FY17 budget. During FY17, urea sales settled at 6,348k tons up 30.8% from 4,852k tons in SPLY, while DAP off-take grew 24.7% to 2,265k tons from 1,816k tons in the previous fiscal year. The surge in volumes was on account of delayed off-take in anticipation of subsidy announcement in the Federal Budget FY17. Urea production during the year stood at 5,963k tons up 3.6% from 5,753k tons in the preceding year on account of improved gas availability after the induction of LNG in the system. Increased production has led to an inventory glut in the local market, with an inventory of ~1 million tons at the end of Jun-17. Resultantly, the fertilizer industry continued to face liquidity issues due to working capital being tied up in inventories. To ease difficulties of fertilizer manufacturers, the Govt. allowed export of urea to deal with inventory hangover. Initially, the local producers were allowed to export 0.3 million tons by the end of April 2017, but the quantity was later increased to 0.6 million tons till December 2017. However, despite being allowed to export urea, local producers are finding it hard to penetrate new foreign markets due to low international prices, which averaged USD216/ton in FY17, down 11.1% from USD243/ton in the preceding year.

FY17 turned out to be an exciting year for Textiles sector where the sector surpassed benchmark return by hefty 32.4% and posted 55.6% return in the year. The main factor contributing to the robust price performance was the PKR180 billion "Prime Minister Export Incentive Package" which was announced in January 2017. Under the package, Govt. announced export rebates of 7.0% for garments, 6.0% for textile made-ups, 5.0% for processed fabric and 4.0% for yarn & grey fabric. The investors anticipated the package to significantly support the sector performance and provide support in the era of overvalued PKR. However, textile exports remained almost flat at USD12.4 billion in FY17. In the value added segment, exports of readymade garments and bed wear exports increased by 5.6%YoY to USD2.3 billion and USD2.1 billion while knit wear exports remained flat YoY at USD2.4 billion. On the flip side, lower value added segments continued to show declining trend where exports of cotton cloth/Yarn dropped by 4.2%/1.7%YoY to USD2.1/USD1.2 billion, respectively. This decline was due to reduced demand from China along with lower cotton yarn export prices (down 8.5%YoY) and subdued cotton cloth export quantity (down 8.8%YoY). Going forward, we believe that the PM Export Incentive Package and looming PKR devaluation will enhance the performance of the sector.

The Automobile sector posted muted growth in FY17 with total locally assembled passenger car sales volumes clocking in at 213K units, down by a meager 2.3% from an all-time high of 218K units in FY16, which was boosted by the Punjab Govt.'s 'Apna Rozgar Scheme'. Ex-Apna Rozgar Scheme, the locally assembled passenger car sales volumes surged by 14% during the year. This strong normalized demand was supported by the introduction of much anticipated new models by Honda Atlas Cars, 10th Generation Civic and an all new people carrier BR-V, resulting in a remarkable 52.2% volumes growth for the company. On the other hand, Indus Motor Company's flagship brand Corolla failed to sustain its sales volumes, which declined by 6.4% YoY, due to the introduction of new models by the competitor. Similarly, the third major auto assembler, Pak Suzuki Motor Company, witnessed a decline of 10.8% in sales volumes on account of absence of 'Apna Rozgar Scheme' initiated by the Punjab Govt. in FY15. On the other hand, after a subdued demand in FY16, tractor industry also witnessed a surge of 59% in volumes during the year mainly due to reduction in GST from 10% to 5%, growing agri. sector and cheap financing available.

FUND PERFORMANCE

ABL-ISF delivered a stellar return of 31.18% against the benchmark return of 18.80%, reflecting an outperformance of 12.38%, during the year ended June 30, 2017. ABL-ISF is the second best performing fund in Islamic Equity Fund category. Since its inception on June 12th, 2013, ABL-ISF has been among the best performing funds in the equity markets of Pakistan. Since inception return of ABL-ISF is 115.56% against 109.16% increase in its benchmark. During the year under review, ABL Islamic Stock Fund's AUM increased by 40.34% to Rs.3,544.17 million.

DIVIDEND

The Chief Executive Officer of ABL Asset Management Company Limited (ABL AMCL) on behalf of the Board of Directors, on June 22, 2017 has approved and declared Interim dividend distribution of Rs.0.5000 per unit (5.00% of the par value of Rs.10) for ABL-ISF for the year ended June 30, 2017.

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

The Board of Directors states that:

1. Financial Statements present fairly the state of affairs, the results of operations, cash flows and the changes in unit holder's fund;
2. Proper books of accounts of the Fund have been maintained.
3. Appropriate accounting policies have been consistently applied in the preparation of the financial statements and accounting estimates are based on reasonable and prudent judgments;
4. Relevant International Accounting Standards, as applicable in Pakistan, provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 & Non-Banking Finance Companies and Notified Entities Regulations, 2008, requirements of the Trust Deed and directives issued by the Securities and Exchange Commission of Pakistan, have been followed in the preparation of the financial statements;
5. The system of internal control is sound in design and has been effectively implemented and monitored;
6. There have been no significant doubts upon the Funds' ability to continue as going concern;
7. There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations;
8. Performance table of the Fund is given on page # 14 of the Annual Report;
9. There is no statutory payment on account of taxes, duties, levies and charges outstanding other than already disclosed in the financial statements;
10. The statement as to the value of investments of Provident Fund is not applicable in the case of the Fund as employees retirement benefits expenses are borne by the Management Company;
11. There have been no trades in the units of the Fund's carried out by the Directors, CEO, CFO, CIA and the Company Secretary and their spouse;
12. During the year, no director on the Board attended training as required under the Code. However, three directors have obtained certification under the 'Board Development Series' program, while one director is exempt from the Director Training Program under the Code. The directors are well conversant with the relevant laws applicable to the Fund and the Management Company, its policies and procedures and provisions of memorandum and articles of association and are aware of their duties and responsibilities.
13. Meetings of the Board of Directors of the Management Company are held at least once in every quarter. During the year four meetings were held. The 48th, 49th, 50th and 51st Board of Directors meetings were held on August 17, 2016, October 28, 2016, February 01, 2017 and April 21, 2017 respectively. Information in respect of attendance by the directors in the meetings is given below:

S. No.	Name of Director	Number of meetings		Leave granted	Meetings not attended
		Held	Attended		
1	Sheikh Mukhtar Ahmed	4	4	-	-
2	Mohammad Naeem Mukhtar	4	2	2	49th and 50th
3	Muhammad Waseem Mukhtar	4	4	-	-
4	Tariq Mahmood*	2	1	1	49th
5	Tahir Hasan Qureshi**	2	2	-	-
6	Kamran Nishat	4	3	1	50th
7	Muhammad Kamran Shehzad	4	4	-	-
8	Alee Khalid Ghaznavi	2	2	-	-

*Resigned on December 31, 2016

**Appointed as director as Director on w. e. f. February 03, 2017.

14. Meetings of the Board's Human Resource and Remuneration of the Management Company needs to be held at least three times in year. During the year two meeting were held. The 19th and 20th meetings of the Board's Human Resource and Remuneration Committee were held on December 15, 2016 and March 20, 2017. Information in respect of attendance by directors in the meetings is given below:

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

15. Meetings of the Board's Audit Committee of the Management Company are held at least once in every quarter. During the year four meeting were held. The 37th, 38th, 39th and 40th meetings of the Board's Audit Committee were held on August 17, 2016, October 28, 2016, February 01, 2017 and April 21, 2017 respectively. Information in respect of attendance by directors in the meetings is given below:

S. No.	Name of Director	Number of meetings		Leave granted	Meetings not attended
		Held	Attended		
1	Mr. Kamran Nishat	4	4	-	-
2	Mr. Muhammad Waseem Mukhtar	4	4	-	-
3	Mr. M. Kamran Shehzad	4	4	-	-

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

S. No.	Particulars	Units Held on June 30, 2017
1	Associated Companies, undertakings and related parties	
	• ABL AMCL Staff Provident Fund	562,336
	• MCBFSL Trustee ABL IFPF-Active Allocation Plan	17,270,156
	• MCBFSL Trustee ABL IFPF-Conservative Allocation Plan	1,511,176
	• MCBFSL Trustee ABL IFPF-Aggressive Allocation Plan	7,750,037
	• MCBFSL Trustee ABL IFPF Strategic Allocation Plan	26,604,151
	• MCBFSL Trustee ABL IFPF Strategic Allocation Plan II	11,909,431
	• MCBFSL Trustee ABL IFPF Strategic Allocation Plan III	12,186,205
	• Muller & Phipps Pakistan (Pvt) Ltd. Staff Provident Fund	394,640

S. No.	Particulars	Units Held on June 30, 2017
2	Mutual Funds	-
3	Directors and their spouse(s) and minor children	-
4	Executives	86,081
5	Public Sector Companies and corporations	-
6	Others Corporates	51,404,389
7	Bank, DFIs, NBFs, Insurance Companies, Takaful, Modaraba and Pension Fund	39,951,362
8	Shareholders holding five percent or more voting rights in the listed company	-

AUDITORS

M/s. A. F. Fergusons & Co. (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 Stock Fund (ABL-ISF).

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. 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.

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 (MCB Financial Services Limited) and the management of Pakistan Stock Exchange Limited for their continued guidance and support. The Directors also appreciate the efforts put in by the management team.

For & on behalf of the Board

■ ■

ALEE KHALID GHAZNAVI

Chief Executive Officer

Lahore, August 23, 2017

FUND MANAGER REPORT

OBJECTIVE

To provide higher risk adjusted returns over the long term by investing in a diversified Islamic portfolio of equity instruments offering capital gain and dividends.

EQUITY MARKET REVIEW

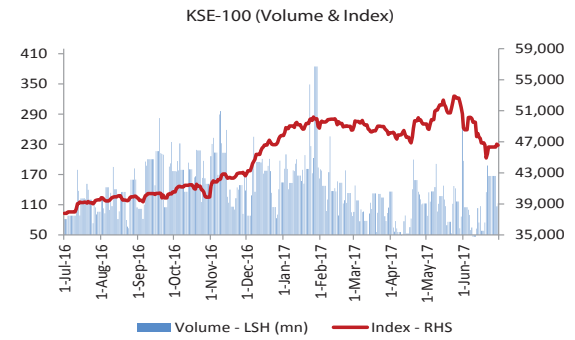
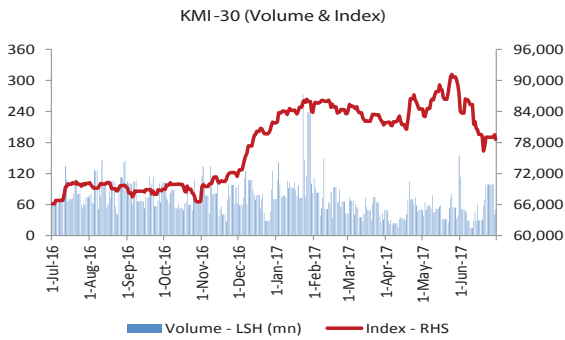
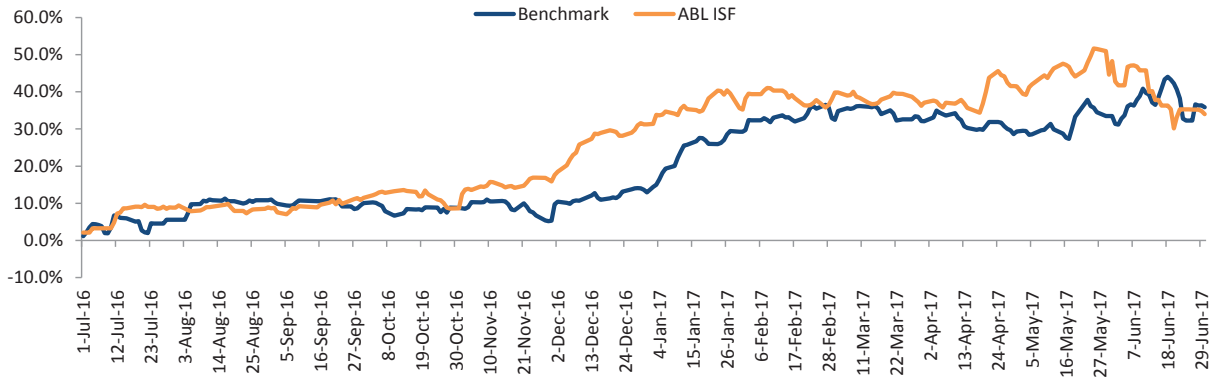
Pakistan stock market (PSX) continued its previous seven years trend as KMI30, which is the benchmark for Shariah compliant funds, posted another year of stellar returns and increased by 18.8% in FY17 to close at 78,598 points. Despite net outflow of USD630.7 million from foreign investors during the 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%.

FUND PERFORMANCE

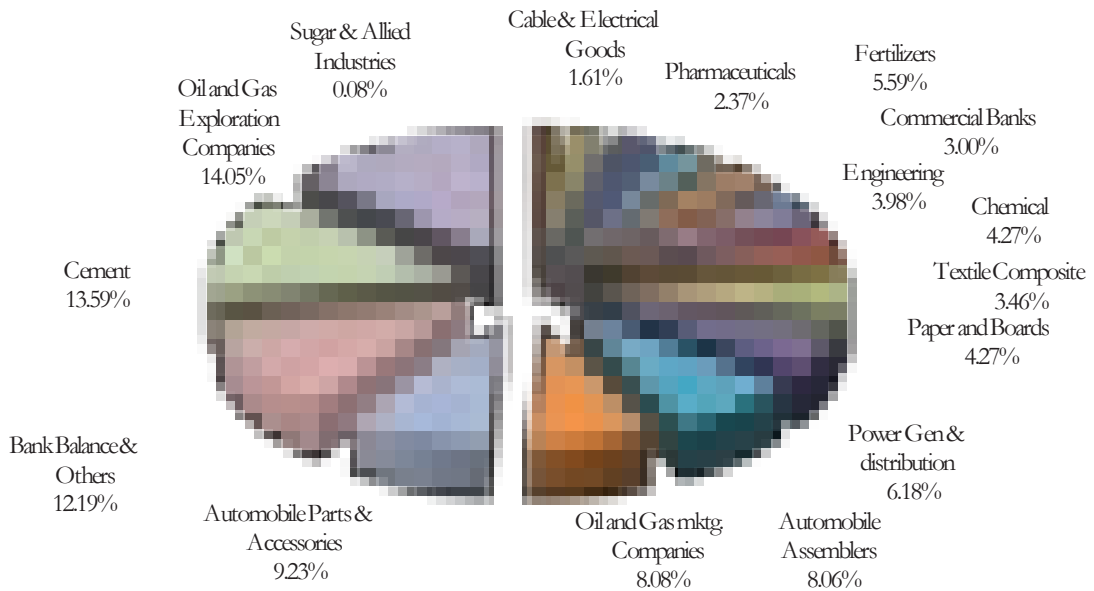
ABL-ISF delivered a stellar return of 31.18% against the benchmark return of 18.80%, reflecting an outperformance of 12.38%, during the year ended June 30, 2017. ABL-ISF is the second best performing fund in Islamic Equity Fund category. Since its inception on June 12th, 2013, ABL-ISF has been among the best performing funds in the equity markets of Pakistan. Since inception return of ABL-ISF is 115.56% against 109.16% increase in its benchmark. During the year under review, ABL Islamic Stock Fund's AUM increased by 40.34% to Rs.3,544.17 million.

