



ABL Stock Fund

Annual Report

FOR THE YEAR ENDED JUNE 30, 2018



ABL Asset Management

Discover the potential

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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

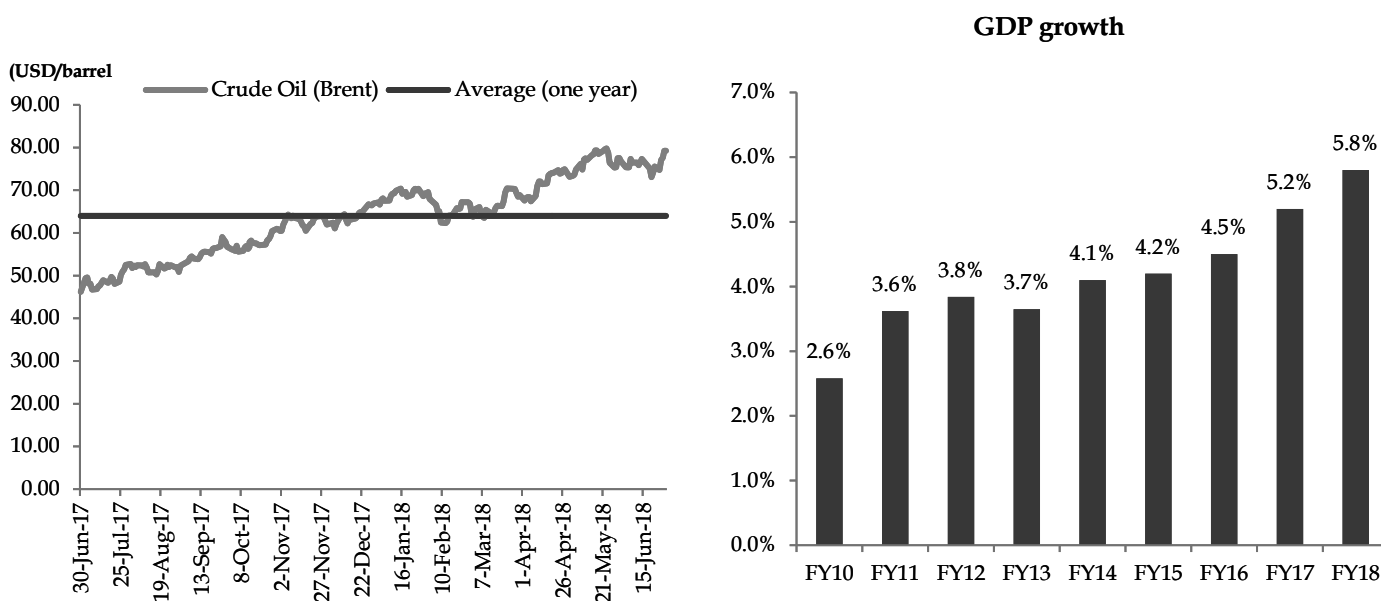
Board of Directors	Sheikh Mukhtar Ahmed Mr. Mohammad Naeem Mukhtar Mr. Muhammad Waseem Mukhtar Mr. Tahir Hasan Qureshi Mr. Pervaiz Iqbal Butt Mr. Muhammad Kamran Shehzad Mr. Alee Khalid Ghaznavi	Chairman CEO/Director
Audit Committee:	Mr. Muhammad Kamran Shehzad Mr. Muhammad Waseem Mukhtar Mr. Pervaiz Iqbal Butt	Chairman Member Member
Human Resource and Remuneration Committee	Mr. Muhammad Waseem Mukhtar Mr. Muhammad Kamran Shehzad Mr. Pervaiz Iqbal Butt Mr. Alee Khalid Ghaznavi	Chairman Member 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 Shehzad	
Trustee:	Central Depository Company of Pakistan Ltd. CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shakra-e-Faisal, Karachi - 74400	
Bankers to the Fund:	Allied Bank Limited Bank Al- Falah Limited JS Bank Limited United Bank Limited	
Auditor:	M/S. A.F. Ferguson & Co. Chartered Accountants State life Building No. 1-C I.I Chundrigar Road, Karachi.	
Legal Advisor:	Ijaz Ahmed & Associates Suite # 7, 11th Zamzama Street Phase-V, DHA Karachi.	
Registrar:	ABL Asset Management Company Limited. L - 48, Defence Phase - VI, Lahore - 74500.	

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of ABL Asset Management Company Limited, the management company of ABL Stock Fund (ABL-SF), is pleased to present the Audited Financial Statements of ABL Stock Fund for the year ended June 30, 2018.