OUTLOOK AND STRATEGY

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. 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.



Asset Allocation (% of Total Assets)



PERFORMANCE TABLE

	June 30, 2017	June 30, 2016	June 30, 2015	June 12, 2013 to June 30, 2014
	----- (Rupees in '000) -----			
Net Assets	3,544,170	2,525,406	2,645,579	1,727,564
Net Income	854,110	133,588	615,410	287,245
	----- (Rupees per unit) -----			
Net Assets value	17.3146	13.5911	12.9589	10.4246
Interim distribution*	0.5000	0.0568	0.5000	-
Final distribution*	-	-	-	1.5909
Distribution date final	June 20, 2017	June 29, 2016	June 11, 2015	June 23, 2014
Closing offer price	17.6609	13.8629	13.2181	10.6331
Closing repurchase price	17.3146	13.5911	12.9589	10.4246
Highest offer price	20.5865	14.3311	14.0154	12.3635
Lowest offer price	14.0226	11.7996	10.0353	9.8086
Highest repurchase price per unit	20.1828	14.0501	13.7406	12.1211
Lowest repurchase price per unit	13.7476	11.5682	9.8385	9.6163
	----- Percentage -----			
Total return of the fund				
- capital growth	26.18%	5.01%	24.03%	4.72%
- income distribution	5.00%	0.57%	5.00%	15.91%
Average return of the fund				
One Year	31.18%	5.58%	29.03%	20.63%
Two Year	38.50%	36.22%	60.85%	-
Three Year	78.70%	69.82%	-	-
Four Year	122.78%	-	-	-
Since Inception	115.56%	64.32%	55.64%	-

Disclaimer

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



NICOL NORTH FINANCIAL SERVICES LIMITED

STATEMENT OF FINANCIAL POSITION 31 DECEMBER 2017

AND RELATED FINANCIAL STATEMENTS

Report of the Director General on September 2018 of the Financial Services Commission (FSC) Report No. 10/2018

The financial statements were audited by Ernst & Young (EY) on 28 February 2018. The audit opinion is unqualified with a focus on the 2017 financial statements. The audit opinion is unqualified with a focus on the 2017 financial statements.

- (i) The financial statements were audited by Ernst & Young (EY) on 28 February 2018. The audit opinion is unqualified with a focus on the 2017 financial statements.
- (ii) The financial statements were audited by Ernst & Young (EY) on 28 February 2018. The audit opinion is unqualified with a focus on the 2017 financial statements.
- (iii) The financial statements were audited by Ernst & Young (EY) on 28 February 2018. The audit opinion is unqualified with a focus on the 2017 financial statements.
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- (v) The financial statements were audited by Ernst & Young (EY) on 28 February 2018. The audit opinion is unqualified with a focus on the 2017 financial statements.
- (vi) The financial statements were audited by Ernst & Young (EY) on 28 February 2018. The audit opinion is unqualified with a focus on the 2017 financial statements.

Report No. 10/2018



Director General
Financial Services Commission

Report No. 10/2018



STATEMENT OF COMPLIANCE WITH THE SHARIAH PRINCIPLES

ABL Islamic Stock Fund (ABL-ISF) has fully complied with the Shariah principles specified in the Trust Deed and in the guidelines issued by the Shariah Advisor for its operations, investments and placements made during the year ended June 30, 2017. This has been duly confirmed by the Shariah Advisor of the Fund.

Lahore, August 23, 2017

■ ■
ALEE KHALID GHAZNAVI
Chief Executive Officer

Page 15 of 20

The Board of Directors is pleased to announce the AGS 2017 results. The Board is pleased to announce the AGS 2017 results. The Board is pleased to announce the AGS 2017 results.

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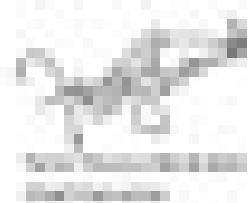
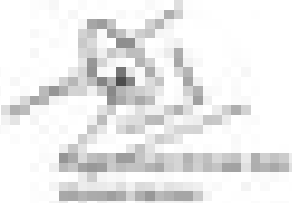
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AGS 2017 Results

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AGS 2017 Results



AGS 2017 Results

MANAGEMENT RESPONSIBILITY AND ACCOUNTABILITY

Introduction

The Board of Directors of the Fund is responsible for the overall management of the Fund. The Board has delegated the day-to-day management of the Fund to the Investment Manager, who is responsible for the investment performance of the Fund. The Board has also established a Risk Management Committee to oversee the Fund's risk management policies and procedures.

Investment Manager

The Investment Manager is responsible for the investment performance of the Fund. The Investment Manager is also responsible for the day-to-day management of the Fund, including the selection and management of the Fund's investments.

Management's Responsibility and Accountability

The Investment Manager is responsible for the investment performance of the Fund. The Investment Manager is also responsible for the day-to-day management of the Fund, including the selection and management of the Fund's investments.

The Independence and Quality Issues

The Investment Manager is responsible for the investment performance of the Fund. The Investment Manager is also responsible for the day-to-day management of the Fund, including the selection and management of the Fund's investments.

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The responsibility and consistency of asset positions

The Investment Manager is responsible for the investment performance of the Fund. The Investment Manager is also responsible for the day-to-day management of the Fund, including the selection and management of the Fund's investments.

CONCLUSION

The Investment Manager is responsible for the investment performance of the Fund. The Investment Manager is also responsible for the day-to-day management of the Fund, including the selection and management of the Fund's investments.

The Afterlife Project is a unique initiative that aims to provide support and guidance to individuals who are facing the end of their lives. It offers a range of services, including bereavement counseling, spiritual care, and practical assistance. The project is run by a team of experienced professionals who are dedicated to providing a compassionate and supportive environment for those who are struggling.

What is the Afterlife Project?

- Offering a range of support services including bereavement counseling, spiritual care, and practical assistance.
- Working with the community to provide support and guidance to those who are struggling.

The Afterlife Project is a unique initiative that aims to provide support and guidance to individuals who are facing the end of their lives. It offers a range of services, including bereavement counseling, spiritual care, and practical assistance.

Services

The Afterlife Project offers a range of services, including bereavement counseling, spiritual care, and practical assistance. The project is run by a team of experienced professionals who are dedicated to providing a compassionate and supportive environment for those who are struggling.

Afterlife Project
123 Main Street
London, UK
020 1234 5678

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STATEMENT OF COMPLIANCE BY ABL ASSET MANAGEMENT COMPANY LIMITED WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2017

This statement is being presented to comply with the Code of Corporate Governance (“the Code”) contained in Regulation No. 5.19 of listing regulations of the Pakistan Stock Exchange Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of Corporate Governance.

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

1. The Management Company encourages representation of independent, non-executive directors. At June 30, 2017 the Board includes:

Category	Name
Independent Directors	Mr. Kamran Nishat Mr. Muhammad Kamran Shehzad
Non-Executive Directors	Sheikh Mukhtar Ahmed Mr. Mohammad Naeem Mukhtar Mr. Muhammad Waseem Mukhtar Mr. Tahir Hasan Qureshi
Executive Director	Mr. Alee Khalid Ghaznavi

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

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including the Management Company.
3. All the resident directors of the Management Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFII or, being a Broker of a stock exchange, has been declared as a defaulter by that stock exchange.
4. Casual vacancies occurring on the board on July 04, 2016 and December 31, 2016 were filled up by the directors within 90 days. During the year Mr. Alee Khalid Ghaznavi was appointed as Chief Executive Officer and Mr. Tahir Hassan Qureshi was appointed as Non-Executive Director on the board with effect from November 14, 2016 and December 31, 2016 respectively.
5. The Management Company has prepared a ‘Code of Conduct’ and has ensured that appropriate steps have been taken to disseminate it throughout the Management Company along with its supporting policies and procedures.
6. The Board of Directors of the Management Company has developed a vision / mission statement, overall corporate strategy and significant policies of the Fund. A complete record of particulars of significant policies along with the dates on which these were approved or amended have been maintained.

7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. As at June 30, 2017, three directors have obtained certification under the 'Board Development Series' while one director is exempt from the Director Training Program under the Code. The Management Company will arrange training program for the remaining directors by June 30, 2018. The directors are well conversant with the relevant laws applicable to the Fund and the Management Company, its policies and procedures and provisions of memorandum and articles of association and are aware of their duties and responsibilities.
10. No change in the position of the Chief Financial Officer & Company Secretary were made during this financial year. However, due to resignation of Chief Internal Auditor casual vacancy occurred on April 05, 2017, which was filled simultaneously.
11. The Directors' Report of the Fund for the year ended June 30, 2017 has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
12. The financial statements of the Fund were duly endorsed by the CEO and CFO of the Management Company before approval of the Board.
13. The directors, CEO and executives do not hold any interest in the units of the Fund other than those disclosed in the Directors' Report, pattern of unit holding and notes to the financial statements.
14. The Management Company has complied with all the applicable corporate and financial reporting requirements of the Code.
15. The Board has formed an Audit Committee. It comprises of three members, all of whom are non-executive directors of the Management Company, including the Chairman of the Committee who is an independent director.
16. The meetings of the Audit Committee were held once in every quarter and prior to approval of interim and final results of the Fund and as required by the Code. The terms of reference of the Audit Committee have been approved in the meeting of the Board and the Committee has been advised to ensure compliance with those terms of reference.
17. The Board has formed Human Resource and Remuneration Committee. It comprises three members, of whom two are non-executive directors including the chairman of the Committee.
18. The Board has set up an effective internal audit function within the Management Company. The internal audit team is considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Fund and they are involved in the internal audit function on a full time basis.
19. The statutory auditors of the Fund have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partner of the firm, their spouses and minor children do not hold units of the Fund and that the firm and all its partners are in compliance with the International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The "closed period", prior to the announcement of interim / final results, and business decisions, which may materially affect the Net Asset Value (NAV) of the Fund's units, was determined and intimated to directors, employees and the Stock Exchange.

22. Material / price sensitive information has been disseminated among all market participants at once through the Stock Exchange.
23. The Management Company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.
24. We confirm that all other material principles enshrined in the Code have been complied with.

For and on behalf of the Board

■ ■

ALEE KHALID GHAZNAVI
Chief Executive Officer

Karachi, September 14, 2017



AFTER PURCHASE

Investment in Shariah-compliant companies

Investment in Shariah-compliant companies

The Fund invests in Shariah-compliant companies (SCCs) which have had their shares certified as halal by a recognised Shariah authority. The Fund will not invest in any company which is involved in the production, distribution or sale of alcohol, gambling, pornography, tobacco, interest-bearing securities, or any other activity prohibited by Shariah law.

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ABLI SF
ABL Islamic Stock Fund



ABL ISLAMIC STOCK FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2017

	Note	June 30, 2017	June 30, 2016
----- (Rupees in '000) -----			
ASSETS			
Balances with banks	4	425,919	137,942
Investments	5	3,224,917	2,466,919
Dividend and other receivables	6	18,546	81,437
Security deposits	7	2,600	2,600
Preliminary expenses and floatation costs	8	946	1,946
Total assets		3,672,928	2,690,844
LIABILITIES			
Payable to ABL Asset Management Company Limited - Management Company	9	44,622	38,737
Payable to MCB Financial Services Limited - Trustee	10	207	163
Payable to the Securities and Exchange Commission of Pakistan	11	2,939	2,357
Payable against purchase of investments		33,493	40,098
Dividend payable		8,225	1,572
Advance against issuance of units		2,434	4,699
Accrued expenses and other liabilities	12	36,838	30,712
Payable against redemption of units		-	47,100
Total liabilities		128,758	165,438
NET ASSETS		3,544,170	2,525,406
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		3,544,170	2,525,406
CONTINGENCIES AND COMMITMENTS			
	13	-----Total Number of units-----	
NUMBER OF UNITS IN ISSUE	14	204,693,106	185,813,083
(Rupees)			
NET ASSET VALUE PER UNIT		17.3146	13.5911
FACE VALUE PER UNIT		10.0000	10.0000

The annexed notes 1 to 29 form an integral part of these financial statements.

For ABL Asset Management Company Limited
(Management Company)

ALEE KHALID GHAZNAVI
Chief Executive Officer

MUHAMMAD KAMRAN SHEHZAD
Director

ABL ISLAMIC STOCK FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2017

	Note	June 30, 2017	June 30, 2016
----- (Rupees in '000) -----			
Income			
Dividend income		106,012	121,133
Capital gain / (loss) on sale of equity investments - net		523,483	(158,443)
Profit on deposits with banks		14,160	15,164
		643,655	(22,146)
Unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss - net	5.3	263,501	188,795
Reversal of Provision against Workers' Welfare Fund	12.1	18,422	-
Total income		925,578	166,649
Expenses			
Remuneration of ABL Asset Management Company Limited - Management Company	9.1	61,870	71,995
Sindh Sales Tax on remuneration of the Management Company	9.2	8,043	11,692
Federal Excise Duty on remuneration of the Management Company	9.3	-	11,519
Accounting and operational charges	9.4	3,090	1,130
Selling and Marketing expenses	9.5	5,431	-
Remuneration of MCB Financial Services Limited - Trustee	10.1	2,047	1,741
Sindh Sales Tax on remuneration of the Trustee		266	244
Annual fee of the Securities and Exchange Commission of Pakistan	11.1	2,939	2,357
Brokerage, securities transaction costs and other charges		9,210	9,453
Bank charges		81	119
Auditors' remuneration	15	520	480
Amortisation of preliminary expenses and floatation costs	8	1,000	1,002
Shariah advisory fee		559	285
Printing charges		399	265
Listing fee		55	50
Legal charges		-	326
Charity expense		7,284	7,382
Annual rating fee		-	125
Total operating expenses		102,794	120,165
Net income for the year from operating activities		822,784	46,484
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net		56,383	87,104
Provision for Sindh Workers' Welfare Fund	12.1	25,057	-
Net income for the year before taxation		854,110	133,588
Taxation	16	-	-
Net income for the year after taxation		854,110	133,588
Earnings per unit	17		

The annexed notes 1 to 29 form an integral part of these financial statements.

For ABL Asset Management Company Limited
(Management Company)

ALEE KHALID GHAZNAVI
Chief Executive Officer

MUHAMMAD KAMRAN SHEHZAD
Director



ABL ISLAMIC STOCK FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2017

Note	June 30, 2017	June 30, 2016
	----- (Rupees in '000) -----	
Net income for the year after taxation	854,110	133,588
Other comprehensive income for the year	-	-
Total comprehensive income for the year	854,110	133,588

The annexed notes 1 to 29 form an integral part of these financial statements.

For ABL Asset Management Company Limited
 (Management Company)

ALEE KHALID GHAZNAVI
 Chief Executive Officer

MUHAMMAD KAMRAN SHEHZAD
 Director

ABL ISLAMIC STOCK FUND
DISTRIBUTION STATEMENT
FOR THE YEAR ENDED JUNE 30, 2017

	June 30, 2017	June 30, 2016
	----- (Rupees in '000) -----	
Undistributed income brought forward comprising of:		
- Realised income	478,482	398,420
- Unrealised income	188,795	205,646
	667,277	604,066
Distribution during the year		
- 2017 Nil Units (2016 Re. 0.0330 per unit on July 24, 2015) Cash distribution	-	(7,159)
- Re 0.5 per unit on June 20, 2017 (2016: Re.0.0568 per unit on June 29, 2016) Cash distribution	(90,866)	(9,985)
	(90,866)	(17,144)
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net	66,721	(53,233)
Net income for the year	854,110	133,588
Undistributed income carried forward	1,497,242	667,277
Undistributed income carried forward comprising of:		
- Realised income	1,233,741	478,482
- Unrealised income	263,501	188,795
	1,497,242	667,277

The annexed notes 1 to 29 form an integral part of these financial statements.

For ABL Asset Management Company Limited
(Management Company)

ALEE KHALID GHAZNAVI
Chief Executive Officer

MUHAMMAD KAMRAN SHEHZAD
Director



ABL ISLAMIC STOCK FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2017

	June 30, 2017	June 30, 2016
	----- (Rupees in '000) -----	
Net assets at the beginning of the year	2,525,406	2,645,579
Issue of 172,614,685 (2016: 209,711,572) units	2,915,926	2,742,149
Redemption of 153,734,662 (2015: 228,049,872) units	(2,604,023)	(2,891,662)
	311,903	(149,513)
Element of (income) / loss and capital (gains) / losses in prices of units issued less those in units redeemed - net		
- transferred to income statement	(56,383)	(87,104)
- transferred to distribution statement	(66,721)	53,233
	(123,104)	(33,871)
Other net income for the year	67,126	103,236
Capital gain / (loss) on sale of investments - net	523,483	(158,443)
Unrealised gain on re-measurement of investments classified as financial assets at fair value through profit or loss - net	263,501	188,795
Net income for the year	854,110	133,588
Distributions during the year		
- 2017: Nil Units (2016: Re. 0.0330 per unit on July 24, 2015) Cash distribution	-	(7,159)
- Re 0.5 per unit on June 20, 2017 (2016: Re. 0.0568 per unit on June 29, 2016) Cash distribution	(90,866)	(9,985)
	(90,866)	(17,144)
	763,244	116,444
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - transferred to distribution statement - net	66,721	(53,233)
Net assets at the end of the year	3,544,170	2,525,406

The annexed notes 1 to 29 form an integral part of these financial statements.

For ABL Asset Management Company Limited
(Management Company)

ALEE KHALID GHAZNAVI
Chief Executive Officer

MUHAMMAD KAMRAN SHEHZAD
Director

ABL ISLAMIC STOCK FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2017

	Note	June 30, 2017	June 30, 2016
----- (Rupees in '000) -----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year		854,110	133,588
Adjustments:			
Profit on bank deposits		(14,160)	(15,164)
Dividend Income		(106,012)	(121,133)
Unrealised appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss - net		(263,501)	(188,795)
Reversal of provision Workers' Welfare Fund		(18,422)	-
Provision for Sindh Workers' Welfare Fund		25,057	
Provision for Federal Excise Duty		-	11,519
Amortisation of preliminary expenses and floatation costs		1,000	1,002
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net		(56,383)	(87,104)
		(432,421)	(399,675)
(Increase) / decrease in assets			
Investments		(501,102)	195,890
Other receivable		62,891	(69,327)
Security deposits		-	-
		(438,211)	126,563
Increase / (decrease) in liabilities			
Payable to ABL Asset Management Company Limited- Management Company		5,885	(1,671)
Payable to MCB Financial Services Limited - Trustee		44	15
Annual fee payable to Securities and Exchange Commission of Pakistan		582	326
Accrued expenses and other liabilities		6,126	2,214
		12,637	884
Profit received on deposits with banks		13,406	15,603
Dividend received		100,131	116,294
		109,652	(6,743)
Net cash generated from / (used) in operating activities			
CASH FLOWS FROM FINANCING ACTIVITIES			
Amount received on issuance of units		2,915,926	2,742,149
Amount paid on redemption of units		(2,651,123)	(2,844,562)
Advance received against issuance of units		(2,265)	498
Cash distribution paid		(84,213)	(23,647)
Net cash generated / (used in) from financing activities		178,325	(125,562)
Net increase / (decrease) in cash and cash equivalents during the year		287,977	(132,305)
Cash and cash equivalents at the beginning of the year		137,942	270,247
Cash and cash equivalents at the end of the year	4	425,919	137,942

The annexed notes 1 to 29 form an integral part of these financial statements.

For ABL Asset Management Company Limited
(Management Company)

ALEE KHALID GHAZNAVI
Chief Executive Officer

MUHAMMAD KAMRAN SHEHZAD
Director



ABL ISLAMIC STOCK FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2017

1 LEGAL STATUS AND NATURE OF BUSINESS

ABL Islamic Stock Fund (the Fund) was established under a Trust Deed executed between ABL Asset Management Company Limited as the Management Company and MCB Financial Services Limited (MCBFSL) as the Trustee. The Trust Deed was executed on May 15, 2013 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on June 04, 2013 under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations 2008).

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate issued by the SECP on December 7, 2007. 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.

The Fund commenced its operations on June 12, 2013. It is an open-ended fund and is listed on the Pakistan Stock Exchange Limited. The units of the Fund are offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.

The Fund has been categorised as an open-end "Shariah Compliant Equity Scheme" as per the criteria laid down by the SECP for categorisation of Collective Investment Scheme (CIS).

The objective of the Fund is to provide capital appreciation to investors through higher long term risk adjusted returns by investing in a diversified Shariah compliant portfolio of equity instruments.

JCR - VIS Credit Rating Company has assigned Management Quality Rating of 'AM2+ (Stable outlook)' to the Management Company as at December 30, 2016.

The title to the assets of the Fund is held in the name of MCB Financial Services Limited as the Trustee of the Fund.

The transactions undertaken by the Fund are in accordance with the process prescribed under the Shariah guidelines issued by the Shariah Advisor.

2 BASIS OF PRESENTATION

2.1 Statement of compliance

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

2.2 Standards, Interpretations and amendments to published approved accounting standards that are effective in 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

2.3.1 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.

2.3.2 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

The Management Company of the Fund is in the process of evaluating the impact of standards, interpretations and amendments to published approved accounting standards on the fund's operation.

2.3.3 The SECP vide its SRO 756(1) / 2017 dated August 3, 2017 has made certain amendments in the NBFC Regulations, 2008 which will be applicable on the financial statements of the Fund from the accounting year ending on June 30, 2018. The notification includes a definition and explanation relating to "element of income" and excludes the element of income from the expression "accounting income" as described in Regulation 63 (Amount distributable to unit holders) of the NBFC Regulations, 2008. In addition there are certain changes in the disclosure requirements relating to the Income Statement and the Statement of Movement in Unit Holders' Fund. The management is currently in the process of assessing the impact of these changes on the financial statements.

2.4 Critical accounting estimates and judgments

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

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

- Classification and valuation of investments (note 3.2 and 5.1)
- Taxation (note 3.7 and 17)
- Impairment of financial assets (note 3.2.5)
- Amortization of preliminary expenses and floatation cost (note 3.5 and 8)

2.5 Accounting convention

These financial statement have been prepared under the historical cost convention, except for investments held at 'fair value through profit or loss' category which are measured at fair value.

2.6 Functional and presentation currency

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Cash and cash equivalents

Cash and cash equivalents comprise of balances with banks and carried in the statement of assets and liabilities at cost.

3.2 Financial assets

3.2.1 Classification

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

Investments are categorised as follows:

a) Financial assets at fair value through profit or loss

Financial assets that are acquired principally for the purpose of generating profits from short-term fluctuations in prices are classified as financial assets at fair value through profit or loss category. These include held for trading investments and such other investments that, upon initial recognition, are designated under this category.

b) Loans and receivables

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

c) Available-for-sale

Available for sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as (a) loans and receivables or (b) financial assets at fair value through profit or loss. These are intended to be held for an indefinite period of time which may be sold in response to the needs for liquidity or change in price.

3.2.2 Regular way contracts

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

3.2.3 Initial recognition and measurement

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

3.2.4 Subsequent measurement

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

Subsequent to initial recognition, financial assets at fair value through profit or loss and available for sale are revalued at fair value.

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

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

- Basis of valuation of equity securities

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

b) Loans and receivables

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

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

3.2.5 Impairment

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

In the case of equity securities classified as 'available for sale', a significant or prolonged decline in the fair value of the security below its cost is considered as an objective evidence of impairment. In case of impairment of available for sale securities, the cumulative loss previously recognised in other comprehensive income is removed therefrom and shown as part of income before taxation. Impairment losses recognised in the income statement on equity securities are only reversed when the equity securities 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 Management Company in accordance with the requirements of the Securities and Exchange Commission of Pakistan.

3.2.6 Derecognition

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

3.3 Financial liabilities

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

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

3.4 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amounts are reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liabilities simultaneously.

3.5 Preliminary expenses and floatation costs

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

3.6 Provisions

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

3.7 Taxation

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

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

3.8 Proposed distributions

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

3.9 Issue and redemption of units

Units issued are recorded at the offer price as per the constitutive documents. The offer price is determined by the Management Company after realisation of subscription money. The offer price represents the net assets value per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable.

Units redeemed are recorded at the redemption price, as per constitutive documents, applicable to units for which the distributors receive redemption requests during business hours of that day. The redemption price represents the previous day net asset value per unit as of the close of the business day less any back-end load, provision for transaction costs and any provision for duties and charges, if applicable.

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

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

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

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

3.11 Net asset value per unit

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

3.12 Revenue recognition

- Realised capital gains / (losses) arising on sale of investments are included in the income statement on the date at which the sale transaction takes place.
- Unrealised appreciation / (diminution) arising on re-measurement of investments classified 'as 'financial assets at fair value through profit or loss' is included in the income statement in the year in which they arise.
- Dividend income is recognised when the Fund's right to receive the same is established.
- Profit on bank deposits and on investments is recognised on an accrual basis.

3.13 Expenses

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

4 BALANCES WITH BANKS

	Note	June 30, 2017	June 30, 2016
----- (Rupees in '000) -----			
Balances with banks in:			
- Current account	4.1	9,615	11,629
- Profit and loss saving accounts	4.2 & 4.3	416,304	126,313
		<u>425,919</u>	<u>137,942</u>

4.1 This balance is maintained with Allied Bank Limited, a related party of the Fund.

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

4.3 This includes balance of Rs. 10.034 million (2016: Rs. 0.02 million) which is maintained with Allied Bank Limited, a related party of the Fund. It earns profit rates of 6.7% (2016: 6.25%) per annum.

5 INVESTMENTS

	Note	June 30, 2017	June 30, 2016
----- (Rupees in '000) -----			
Investments at fair value through profit or loss - net			
Listed equity securities	5.1	<u>3,224,917</u>	<u>2,466,919</u>

5.1 Listed equity securities

Ordinary shares have a face value of Rs 10/= each except for the shares of Thal Limited & K-Electric which has a face value of Rs. 5 and Rs. 3.5 respectively

Name of the investee company	Number of shares / certificates					Balance 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 / right shares received during the year	Sold during the year	As at June 30, 2017	Carrying value	Market value	Appreciation/ (diminution)	Net assets of the fund	Total market value of investments	
----- (Rupees in '000) -----											
AUTOMOBILE ASSEMBLER											
Indus Motor Company Limited	47,640	-	-	47,640	-	-	-	-	-	-	-
Millat Tractors Limited	-	57,500	-	-	57,500	85,239	79,030	(6,209)	2.23%	2.45%	0.13%
Pak Suzuki Motor Company Limited	-	457,650	-	358,100	99,550	81,349	77,685	(3,664)	2.19%	2.41%	0.12%
Honda Atlas Cars (Pakistan) Limited	382,000	337,200	-	562,700	156,500	93,672	135,793	42,121	3.83%	4.21%	0.11%
Gandhara Industries Limited	-	88,850	-	83,400	5,450	4,130	3,543	(587)	0.10%	0.11%	0.03%
Gandhara Nissan Limited	-	368,700	-	368,700	-	-	-	-	-	-	-
						264,390	296,051	31,661	8.35%	9.18%	
AUTOMOBILE PARTS AND ACCESSORIES											
General Tyres and Rubber Company	-	379,900	-	-	379,900	110,872	115,300	4,428	3.25%	3.58%	0.64%
Thal Limited	218,100	208,900	-	57,800	369,200	136,898	223,746	86,848	6.31%	6.94%	0.46%
						247,770	339,046	91,276	9.56%	10.52%	
CABLE & ELECTRICAL GOODS											
Pak Elektron Limited	-	1,360,000	-	825,000	535,000	62,141	59,021	(3,120)	1.67%	1.83%	0.11%
CEMENT											
D.G. Khan Cement Company Limited	814,100	646,000	-	589,000	871,100	183,396	185,684	2,288	5.24%	5.76%	0.20%
Kohat Cement Company Limited	306,200	-	-	306,200	-	-	-	-	-	-	-
Lucky Cement Limited	325,300	283,400	-	330,200	278,500	209,339	232,898	23,559	6.57%	7.22%	0.09%
Pioneer Cement Limited	520,500	410,000	-	310,700	619,800	77,870	80,574	2,704	2.27%	2.50%	0.27%
Cherat Cement Company Limited	-	540,500	-	540,500	-	-	-	-	-	-	-
Fauji Cement Company Limited	-	1,650,000	-	1,650,000	-	-	-	-	-	-	-
Maple Leaf Cement Factory Limited	-	370,000	-	370,000	-	-	-	-	-	-	-
Dewan Cement Limited	-	2,350,000	-	2,350,000	-	-	-	-	-	-	-
						470,605	499,156	28,551	14.08%	15.48%	
CHEMICALS											
I.C.I. Pakistan Limited	-	206,650	-	63,300	143,350	99,555	156,904	57,349	4.43%	4.87%	0.16%
Sitara Chemical Industries Limited	-	30,200	-	30,200	-	-	-	-	-	-	-
						99,555	156,904	57,349	4.43%	4.87%	
COMMERCIAL BANKS											
Meezan Bank Limited	-	1,513,500	-	120,500	1,393,000	88,500	110,047	21,547	3.11%	3.41%	0.14%
ENGINEERING											
International Industries Limited	-	99,500	-	99,500	-	-	-	-	-	-	-
Amreli Steel Limited	-	252,500	-	-	252,500	32,037	31,045	(992)	0.88%	0.96%	0.09%
International Steel Industries	-	1,005,000	-	105,000	900,000	136,059	115,101	(20,958)	3.25%	3.57%	0.21%
Mughal Iron and Steel Industries Limited	-	465,000	-	465,000	-	-	-	-	-	-	-
						168,096	146,146	(21,950)	4.13%	4.53%	
FERTILIZER											
Dawood Hercules Corporation Limited	381,100	-	-	381,100	-	-	-	-	-	-	-
Engro Fertilizer Limited	1,000,000	3,408,500	-	2,838,500	1,570,000	102,311	86,727	(15,584)	2.45%	2.69%	0.12%
Engro Corporation Limited	810,000	315,900	-	761,900	364,000	125,799	118,631	(7,168)	3.35%	3.68%	0.07%
						228,110	205,358	(22,752)	5.80%	6.37%	
Balance carried forward						1,629,167	1,811,729	182,562	51.13%	56.19%	