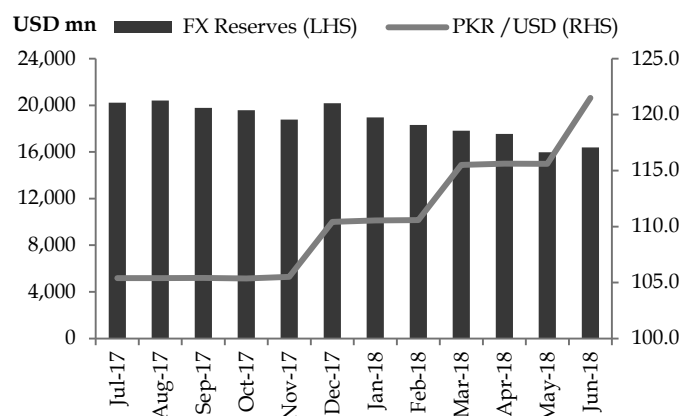
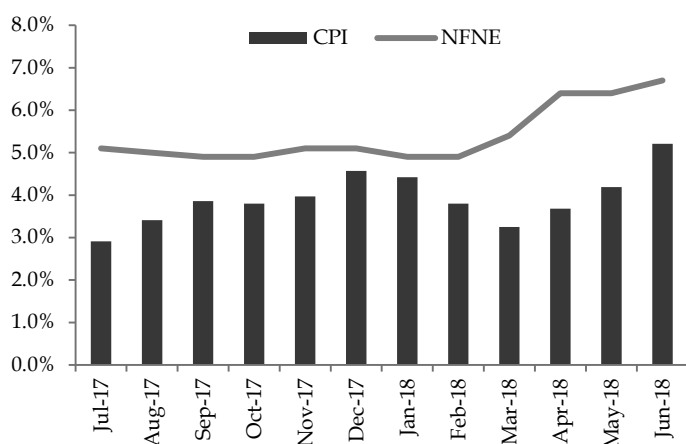
ECONOMIC PERFORMANCE REVIEW

The major theme for Pakistan's macro-economy in FY18 was proliferating twin deficits leading to quickly-depleting reserves. The government took monetary tightening measures in 2HFY18; however, external account deficits continued to widen, while inflationary pressures mounted towards the end of FY18, all indicators of an over-heating economy. Although missing its ambitious target of 6.0%, GDP growth clocked in at 5.8% in FY18, crossing the 13-year high-watermark with all three constituents on an upward trajectory (services/industrial/ agriculture up 6.4%/5.8%/3.8%YoY). Key catalysts for growth included the ongoing implementation of early harvest infrastructure projects under the ambit of CPEC, net energy supply growth (net generated units up 8.4%YoY for 11MFY18), and sustained credit uptick (11MFY18 private sector credit stock grew 18%YoY, adding PKR 780bn offtake during the period). However, the fiscal deficit as percentage of GDP is expected to clock in at 6.8% of GDP (revised upward from 5.5% of GDP estimate given in May 2018).



The Current Account Deficit (CAD) increased 45%YoY to USD 18bn during FY18. A favorable impact of a strong recovery of exports (up 13.2%YoY in FY18) and 3%YoY higher worker's remittances was more than offset by growing imports (up 15.1%YoY in FY18). The SBP devalued PKR by 15.9% against greenback during FY18 in three rounds, beginning in December 2017 to control the increasing imports, without much avail. Besides the drain from the external account, debt repayments during the period added to the steep slide in foreign exchange reserves. As a result, FY18 saw Pakistan going back to the international capital market, raising USD 1.5bn of 10-year Eurobond at 6.875% and USD 1.0bn 5-year Sukuk at 5.625%.

Despite strong growth, headline inflation has remained well below the government's target of 6.0%YoY for FY18, averaging at 3.9%YoY in FY18 (vs. 4.2%YoY in FY17). However, reversal in international oil prices (Arab light up 24.5% during the fiscal year) and an expensive greenback during 2HFY18 led to buildup of inflationary pressures with CPI reaching 5.2%YoY in June 2018 (Core inflation NFNE at 7.1%YoY vs. 5.5%YoY last year). Subsequently, the SBP raised the policy rate by 75bps in 2HFY18, beginning by 25bps rate hike to 6.00% in January 2018. In March 2018 MPS, however, SBP did not raise the policy rates again, where it reasoned that the effects of the recent PKR depreciation and rebound in exports needed to be gauged before any further rate hikes. However, with core inflation rising to 7.0% in April 2018, SBP raised policy rate by 50bps to 6.50% in May 2018 MPS.