Name of the investee company	Number of shares/ certificates					Balance 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 / right shares received during the year	Sold during the year	As at June 30, 2017	Carrying value	Market value	Appreciation/ (diminution)	Net assets of the fund	Total market value of investments	
						----- (Rupees in '000) -----					
Balance brought forward						1,629,167	1,811,729	182,562	51.13%	56.19%	
FOOD & PERSONAL CARE PRODUCTS											
Engro Foods Limited	-	800,000	-	800,000	-	-	-	-	-	-	-
LEATHER & TANNERIES											
Service Pakistan Limited	41,500	6,000	-	47,500	-	-	-	-	-	-	-
MISCELLANEOUS											
Synthetic Products Limited	-	645,500	-	645,500	-	-	-	-	-	-	-
OIL & GAS EXPLORATION COMPANIES											
Mari Petroleum Company Limited	87,600	88,400	-	22,800	153,200	184,307	241,388	57,081	6.81%	7.49%	0.14%
Oil & Gas Development Company Limited	944,800	1,388,100	-	1,569,500	763,400	115,150	107,403	(7,747)	3.03%	3.33%	0.02%
Pakistan Oilfields Limited	344,300	93,800	-	324,600	113,500	40,903	52,000	11,097	1.47%	1.61%	0.05%
Pakistan Petroleum Limited	617,180	823,400	-	663,300	777,280	124,758	115,146	(9,612)	3.25%	3.57%	0.04%
						465,118	515,937	50,819	14.56%	16.00%	
OIL & GAS MARKETING COMPANIES											
Hascol Petroleum Limited (Note 5.4)	19,856	-	-	-	19,856	3,879	6,773	2,894	0.19%	0.21%	0.02%
Pakistan State Oil Company Limited	241,500	508,000	-	374,900	374,600	161,096	145,101	(15,995)	4.09%	4.50%	0.14%
Sui Northern Gas Pipelines Limited	-	3,010,500	-	2,037,500	973,000	105,157	144,899	39,742	4.09%	4.49%	0.15%
						270,132	296,773	26,641	8.37%	9.20%	
PAPER & BOARD											
Packages Limited	200,800	46,500	-	21,950	225,350	152,526	156,749	4,223	4.42%	4.86%	0.25%
PHARMACEUTICALS											
The Searle Company Limited (Note 5.4)	168,598	102,900	38,385	140,000	169,883	87,221	86,977	(244)	2.45%	2.70%	0.11%
POWER GENERATION & DISTRIBUTION											
Hub Power Company Limited	2,367,800	1,039,900	-	1,476,400	1,931,300	236,753	226,793	(9,960)	6.40%	7.03%	0.17%
Kot Addu Power Company Limited	560,000	240,000	-	800,000	-	-	-	-	-	-	-
K-Electric Limited	4,629,500	4,000,000	-	8,629,500	-	-	-	-	-	-	-
						236,753	226,793	(9,960)	6.40%	7.03%	
SUGAR AND ALLIED INDUSTRIES											
Faran Sugar Mills Limited	-	35,000	-	-	35,000	6,300	2,809	(3,491)	0.08%	0.09%	0.14%
TEXTILE COMPOSITE											
Kohinoor Textile Mills Limited	599,000	-	-	599,000	-	-	-	-	-	-	-
Nishat Mills Limited	1,260,000	853,200	-	1,311,900	801,300	114,199	127,150	12,951	3.59%	3.94%	0.23%
						114,199	127,150	12,951	3.59%	3.94%	
Total June 30, 2017						2,961,416	3,224,917	263,501	91.00%	100.0%	
Total June 30, 2016						2,278,124	2,466,919		97.68%	100.00%	

5.2 The above investments include shares of the following companies which have been pledged with National Clearing Company of Pakistan for guaranteeing settlement of the Fund's trades in accordance with Circular no. 11 of 2007 dated October 23, 2007 issued by the Securities & Exchange Commission of Pakistan.

Name of the investee company	June 30, 2017		June 30, 2016	
	Number share pledged	Market value of pledged shares	Number share pledged	Market value of pledged shares
	(Rupees in '000)		(Rupees in '000)	
Pakistan Petroleum Limited	77,480	11,478	77,480	12,013
D.G. Khan Cement Company Limited	400,000	85,264	400,000	76,196
Engro Corporation Limited	100,000	32,591	100,000	33,297
Hub Power Company Limited	500,000	58,715	500,000	60,030
Oil & Gas Development Company Limited	400,000	56,276	200,000	27,614
Pakistan Oilfields Limited	50,000	22,908	-	-
Nishat Mills Limited	500,000	79,340	-	-
Pakistan State Oil Company Limited	150,000	58,103	-	-
Sui Northern Gas Pipelines Limited	773,000	115,115	-	-
Engro Fertilizer Limited	500,000	27,620	-	-
Meezan Bank Limited	500,000	39,500	-	-
Lucky Cement Limited	200,000	167,252	-	-
	4,150,480	754,162	1,277,480	209,150

5.3 Unrealised appreciation on re-measurement of investments classified as Financial assets at fair value through profit or loss	June 30, 2017	June 30, 2016
	----- (Rupees in '000) -----	
Market value of investments	3,224,917	2,466,919
Carrying value of investments	(2,961,416)	(2,278,124)
	263,501	188,795

5.4 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. In accordance with the requirement of the Ordinance these shares shall only be released if the fund deposit tax equivalent to 5% of the value of the bonus shares issued. The value of tax is computed on the basis of day-end price on the first day of book closure.

In this regard, a constitution petition has been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs, which is pending adjudication. The petition is based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should not be applicable on bonus shares received by CISs. A stay order has been granted by the High Court of Sindh in favour of CISs.

As at June 30, 2017, the following bonus shares of the Fund were withheld by certain companies at the time of bonus declaration. The Fund has included these shares in its portfolio, as the management believes that the decision of the constitutional petition will be in favour of the CISs.

Name of the investee company	June 30, 2017		June 30, 2016	
	Bonus Shares			
	Number	Market value	Number	Market value
	(Rupees in '000)		(Rupees in '000)	
Hascol Petroleum Limited	18,861	6,433	18,861	3,685
The Searle Company Limited	7,134	3,652	4,103	2,200
		10,086		5,885

6 **DIVIDEND AND OTHER RECEIVABLES**

	June 30, 2017	June 30, 2016
	----- (Rupees in '000) -----	
Dividend receivable	17,063	11,182
Profit receivable on balances with banks	1,483	928
Receivable against issuance of units	-	69,327
	18,546	81,437

7 **SECURITY DEPOSITS**

Security deposits with:

- Central Depository Company of Pakistan Limited	100	100
- National Clearing Company of Pakistan Limited	2,500	2,500
	2,600	2,600

8 **PRELIMINARY EXPENSES AND FLOATATION COSTS**

Opening balance	1,946	2,948
Less: amortised during the year	(1,000)	(1,002)
Balance as at year end	946	1,946

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

	Note	June 30, 2017	June 30, 2016
		----- (Rupees in '000) -----	
9 PAYABLE TO ABL ASSET MANAGEMENT COMPANY LIMITED - MANAGEMENT COMPANY			
Remuneration of the Management Company	9.1	5,673	4,056
Sindh Sales Tax Payable on remuneration of the Management Company	9.2	4,657	4,492
FED payable on remuneration of the Management Company	9.3	26,584	26,584
Sales load payable		748	43
Preliminary expenses and floatation cost		2,000	3,000
Accounting and operational charges	9.4	1,630	562
Selling and marketing expense	9.5	3,330	-
		44,622	38,737

9.1 The Management company has charged remuneration at the rate of 2% per annum based on the daily net assets of the Fund. The amount of remuneration is being paid monthly in arrears.

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 currently stands 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 September 04, 2013, a Constitutional Petition has been filed in the Honorable Sindh High Court (SHC) jointly by various asset management Companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

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. The provision made with effect from June 13, 2013 to June 30, 2016, aggregating to Rs. 26.584 million (2015: Rs. 15.065 million) (including Rs. 11.519 million for the current year) has not been reversed as the management believes that the Federal Government retains the right to appeal against the said order in the Supreme Court within the prescribed timeline. Had the provision not been made, the Net Asset Value per unit of the Fund as at June 30, 2017 would have been higher by 0.1299 (2016: 0.1431) per unit.

9.4 In accordance with the provisions of the NBFC Regulations, 2008 (as amended vide S.R.O 1160(I) / 2015 dated November 25, 2015), the Management Company of the Fund is entitled to reimbursement of fees and expenses in relation to registrar, accounting, operation and valuation services related to the Fund upto a maximum of 0.1% of the average annual net assets of the Scheme or actual, whichever is less. Accordingly, the Management Company has charged expenses at the rate of 0.1% per annum of the average annual net assets of the Fund being lower than actual expenses chargeable to the Fund for the year.

9.5 In connection with Regulation 60(3)(v) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Securities and Exchange Commission of Pakistan has issued circular no. 40 of 2016 dated December 30, 2016 (later amended vide circular no. 05 of 2017 dated February 13, 2017) whereby it has prescribed certain conditions on Asset Management Companies (AMCs) for charging selling and marketing expenses to collective investment schemes (CISs). In accordance with the provisions contained in these circulars, selling and marketing expenses will be allowed initially for a period of three years (from January 1, 2017 till December 31, 2019) to be charged to open end equity, asset allocation and index funds upto a maximum of 0.4% per annum of net assets of the fund or actual expenses, whichever is less. The circulars also state that AMCs will only be allowed to charge these expenses on their CISs if they open at least two new branches in cities except Karachi, Lahore, Islamabad and Rawalpindi by June 30, 2017.

The SECP has also provided certain guidelines in the above mentioned circulars for the allocation of expenses to the fund, which prescribe that selling and marketing expenses can only be used in respect of the following:

1. cost pertaining to opening and maintenance of new branches by asset management companies in cities except Karachi, Lahore, Islamabad and Rawalpindi,
2. payment of salaries to sales team posted at new branches,
3. payment of commission to sales team and distributors in all cities of Pakistan, and
4. payment of advertising and publicity of these funds.

In addition, the above circulars also specify that asset management companies which intend to charge the above mentioned expenses to the funds, shall submit their annual plan to their Board of Directors for approval which amongst others, shall state the name of funds in which such expenses will be charged and nature of expenses that will be charged.

Keeping in view the aforementioned guidelines provided by the SECP, the Board of Directors of the Management Company have approved the plan as required by the above mentioned circular in February 2017 and have approved selling and marketing expenses to be charged to the Fund. Furthermore, in respect of the above, multiple counters with dedicated sales teams have been opened across several cities before June 30, 2017 in order to comply with the requirements of the above mentioned circulars.

The management has also carried out an exercise to identify expenses of the Management Company (on the basis of criteria mentioned in the above circular) that can be charged to the Fund. As the actual expenses incurred by the Management Company that are allowable to be allocated to the Fund for the year ended June 30, 2017 are higher than 0.4% per annum of net assets of the Fund, accordingly, with effect from February 2017 the Management Company has charged expenses at the rate of 0.4% per annum of net assets of the Fund being lower than actual expenses chargeable to the Fund for the year.

	Note	June 30, 2017	June 30, 2016
		----- (Rupees in '000) -----	
10	PAYABLE TO MCB FINANCIAL SERVICES LIMITED - TRUSTEE		
	Trustee remuneration	183	143
	Sindh Sales Tax on trustee remuneration	24	20
		<u>207</u>	<u>163</u>

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

- On Net Assets up to Rs. 1,000 million	Rs. 0.10 percent per annum of the Net Assets
- On Net Assets exceeding Rs.1,001 million and up to Rs.5,000 million	Rs. 1,000,000 plus 0.05 percent per annum of any amount exceeding Rs. 1,000 million
- On Net Assets exceeding Rs. 5,001 million	Rs. 3.0 million plus 0.045 percent per annum of the amount exceeding Rs. 5,000 million

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.

	June 30, 2017	June 30, 2016	
		----- (Rupees in '000) -----	
11	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN		
	Annual fee	2,939	2,357

11.1 Under the provision of the NBFC Regulations, a collective investment scheme categorized as equity scheme is required to pay to the SECP an amount equal to 0.095% (2016: 0.095%) per annum of the average daily net assets of the Fund.

12 ACCRUED EXPENSES AND OTHER LIABILITIES

	Note	June 30, 2017 ----- (Rupees in '000) -----	June 30, 2016
Auditors' remuneration		265	278
Brokerage and other charges		417	3,057
Printing charges		146	99
Provision for Workers' Welfare Fund	12.1	-	18,422
Provision for Sindh Workers' Welfare Fund	12.1	25,057	-
Charity payable	12.2	7,284	7,383
Withholding tax payable		3,629	1,378
Shariah fee		40	95
		36,838	30,712

12.1 The Finance Act, 2008 had introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance) as a result of which it was construed that all Collective Investment Schemes (CISs) / mutual funds whose income exceeded 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. In light of this, 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. Accordingly, no further provision in respect of WWF was made with effect from July 1, 2015.

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 CISs / 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 CISs till June 30 2015, to be reversed on January 12, 2017; and
- as a matter of abundant caution provision in respect of SWWF is being 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 CISs / 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 of the Fund as at June 30, 2017 would have been higher by Re 0.1224 per unit.

12.2 Charity payable

According to the instructions of the Shariah Advisor, income earned by the Fund from the prohibited sources should be donated to charitable purposes.