Fiscal deficit for 9MFY18 clocked in at PKR 1,481bn (~4.3% of GDP), reflecting an increase of 20%YoY remaining largely a function of expenditures outpacing revenue collection growth for the period. Growth in development expenditure remained healthy (37%YoY in 9MFY18 beating the 13%YoY growth in current expenditure) supporting the ongoing growth momentum in the economy.

MUTUAL FUND INDUSTRY REVIEW

Total Assets under management (AUMs) of Pakistan's open-end mutual fund industry posted a slight decline of 2.8% in FY18 from PKR 680bn to PKR 661bn. This decline was predominantly led by the Islamic Equity and Income funds categories which declined by 20% and 16%, respectively. On the other hand, the industry witnessed increasing investor interest in the money market funds, as AUMs under the money market funds increased by 77% in FY18 due to the prevailing rising interest rate environment.

On a cumulative basis, the Equity category (comprising of Equity and Islamic Equity funds) registered a decrease of 16.1%YoY to close at PKR 242bn in June 2018 compared to PKR 288bn in June 2017. Weak stock market performance in FY18, due to worsening macro-economic indicator and political uncertainty, allowed the Equity Funds to post a decline of 12.4%YoY to close at PKR 137bn. Similarly, Islamic equity funds posted a steep decline of 20.4%YoY to reach at PKR 104bn.

EQUITY MARKET REVIEW

The outgoing year came out as an undesirable year for Pakistan equities where KSE-100 index posted a negative return of 10% to close the year at 41,911 points. The index came to the red zone after 8 consecutive years of positive returns. This was broadly due to political uncertainty following PM Sharif's disqualification from public office by the Supreme Court, fast depleting reserves, and volatile macroeconomic stability. Moreover, despite upgrade of Pakistan by Morgan Stanley Capital International (MSCI) from a Frontier Market (FM) to an Emerging Market (EM) index in June 2017, foreign investors remained net sellers in the local bourse with net outflows worth USD 289mn in FY18. However, this was largely absorbed by insurance companies with USD 204mn worth of net buying. Companies and other organizations also supported the market with net buying of USD 100mn and USD 78mn, respectively. On the other hand, mutual funds remained net sellers, offloading USD 35mn worth of shares. Performance of the market remained lackluster where major index laggards were Cements and Banks, posting return of -42% and -11%, respectively. Persistent rise in input cost (higher coal prices coupled with sharp PKR depreciation) along with pricing indiscipline were major reasons behind the underperformance of the cement sector. On the other hand, banking sector deterioration was mainly due to regulatory challenges (additional capital requirements by SBP, increase in minimum pension rate to PKR 8,000/month) and increased oversight on foreign operations. In contrast, the Oil and Gas Exploration & Production (E&P) sector supported the market with positive returns of 20% in the period, largely due to a rebound in international oil prices (Arab Light prices went up ~28% during the year



to close at USD 79/ton). Most notable consequence of the worsening top-down scenario was the decline in market activity during the period. Average traded value and volume fell to USD 74.3mn (down 49%YoY) and 174.5mn shares (down 50%YoY), respectively. The KSE-100 index underperformed both the MSCI FM and EM which posted 3.56% and -1.06% returns, respectively, against negative 10% return of the local bourse. Moving ahead, we expect the market to remain volatile until the political and economic situation stabilizes. Pakistan Stock Exchange (PSX) closed the period at an estimated P/E of 7.6x, a 21% discount to the EM index, and a dividend yield (DY) of 6.3%.

SECTOR OVERVIEW

Banks faced significant regulatory headwinds during FY18, where HBL, NBP and UBL were categorized as Systemically Important Banks (D-SIBs) and will have their minimum Capital Adequacy (CAR) requirements increased by up to 2%, effective from next year. In addition, from 3Q2018 onwards, banks will face a deposit insurance charge as mandated by the SBP. Sector profitability remained under stress in 9MFY18, partly due to the Supreme Court requiring HBL, UBL, MCB and ABL to increase pensions to a minimum of PKR 8,000/month. This led to large one-off charges in 1Q2018 and is expected to elevate admin expenses going forward as well. The largest bank, HBL, was also impacted by a large fine in New York and subsequent foreign exchange losses. However, respite for the sector has come in via rising interest rates. By June 2018, the discount rate had risen by 75bps to 7.0% (currently hovering around 8.0%). This should lead to rising NIMs and much improved sector profitability from 2019.