During the current period, Non Shariah Compliant income amounting to Rs 7.284 million (2016: 7.382 million) was charged as an expense in the books of the Fund. This will be distributed as charity after the approval of Shariah Advisor. Movement of the charity payable as follows:

Note	June 30, 2017 ----- (Rupees in '000) -----	June 30, 2016 ----- (Rupees in '000) -----
Balance as at 1 July	7,382	7,028
Non Shariah Compliant income for the year	7,284	7,382
Paid during the year		
Citizens Foundation	1,953	1,004
SIUT Trust	1,464	1,004
Association of Physically Handicapped Adults	1,037	-
Edhi Foundation	976	1,004
Indus Hospital	976	1,004
Shaukat Khanum	976	-
Sahara for life Trust	-	1,004
Patients' Behbud Society for Aga Khan	-	1,004
LRBT	-	1,004
Balance as at 30 June	7,382	7,028
	7,284	7,382

13 CONTINGENCIES AND COMMITMENTS

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

14 NUMBER OF UNITS IN ISSUE

	June 30, 2017	June 30, 2016
Total units in issue at the beginning of the year	185,813,083	204,151,383
Add: units issued	172,614,685	209,711,572
Less: units redeemed	(153,734,662)	(228,049,872)
Total units in issue at the end of the year	<u>204,693,106</u>	<u>185,813,083</u>

15 AUDITORS' REMUNERATION

	June 30, 2017	June 30, 2016
	----- (Rupees in '000) -----	
Annual audit fee	231	198
Half yearly review fee	132	132
Other certifications and services	80	80
Out of pocket expenses	77	70
	<u>520</u>	<u>480</u>

16 TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders as cash dividend. Furthermore, regulation 63 of the NBFC Regulations, requires the Fund to distribute 90% of the net accounting income other than capital gains to the unit holders. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Since the Management Company has distributed the income earned by the Fund during the year to the unit holders in the manner as explained above, no provision for taxation has been in these financial statements.

17 EARNINGS PER UNIT

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

18 TOTAL EXPENSE RATIO

The total expense ratio of the Fund for the year ended June 30, 2017 is 3.9% which includes 1.22% representing Government levy, Workers' Welfare Fund and SECP fee.

19 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

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

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

- 19.3 Remuneration to the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.
- 19.4 Remuneration payable to the Trustee is determined in accordance with the provisions of the Trust Deed.
- 19.5 Detail of transactions with related parties / connected persons during the year are as follows:

	June 30, 2017	June 30, 2016
	----- (Rupees in '000) -----	
ABL Asset Management Company Limited - Management Company		
Issue of Nil units (2016: 1,406,084) units	-	18,549
Redemption of Nil units (2016: 7,817,567) units	-	98,943
Remuneration of the Management Company	61,870	71,995
Sindh Sales Tax on remuneration of Management Company	8,043	11,692
FED on remuneration of Management Company	-	11,519
Accounting and Operational charges to the Management Company	3,090	1,130
Cash distribution	-	214,306
Selling and marketing expenses	5,431	-
Allied Bank Limited		
Redemption of 11,206,388 (2016: nil) units	160,362	-
Bank charges	19	9
Profits on bank deposits	220	77
ABL AMC Staff Provident Fund		
Issue of 16,231 (2016: 721,918) units	273	9,925
Redemption of 173,821 (2016: 811,066) units	2,500	11,058
Cash distribution	273	67
ABL Islamic Principal Preservation Fund		
Issue of Nil (2016: 16,786,774) units	-	221,713
Redemption of nil (2016: 64,766,444) units	-	815,367
Cash distribution	-	1,714
ABL Islamic Principal Preservation Fund II		
Issue of Nil (2016: 20,102,674) units	-	263,222
Redemption of nil (2016: 71,129,142) units	-	884,957
Cash distribution	-	1,822
ABL Islamic Financial Planning Fund (Active Allocation)		
Issue of 12,930,876 (2016: 48,163,060) units	194,987	626,742
Redemption of 33,613,872 (2016: 10,209,908) units	598,330	131,860
Cash distribution	8,386	2,051
ABL Islamic Financial Planning Fund (Conservative Allocation)		
Issue of 5,875,997 units (2016: 10,888,758 units)	89,960	138,345
Redemption of 10,217,302 units (2016: 5,036,276 units)	165,407	63,517
Cash distribution	734	290
ABL Islamic Financial Planning Fund (Aggressive Allocation)		
Issue of 9,881,899 units (2016: 9,971,577 units)	152,097	127,765
Redemption of 10,392,411 units (2016: 1,711,028 units)	177,290	22,995
Cash distribution	3,763	409

	June 30, 2017	June 30, 2016
	----- (Rupees in '000) -----	
ABL Islamic Financial Planning Fund (Strategic Allocation)		
Issue of 11,893,728 units (2016: 27,797,706 units)	195,918	369,371
Redemption of 13,053,310 units (2016: 33,973 units)	226,248	443
Cash distribution	12,918	1,375
ABL Islamic Financial Planning Fund (Strategic Allocation - II)		
Issue of 15,444,474 units (2016: Nil units)	245,783	-
Redemption of 3,535,043 units (2016: Nil units)	61,000	-
Cash distribution	5,783	-
ABL Islamic Financial Planning Fund (Strategic Allocation - III)		
Issue of 12,186,205 units (2016: Nil units)	210,917	-
Cash distribution	5,917	-
Muller and Phipps Pakistan (Pvt.) Ltd. Staff Provident Fund		
Issue of 11,392 units (2016: 383,248 units)	192	5,022
Cash distribution	192	22
MCB Financial Services Limited - Trustee		
Remuneration for the year	2,047	1,741
Sindh Sales Tax on remuneration of Trustee	266	244
KEY MANAGEMENT PERSONNEL		
Saqib Matin		
Issue of 86,081 units (2016: 97,113 units)	1,500	1,307
Redemption of Nil units (2016: 174,822 units)	-	2,310
Cash distribution	-	2

Detail of balances with related parties / connected persons as at year end are as follows:

ABL Assets Management Company Limited		
Remuneration payable	5,673	4,056
Sindh sales tax payable	4,657	4,492
FED payable	26,584	26,584
Sales tax and FED payable on Management Company's remuneration		
Preliminary expenses and floatation cost payable	2,000	3,000
Sales load payable		
Sales and transfer load payable	748	43
Accounting and operational charges to the Management Company	1,630	562
Selling and marketing expenses	3,330	-
Allied Bank Limited		
Units held: Nil units (2016: 11,206,388 units)	-	152,307
Dividend payable	-	637
Balances with banks	10,034	11,649

	June 30, 2017	June 30, 2016
	----- (Rupees in '000) -----	
ABL AMCL Staff Provident Fund		
Units held: 562,336 units (2016: 719,926 units)	9,737	9,785
ABL Islamic Financial Planning Fund (Active Allocation)		
Units held: 17,270,156 units (2016: 37,953,152 units)	299,026	515,825
Receiveable against issuance of units	-	69,327
Payable against redemption of units	-	47,100
ABL Islamic Financial Planning Fund (Conservative Allocation)		
Units held: 1,511,177 units (2016: 5,852,482 units)	26,164	79,542
ABL Islamic Financial Planning Fund (Aggressive Allocation)		
Units held: 7,750,037 units (2016: 8,260,549 units)	134,188	112,270
ABL Islamic Financial Planning Fund (Strategic Allocation)		
Units held: 26,604,151 units (2016: 27,763,733 units)	460,640	377,340
ABL Islamic Financial Planning Fund (Strategic Allocation - II)		
Units held: 11,909,431 units (2016: Nil units)	206,206	-
ABL Islamic Financial Planning Fund (Strategic Allocation - III)		
Units held: 12,186,205 units (2016: Nil units)	210,999	-
Muller and Phipps Pakistan (Pvt.) Ltd. Staff Provident Fund		
Units held: 394,640 units (2016: 383,248 units)	6,833	5,209
MCB Financial Services Limited - Trustee		
Remuneration payable	207	163
KEY MANAGEMENT PERSONNEL		
Saqib Matin		
Units held: 86,081 units (2016: Nil units)	1,491	-

20. FINANCIAL INSTRUMENTS BY CATEGORY

	----- June 30, 2017 -----			
	Loans and Receivables	Financial assets 'at fair value through profit or loss'	Financial liabilities measured at amortised cost	Total
	----- (Rupees in '000) -----			
Financial assets				
Balances with banks	425,919	-	-	425,919
Investments	-	3,224,917	-	3,224,917
Dividend and other receivables	18,546	-	-	18,546
Security deposits	2,600	-	-	2,600
	447,065	3,224,917	-	3,671,982

	----- June 30, 2017 -----			
	Loans and Receivables	Financial assets 'at fair value through profit or loss'	Financial liabilities measured at amortised cost	Total
	----- (Rupees in '000) -----			
Financial liabilities				
Remuneration payable to ABL Asset Management Company - Management Company	-	-	44,622	44,622
Payable to MCB Financial Services Limited - Trustee	-	-	207	207
Payable against purchase of investments	-	-	33,493	33,493
Dividend payable	-	-	8,225	8,225
Accrued expenses and other liabilities	-	-	8,152	8,152
	-	-	94,699	94,699

	----- June 30, 2016 -----			
	Loans and Receivables	Financial assets 'at fair value through profit or loss'	Financial liabilities measured at amortised cost	Total
	----- (Rupees in '000) -----			
Financial assets				
Balances with banks	137,942	-	-	137,942
Investments	-	2,466,919	-	2,466,919
Dividend and other receivables	81,437	-	-	81,437
Security deposits	2,600	-	-	2,600
	221,979	2,466,919	-	2,688,898

Financial liabilities				
Remuneration payable to ABL Asset Management Company - Management Company	-	-	38,737	38,737
Payable to MCB Financial Services Limited - Trustee	-	-	163	163
Payable against purchase of investments	-	-	40,098	40,098
Dividend payable	-	-	1,572	1,572
Accrued expenses and other liabilities	-	-	10,912	10,912
Payable against redemption of units	-	-	47,100	47,100
	-	-	138,582	138,582

21. FINANCIAL RISK MANAGEMENT

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

21.1 Market risk

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

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

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

21.1.1 Currency risk

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

21.1.2 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 interest rates.

a) Sensitivity analysis for variable rate instruments

Presently, the Fund does not hold any variable rate instrument except for balances in profit and loss saving accounts the profit rate of which ranges from 2.75% to 6.7%.

b) Sensitivity analysis for fixed rate instruments

Presently, the Fund does not hold any fixed rate instruments that may expose the Fund to any material profit rate risk.

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

Particulars	As at June 30, 2017					Total
	Effective yield / profit rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and up to one year	More than one year		
	%	(Rupees in '000)				
On-balance sheet financial instruments						
Financial assets						
Balances with banks	2.75 - 6.7	416,304	-	-	9,615	425,919
Investments		-	-	-	3,224,917	3,224,917
Dividend and other receivables		-	-	-	18,546	18,546
Security deposits		-	-	-	2,600	2,600
Preliminary expenses and floatation costs		-	-	-	946	946
Sub total		416,304	-	-	3,256,624	3,672,928
Financial liabilities						
Payable to ABL Asset Management Company Limited - Management Company		-	-	-	44,622	44,622
Payable to MCB Financial Services Limited - Trustee		-	-	-	207	207
Payable to the Securities and Exchange Commission of Pakistan		-	-	-	2,939	2,939
Payable against purchase of investments		-	-	-	33,493	33,493
Dividend payable		-	-	-	8,225	8,225
Advance against issuance of units		-	-	-	2,434	2,434
Accrued expenses and other liabilities		-	-	-	36,838	36,838
Sub total		-	-	-	128,758	128,758
On-balance sheet gap		416,304	-	-	3,127,866	3,544,170
Total interest rate sensitivity gap		416,304	-	-	3,127,866	3,544,170
Cumulative interest rate sensitivity gap		416,304	416,304	416,304		

Particulars	As at June 30, 2016					Total
	Effective yield / interest rate	Exposed to yield / interest risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and upto one year	More than one year		
	%	(Rupees in '000)				
On-balance sheet financial instruments						
Financial assets						
Balances with banks	2.75 - 6.25	126,313	-	-	11,629	137,942
Investments		-	-	-	2,466,919	2,466,919
Dividend and other receivables		-	-	-	81,437	81,437
Security deposits		-	-	-	2,600	2,600
Preliminary expenses and floatation costs		-	-	-	1,946	1,946
Sub total		126,313	-	-	2,564,531	2,690,844
Financial liabilities						
Payable to ABL Asset Management Company Limited - Management Company		-	-	-	38,737	38,737
Payable to MCB Financial Services Limited - Trustee		-	-	-	163	163
Payable to the Securities and Exchange Commission of Pakistan		-	-	-	2,357	2,357
Payable against purchase of investments		-	-	-	40,098	40,098
Dividend payable		-	-	-	1,572	1,572
Advance against issuance of units		-	-	-	4,699	4,699
Accrued expenses and other liabilities		-	-	-	30,712	30,712
Payable against redemption of units		-	-	-	47,100	47,100
Sub total		-	-	-	165,438	165,438
On-balance sheet gap		126,313	-	-	2,399,093	2,525,406
Total interest rate sensitivity gap		126,313	-	-	2,399,093	2,525,406
Cumulative interest rate sensitivity gap		126,313	126,313	126,313		

21.1.3 Price risk

Price risk is the risk of volatility in prices of financial instruments resulting from their dependence on market sentiments, speculative activities, supply and demand for financial instruments and liquidity in the market. The value of investments may fluctuate due to change in business cycles affecting the business of the company in which the investment is made, change in business circumstances of the company, industry environment and / or the economy in general.

The Fund's strategy on the management of investment risk is driven by the Fund's investment objective. The primary objective of the Fund is to provide the maximum return to the unit holders from investment in Shariah compliant investments for the given level of risks. The Fund's market risk is managed on a daily basis by the investment committee in accordance with the policies and procedures laid down by the Securities and Exchange Commission of Pakistan. Further, it is managed by monitoring exposure to marketable securities and by complying with the internal risk management policies and regulations laid down in NBFC Regulations, 2008.

The Fund's overall market positions are monitored on a quarterly basis by the Board of Directors of the Management Company.

Details of the Fund's investment portfolio exposed to price risk, at the reporting date are disclosed in note 5 to these financial statements. As at June 30, 2017, the Fund's overall exposure to price risk is limited to the fair value of those positions. The Fund manages its exposure to price risk by analysing the investment portfolio by industrial sector and benchmarking the sector weighting to that of the KSE Meezan Index (KMI 30). The Fund's policy is to concentrate the investment portfolio in sectors where management believe the Fund can maximise the returns derived for the level of risk to which the Fund is exposed.

The net assets of the Fund will increase / (decrease) by Rs. 42.87 million (2016: Rs. 259.93 million) if the prices of equity vary due to increase / decrease in KMI 30 by 5% with all other factors held constant.

The Fund manager uses KMI as a reference point in making investment decisions. However, the Fund manager does not manage the Fund's investment strategy to track KMI or any other index or external benchmark. The sensitivity analysis presented is based upon the portfolio composition as at June 30, 2017. The composition of the Fund's investment portfolio and the correlation thereof to KMI, 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 Fund's net assets attributed to units of future movements in the level of KMI.

21.2 Credit risk

Credit risk represents the risk of a loss if counterparties fail to perform as contracted. The Fund's credit risk is primarily attributable to balances with banks, investments, dividend and profit receivable. The credit risk on balances with banks is limited because the counter parties are financial institutions with reasonably high credit ratings. Credit risk on dividends receivable is minimal due to statutory protection. All transactions in listed securities are settled / paid for upon delivery using the central clearing company. The risk of default is considered minimal due to inherent systematic measures taken therein.

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

21.2.1 Credit rating wise analysis of balances with bank of the Fund are tabulated below:

Latest available published rating	June 30,	June 30,	June 30,	June 30,
	2017	2016	2017	2016
	(Percentage)		(Rupees in '000)	
AA+	2.58%	8.81%	10,993	12,146
A	0.14%	0.43%	608	592
A+	97.26%	85.23%	414,246	117,570
AAA	0.02%	5.53%	72	7,634
	100.00%	100.00%	425,919	137,942

These ratings of banks have been performed by PACRA and JCR-VIS.

None of the financial assets were considered to be past due or impaired as on June 30, 2017.

21.2.2 Concentration of credit risk

The Fund mainly deals in equity securities which are primarily subject to price risk. The 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 other financial instruments comprise of balances with banks which are broadly diversified and transactions are entered into with diverse credit-worthy counterparties / Banks and financial institutions thereby mitigating any significant concentrations of credit risk.

21.3 Liquidity risk

Liquidity risk is the risk that the Fund may encounter difficulty in raising funds to meet its obligations and commitments. The Fund's offering document provide for the daily issuance and redemption of units and it is therefore exposed to the liquidity risk of meeting unit holders' redemptions at any time. The Fund manages its liquidity risk by maintaining maturities of financial assets and financial liabilities and investing a major portion of

the Fund's assets in highly liquid financial assets. The Fund's investments are considered to be readily realisable as they are all listed on stock exchange of the country. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation.

In accordance with the risk management policy of the Fund, the Investment Committee monitors the liquidity position on a daily basis, which is reviewed by the Board of Directors of the Management Company on a quarterly basis.

The Fund can borrow in the short term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates. However, no borrowing was required to be obtained by the Fund during the current year. In addition, as required by the SECP, the Fund has arranged committed credit lines from a financial institution equivalent to 10% of net assets of the Fund.

Further, the Fund is also allowed in accordance with regulation 57 (10) of the NBFC Regulations, 2008, to defer redemption requests to the next business day, had such requests exceed ten percent of the total number of units in issue. However, no redemption request has been deferred by the Fund during the year.

An analysis of the Fund's financial liabilities into relevant maturity grouping as at June 30, 2017 along with comparative is tabulated below:

	June 30, 2017			Total
	Maturity up to			
	Upto Three months	More than three months and upto one year	More than one year	
----- (Rupees in '000) -----				
Payable to ABL Asset Management Company Limited - Management Company	44,622	-	-	44,622
Payable to MCB Financial Services Limited - Trustee	207	-	-	207
Payable against purchase of investments	33,493	-	-	33,493
Dividend Payable	8,225	-	-	8,225
Accrued expenses and other liabilities	8,152	-	-	8,152
Total liabilities	94,699	-	-	94,699

	June 30, 2017			Total
	Maturity up to			
	Upto Three months	More than three months and upto one year	More than one year	
----- (Rupees in '000) -----				
Payable to ABL Asset Management Company Limited - Management Company	38,737	-	-	38,737
Payable to MCB Financial Services Limited - Trustee	163	-	-	163
Payable against purchase of investments	40,098	-	-	40,098
Dividend Payable	1,572	-	-	1,572
Accrued expenses and other liabilities	10,912	-	-	10,912
Payable against redemption of units	47,100	-	-	47,100
Total liabilities	138,582	-	-	138,582

22 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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 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.

22.1 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:

	June 30, 2017			
	Level 1	Level 2	Level 3	Total
	------(Rupees in '000)-----			
Assets				
Financial assets at fair value through profit or loss -				
Investment in listed equity securities	<u>3,224,917</u>	-	-	<u>3,224,917</u>
	June 30, 2016			
	Level 1	Level 2	Level 3	Total
	------(Rupees in '000)-----			
Assets				
Financial assets at fair value through profit or loss -				
Investment in listed equity securities	<u>2,466,919</u>	-	-	<u>2,466,919</u>

23. UNITHOLDERS' FUND RISK MANAGEMENT

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

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

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

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

As required under the NBFC Regulations, every open end scheme shall maintain minimum fund size (i.e. net assets of the Fund) of Rs. 100 million at all times during the life of scheme. The Fund has maintained and complied with the requirements of minimum fund size during the year.

24. PARTICULARS OF INVESTMENT COMMITTEE AND FUND MANAGER

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

S. No.	Name	Designation	Experience in years	Qualification
1	Alee Khalid Ghaznavi	Chief Executive Officer	16	MBA
2	Kashif Rafi	Chief Investment Officer	15	MBA-Finance
3	Saqib Matin	CFO & Company Secretary	18	ACA & APA
4	Fahad Aziz	Fund Manager - Fixed Income	11	MBA-Finance
5	Naresh Kumar	Fund Manager-Equity	8	ACCA & CFA
6	M. Abdul Hayee	Fund Manager - Equity	9	MBA-Executive & CFA
7	Wahaj Ahmed	Fund Manager-Fixed Income	6	MBA - Banking & Finance

24.1 Mr. Abdul Hayee is the Fund Manager of the Fund. He is also managing ABL Islamic Dedicated Stock Fund.

25. TRANSACTIONS WITH BROKERS / DEALERS

List of top 10 brokers by percentage of commission charged during the year ended June 30, 2017

S. No.	Particulars	Percentage
1	Next Capital Limited	8.98%
2	Arif Habib Limited	7.02%
3	BMA Capital Management Limited	7.02%
4	Alfalah Securities (Private) Limited	7.01%
5	Insight Securities Limited	6.83%
6	Global Securities Pakistan Limited	6.76%
7	Optimus Capital Management (Private) Limited	6.35%
8	Inter Market Securities Limited	6.10%
9	AKD Securities Limited	6.00%
10	Elixir Securities Pakistan (Private) Limited	5.99%

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

S. No.	Particulars	Percentage
1	Next Capital Limited	8.16%
2	Elixir Securities Pakistan (Private) Limited	7.58%
3	AKD Securities Limited	7.25%
4	IGI Finex Securities Limited	6.45%
5	Global Securities Pakistan Limited	6.41%
6	Arif Habib Limited	6.15%
7	Optimus Capital Management (Private) Limited	5.86%
8	Taurus Securities Limited	5.38%
9	Foundation Securities (Private) Limited	5.37%
10	Insight Securities Limited	5.22%

26 PATTERN OF UNIT HOLDING

Category	As at June 30, 2017			
	Number of unit holders	Number of units held	Net assets value of the amount invested	percentage of total investment
------(Rupees in '000)-----				
Individuals	617	35,149,221	608,593	17.17%
Associated companies / directors	8	78,188,133	1,353,793	38.20%
Insurance companies	9	17,916,206	310,211	8.75%
Retirement Funds	20	55,007,488	952,430	26.87%
Others	8	18,432,058	319,143	9.01%
	<u>662</u>	<u>204,693,106</u>	<u>3,544,170</u>	<u>100.00%</u>

Category	As at June 30, 2016			
	Number of unit holders	Number of units held	Net assets value of the amount invested	percentage of total investment
------(Rupees in '000)-----				
Individuals	321	15,688,411	213,223	8.44%
Associated companies / directors	8	92,142,484	1,252,318	49.59%
Insurance companies	-	-	-	-
Retirement Funds	17	62,986,039	856,050	33.90%
Others	7	14,996,149	203,815	8.07%
	<u>353</u>	<u>185,813,083</u>	<u>2,525,406</u>	<u>100.00%</u>

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

The 48th, 49th, 50th and 51st Board of Directors meetings were held on August 17, 2016, October 28, 2016, February 01, 2017 and April 21, 2017, respectively. Information in respect of attendance by the directors and other persons in the meetings is given below:

S.No.	Name	Number of Meeting			Meeting not attended
		Held	Attended	leave oranted	
Directors					
1	Sheikh Mukhtar Ahmed	4	4	-	-
2	Muhammad Naeem Mukhtar	4	2	2	49th, 50th
3	Muhammad Waseem Mukhtar	4	4	-	-
4	Tariq Mahmood	2	1	1	49th
5	Tahir Hasan Qureshi	2	2	-	-
6	Kamran Nishat	4	3	1	50th
7	Muhammad Kamran Shehzad	4	4	-	-
8	Alee Khalid Ghaznavi	2	2	-	-
Other persons					
9	Saqib Matin*	4	4	-	-
10	Syed Khalid Hussain**	2	2	-	-

* Attended BOD meetings as Company Secretary.

** Attended the meetings as acting CEO of ABL AMCL

27.1 Mr. Tariq Mahmood resigned with effect from December 31, 2016.

27.2 Mr. Tahir Hasan Qureshi was appointed as director on the Board with effect from December 31, 2016.

27.3 Mr. Alee Khalid Ghaznavi was appointed as director on the Board with effect from November 14, 2016.

27.4 Mr. Syed Khalid Hussain attended the meetings as Acting-CEO of ABL AMCL till November 14, 2016.

28 GENERAL

28.1 Figures have been rounded off to the nearest thousand rupees.

28.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for better presentation and disclosures.

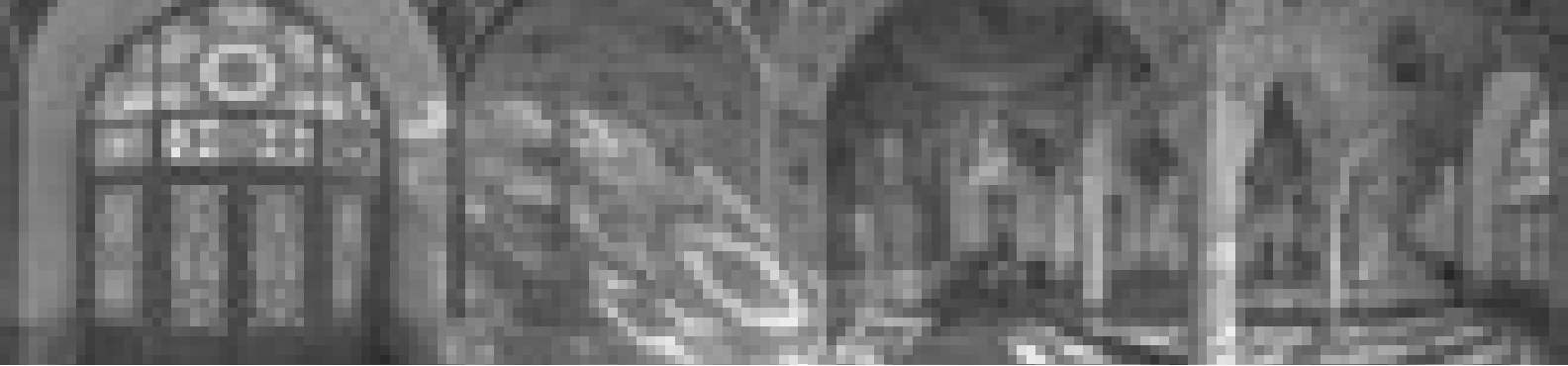
29 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 23, 2017 by the Board of Directors of the Management Company.

For ABL Asset Management Company Limited
(Management Company)

ALEE KHALID GHAZNAVI
Chief Executive Officer


MUHAMMAD KAMRAN SHEHZAD
Director



DISCLOSURE OF PROXY VOTING

The Board of Directors of ABL Asset Management Company Limited (the Management Company of the fund) have overall responsibility for the implementation of Proxy Voting Policy and Procedures which is available on Management Company's website (www.ablamc.com). During the financial year, the Management Company on behalf of the Fund did not participate in 0 shareholders' meeting. Moreover, details of summarized proxies voted are as follows

	Resolutions	For	Against	Abstain	Reason for Abstaining
Number	8	8	-	-	-
(%ages)	100	100	-	-	-

آؤٹ لک

ہم ایکویٹیز پر مثبت رد عمل کی توقع کرتے ہیں جیسا کہ سیاسی مسائل کے باعث مارکیٹ میں حالیہ گراؤٹ دیکھنے میں آئی اگرچہ بنیادی عناصر میں کوئی تبدیلی نہیں آئی۔ اقتصادی شرح نمو ہموار سطح پر برقرار ہے کیونکہ سی پیک کے تناظر میں پاور اور انفراسٹرکچر کے منصوبوں میں سرمایہ کاریاں اور نجی شعبے میں توسیع کے سلسلے بھی حالیہ سیاسی اکھاڑ پچھاڑ سے متاثر نہیں ہوئے۔ مارکیٹ میں مستحکم بنیاد کی فراہمی سے 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 تھیم برقرار رکھیں گی۔

اعتراف

ہم اپنے معزز انویسٹرز کے شکرگزار ہیں جنہوں نے ہم پر اعتماد ظاہر کیا۔ بورڈ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، ٹی (سینٹرل ڈپازٹری کمپنی 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 منجانب بورڈ

علی خالد غزنوی
چیف ایگزیکٹو آفیسر

لاہور، 23 اگست 2017

نمبر شمار	ڈائریکٹر کا نام	اجلاسوں کی تعداد		چھٹی منظور کی گئی	اجلاسوں میں عدم شرکت
		منعقد ہوئے	شرکت کی گئی		
1	جناب کامران نشاط	4	4	-	-
2	جناب محمد وسیم مختار	4	4	-	-
3	جناب ایم کامران شہزاد	4	4	-	-

16- اے بی ایل اسلامک اسٹاک فنڈ میں ہولڈنگ کے طریقہ کار کے بارے میں کوڈ آف کارپوریٹ گورننس کی جانب سے درکار تفصیلات ذیل میں دی جا رہی ہیں۔

نمبر شمار	تفصیلات	30 جون 2017 کو موجودہ پونٹس
1	ایسوسی ایٹڈ کمپنیاں، انڈر ٹیکنگ اور منسلک پارٹنریاں	
	• اے بی ایل - اے ایم سی ایل اسٹاف پرائیڈنٹ فنڈ	562,336
	• MCBFSL ٹرسٹی اے بی ایل IFPF - ایکٹو ایلوکیشن پلان	17,270,156
	• MCBFSL ٹرسٹی اے بی ایل IFPF - کنزرویٹو ایلوکیشن پلان	1,511,176
	• MCBFSL ٹرسٹی اے بی ایل IFPF - ایگریسیو ایلوکیشن پلان	7,750,037
	• MCBFSL ٹرسٹی اے بی ایل IFPF - اسٹریٹجک ایلوکیشن پلان	26,604,151
	• MCBFSL ٹرسٹی اے بی ایل IFPF - اسٹریٹجک ایلوکیشن پلان II	11,909,431
	• MCBFSL ٹرسٹی اے بی ایل IFPF - اسٹریٹجک ایلوکیشن پلان III	12,186,205
	• مولر اینڈ فیلس پاکستان (پرائیویٹ) لمیٹڈ اسٹاف پرائیڈنٹ فنڈ	394,640
2	میو جیل فنڈز	-
3	ڈائریکٹرز اور ان کے شریک حیات اور نابالغ بچے	-
4	ایگزیکٹوز	86,081
5	پبلک سیلکری کمپنیاں اور کارپوریشنز	-
6	دیگر کارپوریشنز	51,404,389
7	بینک، ڈی ایف آئی، این بی ایف سیز، انشورنس کمپنیاں، ہنگامی، مضاربہ اور پینشن فنڈ	39,951,362
8	شیر ہولڈرز جو پانچ فیصد یا زائد ہولڈنگ کے حامل ہیں لسٹڈ کمپنی میں ووٹ دینے کا حق رکھتے ہیں	-

آڈیٹرز

میسرز اے ایف فرگوسن اینڈ کمپنی (چارٹرڈ اکاؤنٹینٹس) 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 اسٹاک فنڈ (اے بی ایل - آئی ایس ایف) کے آڈیٹرز کی حیثیت سے دوبارہ مقرر کیا جا رہا ہے۔

مینجمنٹ کو الٹی ریٹنگ

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

تحت سرٹیفیکیشن حاصل کی جبکہ ایک ڈائریکٹر کوڈ کے تحت ڈائریکٹر ٹریڈنگ پروگرام سے مستثنیٰ ہے۔ ڈائریکٹر فنڈ کے لئے نافذ العمل تمام متعلقہ قوانین اور انتظامی کمیٹی کے ضوابط، اس کی پالیسیوں اور طریقہ کار سمیت میمورنڈم اور آرٹیکلز آف ایسوسی ایشن کی شکوے سے بخوبی آگاہ ہونے کے ساتھ اپنے فرائض اور ذمے داریوں سے واقف ہیں۔

13- انتظامی کمیٹی کے بورڈ آف ڈائریکٹرز کے اجلاس ہر سہ ماہی میں کم از کم ایک بار منعقد ہوتے ہیں۔ سال کے دوران چار اجلاس منعقد کئے گئے۔ بورڈ آف ڈائریکٹرز کا 48 واں، 49 واں، 50 واں اور 51 واں اجلاس بالترتیب 17 اگست، 28 اکتوبر 2016، یکم فروری 2017 اور 21 اپریل 2017 کو منعقد ہوا۔ ان اجلاسوں میں ڈائریکٹرز کی جانب سے شرکت کی تفصیل ذیل میں درج ہے۔

نمبر شمار	ڈائریکٹر کا نام	اجلاسوں کی تعداد		اجلاسوں میں عدم شرکت
		منعقد ہوئے	شرکت کی گئی	
1	شیخ مختار احمد	4	4	-
2	محمد نعیم مختار	4	2	49 واں اور 50 واں
3	محمد وسیم مختار	4	4	-
4	طارق محمود*	2	1	49 واں
5	طاہر حسن قریشی**	2	2	-
5	کامران نشاط	4	3	50 واں
6	محمد کامران شہزاد	4	4	-
7	علی خالد غزنوی	2	2	-

*31 دسمبر 2016 کو مستعفی ہو گئے

**3 فروری 2017 سے بحیثیت ڈائریکٹر مقرر کیا گیا

14- انتظامی کمیٹی کے بورڈ کی ہیومن ریسورس اور ری میونریشن کمیٹی کے اجلاس سال میں کم از کم تین مرتبہ منعقد کرنا ضروری ہے۔ سال کے دوران 2 اجلاس منعقد ہوئے۔ بورڈ کی ہیومن ریسورس اور ری میونریشن کمیٹی کا 19 واں اور 20 واں اجلاس 15 دسمبر 2016 اور 20 مارچ 2017 کو منعقد کیا گیا۔ اجلاسوں میں ڈائریکٹرز کی جانب سے شرکت کے سلسلے میں تفصیل ذیل میں درج ہے۔

نمبر شمار	ڈائریکٹر کا نام	اجلاسوں کی تعداد		اجلاسوں میں عدم شرکت
		منعقد ہوئے	شرکت کی گئی	
1	جناب محمد وسیم مختار	2	2	-
2	جناب کامران نشاط	2	2	-
3	جناب علی خالد غزنوی	2	2	-

15- انتظامی کمیٹی کے بورڈ کی آڈٹ کمیٹی کے اجلاس ہر سہ ماہی میں کم از کم ایک بار منعقد کرنا ضروری ہے۔ سال کے دوران چار اجلاس منعقد کئے گئے۔ بورڈ کی آڈٹ کمیٹی کا 37 واں، 38 واں، 39 واں اور 40 واں اجلاس بالترتیب 17 اگست، 28 اکتوبر 2016، یکم فروری 2017 اور 21 اپریل 2017 کو منعقد کیا گیا۔ اجلاسوں میں ڈائریکٹرز کی جانب سے شرکت کے سلسلے میں تفصیل ذیل میں درج ہے۔

کے حجم میں 59 فیصد بہتری دیکھنے میں آئی جس کی بڑی وجہ جی ایس ٹی کا 10 فیصد سے 5 فیصد ہو جانا، زرعی شعبے کی بہتر کارکردگی اور سستی فنانسنگ کی دستیابی تھی۔

فنڈ کی کارکردگی

اے بی ایل۔ آئی ایس ایف نے 30 جون 2017 کو ختم ہونے والے سال کے دوران 18.80 فیصد کے بیچ مارک منافع کے برخلاف 31.18 فیصد کا مستحکم منافع فراہم کیا جو 12.38 فیصد کی غیر معمولی کارکردگی کا عکاس ہے۔ اے بی ایل۔ آئی ایس ایف اسلامک ایکویٹی فنڈ کی ٹریڈنگ میں دوسرا بہترین پرفارمنگ فنڈ ہے۔ 12 جون 2013 کو اپنے قیام سے لے کر اب تک اے بی ایل۔ آئی ایس ایف پاکستان کی ایکویٹی مارکیٹس میں بہترین کارکردگی کا مظاہرہ کرنے والے فنڈز میں سے ایک ہے۔ اے بی ایل۔ آئی ایس ایف کے قیام سے منافع اس کے بیچ مارک میں 109.16 فیصد اضافے کے برخلاف 115.56 فیصد ہے۔ زیر جائزہ سال کے دوران اے بی ایل۔ اسلامک اسٹاک فنڈ کا اے یو ایم (AUM) 40.34% بڑھ کر 3,544.17 ملین روپے ہو چکا ہے۔

منافع منقسمہ

اے بی ایل ایسیٹ مینجمنٹ کمپنی لمیٹڈ (اے بی ایل اے ایم سی ایل) کے چیف ایگزیکٹو آفیسر نے بورڈ آف ڈائریکٹرز کی جانب سے 22 جون 2017 کو سال ختم 30 جون 2017 کے لئے 0.5000 روپے فی یونٹ (10 روپے کی مجموعی مالیت کا 5.00% فیصد) کے عبوری منافع کی تقسیم کی منظوری اور اعلان کیا ہے۔

کارپوریٹ گورننس کے ضابطے پر عملدرآمد

بورڈ آف ڈائریکٹرز واضح کرتے ہیں کہ:

- 1- مالیاتی حسابات شفاف طور پر کاروباری معاملات، آپریشنز کے نتائج، کیش فلوز اور یونٹ ہولڈرز کے فنڈ میں تبدیلیوں کو ظاہر کرتے ہیں۔
- 2- فنڈ کے حسابات کی باقاعدہ کتب تیار کی گئی ہیں۔
- 3- اکاؤنٹنگ کی درست پالیسیاں مالیاتی حسابات اور اکاؤنٹنگ کے تخمینہ جات کی تیاری میں مستقل طور پر لاگو کی گئی ہیں اور یہ موزوں اور محتاط فیصلوں پر مبنی ہیں۔
- 4- پاکستان میں موجود متعلقہ بین الاقوامی اکاؤنٹنگ اسٹینڈرڈز، نان۔ بیکننگ فنانس کمپنیز (اسٹیبلشمنٹ اینڈ ریگولیشنز) رولز 2003 اور نان۔ بیکننگ فنانس کمپنیز و ٹریڈنگ اینڈ اینڈریٹس ریگولیشنز 2008 کی شقیں، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے جاری کردہ ٹرسٹ ڈیڈ اور ہدایات پر مالیاتی حسابات کی تیاری کے لئے مکمل عملدرآمد کیا گیا ہے۔
- 5- اندرونی کنٹرول کا نظام مستحکم طور پر تشکیل دیا گیا ہے اور موثر طور پر نافذ العمل اور زیر نگرانی رہتا ہے۔
- 6- اس امر میں کوئی شبہ نہیں کہ فنڈز میں آگے بڑھنے کی صلاحیت مکمل طور پر موجود ہے۔
- 7- کارپوریٹ گورننس کے بہترین طریقہ کار سے کہیں انحراف نہیں کیا گیا جیسا کہ سٹاک ریگولیشنز میں تفصیل سے درج ہے۔
- 8- فنڈ کی کارکردگی کا جدول سالانہ رپورٹ کے صفحہ نمبر۔۔۔۔۔ پر درج ہے۔
- 9- کسی واجب الادا ایکسیسر، ڈیویڈنڈ، لیویز اور چارجز کے ضمن میں کوئی قانونی ادائیگی نہیں ماسوائے ان کے جن کو مالیاتی حسابات میں پہلے ہی واضح کیا جا چکا ہے۔
- 10- پراویڈنٹ فنڈ کی سرمایہ کاریوں کی مالیت کے طور پر حسابات فنڈ کی صورت میں نافذ العمل نہیں ہے کیونکہ ملازمین کی سبکدوشی پر مراعات کے اخراجات انتظامی کمپنی کی ذمہ داری ہوتے ہیں۔
- 11- ڈائریکٹرز، ای او ای ایف، ای او ای آئی اے اور کمپنی سیکریٹری اور ان کے شریک حیات کی جانب سے فنڈ کے یونٹس میں کوئی خرید و فروخت نہیں کی گئی۔
- 12- سال کے دوران بورڈ کسی ڈائریکٹر نے ٹریڈنگ میں شرکت نہیں کی جیسا کہ کوڈ کے تحت ضروری ہے۔ تاہم تین ڈائریکٹرز نے ”بورڈ ڈیویڈنڈ سیریز“ پروگرام کے

ٹن (YoY) 45% اضافہ) بڑھ گئے۔ آگے بڑھتے ہوئے 1.0 کھرب پاک روپے (YoY 35% زائد) کی بلند تر وفاقی پی ایس ڈی پی ایلویشن اور سی پیک سے متعلق منصوبوں سے متوقع طور پر ترسیلات میں بہتر شرح نمو کا امکان ہے۔

کاشتکاروں کی کمزور معیشت اور ایشیائے ضروریہ کے کم نرخوں نے مالی سال 16ء کے دوران خراب صورتحال دیکھنے کے بعد مالی سال 17ء میں فریلا سزری کی فروخت کا حجم بڑھ گیا۔ ہم اس بہتر صورتحال کو مالی سال 17ء کے بجٹ میں اعلان کردہ 25 ارب پاک روپے کی نقد سبسڈی سے منسوب کرتے ہیں۔ مالی سال 17ء کے دوران یوریا کی فروخت 6,348 ہزار ٹن پر رہی اور 30.8% فیصد تک اضافہ ہوا جو گزشتہ مالی سال کی اس مدت 4,852 ہزار ٹن تھی جبکہ ڈی اے پی 24.7% فیصد تک بڑھ کر 2,265 ہزار ٹن پر آگئی جو گزشتہ مالی سال کے دوران 1,816 ٹن تھی۔ حجم میں اضافہ وفاقی بجٹ برائے مالی سال 17ء میں اعلان کردہ سبسڈی کی مکمل تاخیری آف ٹیک کے باعث ہوا۔ سال کے دوران یوریا کی پیداوار 3.6% فیصد بڑھ کر 5,963 ہزار ٹن رہی جو گزشتہ سال 5,753 ہزار ٹن تھی اور اس کی وجہ سسٹم میں ایل این جی کی شمولیت کے بعد گیس کی دستیابی میں بہتری آ جانا تھا۔ پیداواری اضافہ مقامی مارکیٹ میں ایک انوینٹری نرمی پر منتج ہوا اور اس کے ساتھ جون 17ء کے اختتام پر 1- ملین ٹن کی انوینٹری تھی۔ نتیجتاً فریلا سزری کی صنعت کو مستقل طور پر انوینٹریز میں کٹھن صورتحال ہونے کی وجہ سے ورکنگ کیپٹل کے باعث لیکویڈٹی کا سامنا رہا۔ کھادوں کے تیار کنندگان کی مشکلات کو آسان بنانے کے لئے حکومت نے انوینٹری کا معاملہ لگانے کے ساتھ یوریا کی برآمد کے لئے معاہدے کرنے کی اجازت دی۔ ابتدائی طور پر مقامی تیار کنندگان کو اپریل 2017ء کے آخر تک 0.3 ملین ٹن برآمد کرنے کی اجازت دی گئی تاہم بعد ازاں دسمبر 2017ء تک یہ مقدار بڑھا کر 0.6 ملین ٹن کر دی گئی تاہم یوریا کی برآمد کی اجازت دینے کے باوجود مقامی تیار کنندگان کے لئے نسبتاً کم بین الاقوامی نرخوں کے باعث نئی بیرونی مارکیٹوں میں جگہ بنانا نہایت مشکل رہا کیونکہ ان مارکیٹوں میں مالی سال 17ء میں اوسط نرخ 11.1% فیصد کم ہو کر 216 امریکی ڈالر فی ٹن ہو گئے تھے جو گزشتہ سال 243 امریکی ڈالر فی ٹن تھے۔

مالی سال 17ء ٹیکسٹائل کے شعبے کے لئے ایک زبردست سال ثابت ہوا جس نے 32.4% فیصد کے بلند ترین بیچ مارک منافع کو عبور کرتے ہوئے سال میں 55.6% فیصد منافع ظاہر کیا۔ نرخوں کے ضمن میں اس بے مثال کارکردگی میں شراکت کا بنیادی عنصر 180 ارب پاک روپے کا ”وزیر اعظم ایکسپورٹ انسٹیٹیوٹ پیکیج“ تھا جس کا اعلان جنوری 2017ء میں کیا گیا۔ اس پیکیج کے تحت حکومت نے گارنٹنٹس کے لئے 7.0% فیصد، ٹیکسٹائل میڈ-اپس کے لئے 6.0% فیصد، پروسیسڈ فیبرک کے لئے 5.0% فیصد اور یارن و گرے فیبرک کے لئے 4.0% فیصد کے برآمدی ریٹنس (Rebates) کا اعلان کیا تھا۔ انویسٹرز نے اس پیکیج سے بھرپور فائدہ اٹھایا کیونکہ اس سے سیکٹر کی کارکردگی کو خاطر خواہ معاونت ملی اور پاک روپے کی قدر میں کمی کے اس دور میں تعاون کی فراہمی ممکن ہوئی۔ تاہم ٹیکسٹائل کی برآمدات مالی سال 17ء میں 12.4 ارب امریکی ڈالر پر رہی۔ ویلیو ایڈڈ کے شعبے میں ریڈی میڈ گارمنٹس اور بیڈویئر کی برآمدات YoY 5.6% تک بڑھ کر 2.3 ارب امریکی ڈالر اور 21 ارب امریکی ڈالر پر پہنچ گئیں جبکہ نٹ ویز برآمدات فلیٹ YoY پر برقرار رہ کر 2.4 ارب امریکی ڈالر رہیں۔ دوسری جانب نچلے ویلیو ایڈڈ شعبے نے مستقل طور پر کمی کا رجحان ظاہر کیا جہاں کائٹن کلاتھ/ یارن کی برآمدات YoY 1.7% / YoY 4.2% تک کم ہو کر بالترتیب 2.1 ارب امریکی ڈالر / 1.2 ارب امریکی ڈالر رہ گئیں۔ اس کمی کی بنیادی وجہ چین سے طلب میں کمی کے ساتھ کمترین کائٹن یارن برآمدی نرخ (جو YoY 8.5% تک گر گئے) اور کائٹن کلاتھ کی برآمدی مقدار میں کمی (YoY 8.8% تک کم ہونا) تھی۔ آگے بڑھتے ہوئے ہم اس امر پر یقین رکھتے ہیں کہ وزیر اعظم کے برآمدی مراعاتی پیکیج اور پاک روپے کی قدر میں کمی اس شعبے کی کارکردگی کو بہتر بنائے گی۔

آٹوموبائل کے شعبے نے مالی سال 17ء میں خاموش شرح نمو ظاہر کی اور مجموعی طور پر مقامی اسمبل شدہ مسافر کاروں کی فروخت کا حجم 213 ہزار یونٹس رہا جو مالی سال 16ء کے مقابلے میں 2.3% فیصد سے کم ہے جس میں 218 ہزار یونٹس کی ریکارڈ فروخت ہوئی تھی اور اس کی وجہ پنجاب حکومت کا ”اپناروز گارنسٹیم“ کا آغاز تھا۔ اپناروز گارنسٹیم سے قبل مقامی اسمبل شدہ مسافر کاروں کی فروخت کا حجم سال کے دوران 14% فیصد بڑھا۔ اس مستحکم عمومی طلب کو ہنڈا اٹلس کاروں، 10th جزییشن سوک اور تمام نئی کیریئر BR-V کے تعارف کی وجہ سے بہت زیادہ مدد ملی جس کے نتیجے میں کمپنی کے لئے 52.2% فیصد کا زبردست شرح نمو کا حجم حاصل کیا گیا۔ دوسری جانب انڈس موٹر کمپنی کا فلیگ شپ برانڈ کرولا اپنی فروخت کا حجم برقرار رکھنے میں ناکام رہا جس میں YoY 6.4% کی کمی مسابقتی کمپنیوں کی جانب سے نئی ماڈل کی کاریں متعارف کرانے کے باعث رونما ہوئی۔ اسی طرح تیسرے بڑے آٹو اسمبلر پاک سوزو کی موٹر کمپنی کو فروخت کے حجم میں 10.8% فیصد کمی کا سامنا رہا جس کی وجہ مالی سال 15ء میں حکومت پنجاب کی جانب سے شروع کی گئی ”اپناروز گارنسٹیم“ کا خاتمہ تھا۔ دوسری جانب مالی سال 16ء میں طلب کم ہونے کے بعد ٹریکٹر کی صنعت کے لئے اس سال کے دوران فروخت

سال 16ء میں 8.5 فیصد تک گرجانے کے بعد مقامی کروڈ آئل کی پیداوار صرف 2.1 فیصد کی بجائی سے 0.88 ملین بیرل روزانہ ہوئی۔ پروڈکشن میں شرح نمو بالخصوص آئل اینڈ گیس ڈیولپمنٹ کمپنی (OGDC) کی جانب سے ابتدائی طور پر انتہائی مستحکم رہی۔ تاہم سال کے آخر تک برقرار نہ رہ سکی۔ یہ طویل مدت سے التوا کا شکار کٹر پیمانہ ڈیپ (KPD-TAY II) کی مکمل کمیشننگ میں تاخیر اور دیگر اہم فیلڈز بنام نچا اوئل میں سست روی کے باعث ہوا۔ مثال کے طور پر اوجی ڈی سی کے تیل کے پیداوار 47,000 بیرل روزانہ تک پہنچ گئی تھی تاہم سال کے اختتام پر 44,000 بیرل روزانہ رہ گئی۔ پاکستان پیٹرولیم لمیٹڈ (پی پی ایل) ایکسپلوریشن کے محاذ پر بے حد متحرک و فعال تھا اور اس نے فرنٹیر کے علاقوں میں بڑی تعداد میں کنوؤں کی کھدائی کروائی جبکہ اوجی ڈی سی ابھی تک مستقبل کے متوقع بلاکس میں سیسک اور جنرالیائی سروے منعقد کر رہا ہے پی پی ایل کے کیس میں سب سے اہم خبر جس کا انتظار کیا جا رہا ہے وہ سوئی کے نئے گیس نرخ کا نوٹیفکیشن ہے جس سے کمپنی خود انحصاری کی صلاحیت حاصل کر لے گی اور سال کے دوران منتقلی کی ضرورت نہیں رہے گی۔

آئل مارکیٹنگ کمپنیاں سال کے دوران بہترین کارکردگی کا مظاہرہ کرنے والے شعبوں میں سے ایک رہیں اور 61.2 فیصد منافع حاصل کیا۔ اس میں حبسکول پیٹرولیم (HASCOL) 74.6 کا فیصد اور اٹک پیٹرولیم لمیٹڈ (APL) 43.2 کا فیصد کا نمایاں حصہ رہا جبکہ پاکستان اسٹیٹ آئل لگ بھگ 3.2 فیصد حصے پر برقرار رہی۔ صنعتی پیٹرولیم کی فروخت YoY 9.8% تک بڑھ کر 25.8 ملین ٹن ہو گئی جبکہ تمام دیگر اہم مصنوعات - فرنیس آئل (+6.5% YoY)، ہائی اسپنڈریل (+9.5% YoY) اور موٹر گیسولین (+15.5% YoY) جس سے منافع جات کو بھی فروغ حاصل ہوا اور مالی سال 17ء سے قبل آمدنی میں رکاوٹ کی ایک طویل لہر کا خاتمہ ہوا جس سے مالی سال 17ء کے 9 ماہ کے منافع جات (ایکس-شیل) YoY 150% تک بڑھ گئے۔ حبسکول نے صنعت میں غیر معمولی کارکردگی کا سلسلہ جاری رکھا جبکہ پی ایس او اور اے پی ایل نے اپنے مارکیٹ شیئر کو برقرار رکھا۔ پی ایس او اور اے پی ایل نے مسابقت کو برقرار رکھنے اور سیلز گروتھ کو مزید بہتر بنانے کے لئے اسٹوریج میں بھی بھاری سرمایہ کاری پر توجہ دی۔ سرکلر ڈیٹ کے سلسلے میں ستمبر 2016 میں آئی ایم ایف پروگرام کے خاتمے کے فوری بعد سرکلر ڈیٹ نے دوبارہ بڑھنا شروع کر دیا اور ملک میں درپیش سیاسی بے چینی اور غیر یقینی صورتحال کی وجہ سے حکومت کی جانب سے اس جانب توجہ نہ دینے کے باعث بہت زیادہ بڑھ گیا۔ اس صورتحال میں پی ایس او کے لئے مشکلات بڑھیں لہذا اس کی مسابقتی کارکردگی بھی متاثر ہوئی۔

انڈیپنڈنٹ پاور پروڈیوسرز (آئی پی پیز) نے مالی سال 17ء کے دوران توانائی کے اداروں کی بدترین لیکویڈٹی کے سبب سرکلر ڈیٹ کے باعث وسیع تر کے ایس ای 100 انڈیکس میں ناقص کارکردگی ظاہر کی۔ سیکٹر کا منافع کے ایس ای 100 انڈیکس میں 23.2 فیصد اضافے کے مقابلے میں محض 4 فیصد ہوا۔ حکومت کروڈ آئل کے بین الاقوامی نرخوں میں قابل قدر کمی کے باوجود سرکلر ڈیٹ کے خطرناک مسئلے پر قابو پانے میں کامیاب نہ ہو سکی۔ صورتحال کی شدت کا اندازہ نشاط پاور لمیٹڈ (NPL) اور نشاط چوئیاں پاور لمیٹڈ (NCPL) کے منافع منقسمہ کی ادائیگیوں میں کٹوتی سے بھی لگا یا گیا۔ صرف یہی نہیں بلکہ آگے بڑھتے ہوئے پاک روپے کی قدر میں کمی سے سیکٹر کے منافع جات نمایاں رہے جو اس کے امریکی ڈالر پر مبنی منافع کی مرہون منت تھے۔ اب تک حکومت نے توانائی کی پیداوار میں اضافے پر خصوصی توجہ مرکوز رکھی ہے تاہم اہم منصوبوں پر فنانشل کلوز میں تاخیر ہونے کے باعث پروڈیکٹس کی بروقت تکمیل نہ ہونے سے اچھے اثرات مرتب نہیں ہوں گے۔

سینٹ کے شعبے کی کارکردگی مالی سال 17ء میں 16.1 فیصد کے سالانہ منافع کے ساتھ زیر سطح پر رہی کیونکہ اس کے مقابلے میں بینچ مارک انڈیکس 23.2 فیصد تھا۔ یہ کارکردگی سینٹ مینوفیکچررز کی پرائسنگ پاور پر پائے جانے والے خدشات کا نتیجہ تھی کیونکہ لگ بھگ تمام بڑی کمپنیوں نے گنجانٹس میں توسیع کا اعلان کر دیا تھا۔ اس کے باوجود یہ شعبہ 900 سپلائرس کے اضافے کے ساتھ انڈیکس اضافے کے لئے چوتھا بڑا اثر اکت دار رہا، ترسیل کے لحاظ سے سیکٹر نے 40.3 ملین ٹن پر فروخت کی ترسیل کے ساتھ حجم میں 3.7 فیصد کی شرح نمو حاصل کی۔ سال کے دوران مقامی ترسیل نے 8.0 فیصد کی ایک مناسب شرح نمو ریکارڈ کر کے 35.6 ملین ٹن کی ریکارڈ بلنڈ ترین ترسیل کی۔ مقامی طلب میں شرح نمو کو (i) 744 ارب پاک روپے تک کے 18 فیصد زائد وفاقی پی ایس ڈی پی اخراجات (ii) سی بیک انفراسٹرکچر پروڈیکٹس پر ڈیولپمنٹس اور (iii) نجی شعبوں کی تعمیراتی سرگرمیوں میں اضافے سے منسوب کیا جاسکتا ہے۔ تاہم برآمدات 20.6 فیصد کی خطرناک حد تک کم ہو کر صرف 4.7 ملین ٹن پر بند ہوئیں جس کی وجہ مقامی مارکیٹ پر توجہ منتقل کرنا، پاک-افغان سرحدی کشیدگی اور افغانستان کی مارکیٹ میں سستے ایرانی سینٹ کی بھرمار تھی۔ منافع جات کے لحاظ سے سال بھر کے دوران سکتی ہوئی شرح منافع پر تشویش بڑھتی رہی جس کی وجہ بجلی کے نرخوں میں اضافے کا جاری رہنا تھا بالخصوص کولے کے نرخ اوسطاً 76 امریکی ڈالر فی

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 کاؤنٹ کے محاذ نیوز 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 لکھیری 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 بریلی تھی۔ صنعت میں اسلامک سرمایہ کاری کے مواقع میں انویسٹر 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 لکھیری (ایکویٹی اور اسلامک ایکویٹی فنڈز پر مشتمل) نے 61.8% YoY کا اضافہ رجسٹرڈ کیا اور 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 متوقع ری کلاسیفیکیشن کی وجہ سے مالی سال 17ء میں اسٹاک مارکیٹ کی مستحکم کارکردگی نے ایکویٹی فنڈز کو 41.8% YoY کی شرح نمو ظاہر کرنے کی صلاحیت فراہم کی اور 157 ارب 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 لکھیری کے اسلامک فنڈز کے تحت نئے فنڈز متعارف کرانے میں سہولت حاصل ہوئی۔ آگے بڑھتے ہوئے زرمبادلہ کے نرخوں میں بڑھتے خطرات کے باوجود مستقبل کا جائزہ بدستور حوصلہ افزا ہے اور اس کی وجہ پوری دہائی کے کمترین شرح سود، منافع سے ایڈجسٹ ہونے والے خطرات اور بہتر اقتصادی صورتحال ہے۔

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 بیچ 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 انخلاء 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 فرنیچر مارکیٹس (FM) انڈیکس سے مورگن اسٹینڈی کپٹل انٹرنیشنل (MSCI's) ایئر جنگ مارکیٹس (EM) کے لئے پاکستان کی ری کلاسیفیکیشن کے باعث نمایاں رہا جس کی وجہ اس موقع پر ایک نمایاں بل (Bull) کا دوڑنا 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 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 پیکش و ویلویشن، MSCI EM انڈیکس کے لئے پاکستان کی ری کلاسیفیکیشن اور پاناما لیکس کا فیصلہ بڑی تعداد میں غیر ملکی اور مقامی فنڈز کو پیکش ترغیب دے گا۔ مارکیٹ مالی سال 17ء کے دوران 9.5x کی نرخ-تا-آمدنی (پرائس-ٹو-اننگز) (P/E) پر تجارت کے باعث پیکش 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۔

سیکٹر کا جائزہ

آئل و گیس ایکسپلوریشن اینڈ پروڈکشن (E&P) کے شعبے میں مالی سال 17ء عالمی کرڈ آئل کے نرخوں کے لئے بحالی کا سال رہا جہاں عرب لائٹ کے نرخ YoY 19.7% تک بڑھ کر 48.6 امریکی ڈالر فی بیرل ہو گئے کیونکہ آرگنائزیشن آف پیٹرولیم ایکسپورٹنگ کٹریز (OPEC) (پیٹرولیم مصنوعات برآمد کرنے والے ممالک کی تنظیم) اور نان اوپیک ممالک کی جانب سے بالترتیب 1.2 ملین بیرل روزانہ (bpd) اور 0.6 ملین بی پی ڈی تک پیداوار میں کمی کا فیصلہ کر لیا گیا تھا۔ مالی

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 سہا ہونا 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 اسٹاک فنڈ (اے بی ایل-آئی ایس ایف) کی انتظامی کمپنی اے بی ایل ایسٹ مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز 30 جون 2017 کو ختم ہونے والے سال کے لئے اے بی ایل اسلامک اسٹاک 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، ٹریڈنگز پر سٹیزنگس 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 اشیائے 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 امرچند کارڈوں 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 ایکسٹینڈڈ فنڈ فیسیلیٹی (EFF) پروگرام کے تحت 6.6 ارب امریکی ڈالر کی بروقت تقسیم ہوئی۔



بیرونی محاذ پر کرنٹ اکاؤنٹ خسارہ (CAD) 1.5xYoY 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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