The E&P sector outperformed all other sectors as it was up 20.2%YoY in FY18. Oil price rose a staggering 28%YoY as OPEC-Russia resolutely cut supplies to stabilize global prices. The PKR also depreciated ~16% YoY amid a balance of payment crisis. Pakistan E&Ps benefited from the same and thus posted cumulative PAT growth of 34%YoY in 9MFY18 results. However, there was a notable slowdown in oil production (up only 2% YoY), majorly due to a decline in large assets like Nashpa and Tal. This was also attributed to government of Pakistan curtailing furnace oil (FO) based generation which affected offtake from refineries in the North of the country. Major discoveries included Jhandial which was a significant find (oil reserves of 23mn barrels) for the operator Pakistan Oilfields (POL); however, production at the field faced issues and declined from 1400bpd of oil at commissioning to 600bpd at year end. Other major events included: government of Pakistan imposing windfall levy on oil on those fields which have been converted to newer policies under Supplementary Agreement via 2012 Petroleum Policy. All affected E&Ps challenged the same in Islamabad High Court, where the case is still sub judice.

Oil Marketing Companies (OMCs) have had a tough FY18 as the sector was down 15.8% YoY while KSE-100 was down by 10.0% during the same period. This was mainly driven by a 41.6%YoY drop in Shell Pakistan Limited's (SHEL) share price while Pakistan State Oil (PSO) increased by 5.3%YoY. Attock Petroleum (APL) and HASCOL Petroleum (HASCOL) remained almost flat at 1.2% and 1.0%, respectively. Primary reason for a poor show for OMCs during FY18 can be attributed to steep currency devaluation (down 15.9% in FY18), the FO debacle, and drop in profitability. Industry petroleum sales were down by 4.2%YoY to 24.4mn tons, mainly due to dip in FO volumes by 24.1%YoY to 7.1mn tons. Drop in FO sales can be associated to government of Pakistan sudden decision to restrict FO imports as surplus power generation on different fuel bases was available. Excluding FO, POL product sales rose by 7.4% YoY to 17.3mn tons. The surge in volumes was led by Motor gasoline (+15.5% YoY) and high speed diesel (+6.2% YoY). Petroleum prices trended up (+26-29% YoY), following crude oil (+68.9% YoY), boosting profitability, on the back of inventory gains. Thus, 9MFY18 profits (ex-SHEL) were down 3%YoY. HASCOL continued to outperform the industry increasing its market share by 3.2% to 11.8%. On the other hand, PSO and SHEL's market share witnessed attrition by 4.5% and 2.7% to 50.8% and 6.6% respectively. APL's market share inched up by 0.6% to 8.8%. As for circular debt, it continues to exacerbate which has dampened the sentiment for PSO. Consequently, PSO does not have the cash flows for CAPEX which is necessary to maintain their market share; hence rising competition continues to nibble on PSO's market share.

Cement sector nosedived in FY18 with negative annual return of 42% as compared to -10% by the benchmark index. The dismal performance of the sector was attributable to i) increasing input costs where coal prices averaged at USD 94/ton during the year (up 20%YoY) and closed at USD104/ton, ii) PKR depreciation of 16% to further increase imported coal prices, iii) PKR25/bag additional Federal Excise Duty imposed during the year which further dented profitability, iv) increasing risk of cement bag price volatility owing to upcoming expansions of around 17mn tons (up 33% from existing capacity) in coming two years, and v) deteriorating economic situation and demand side concerns post elections. On the dispatches front, the sector witnessed positive performance where cumulative dispatches grew by 14%YoY (highest in 9 years), settling at 46mn tons. During the year, local dispatches recorded a decent growth of 15%YoY to post a record high of 41mn tons. The growth in local demand can be attributed to historic election year phenomena and increasing private sector construction activities. Moreover, total country's exports improved by 2%YoY, reversing an 8-year declining trend. The improvement was due to higher exports to Afghanistan in the period and increasing export trend from south region (thanks to 2.5mn tons brownfield expansions coming online in south). Going forward, we expect the recent increase in cement bag prices (where manufacturers are trying to pass on the increasing input cost impact) would be positive for the sector in short run but volatile bag prices are expected once expansion related dispatches start hitting the market including DGKC's 2.8mn tons, CHCC 2.1mn tons, MLCF's 2.2mn tons, and Power 2.3mn tons.

Fertilizer sector started off FY18 with a massive 1.2m tons urea inventory, which kept industry pricing power under pressure. However, the demand/supply situation turned completely post export of 600K tons of urea. Along with this, closure of LNG based plants also resulted in lower inventory levels of 330K tons at May 2018. The restoration in sentiments resulted in sector outperformance during FY18, up 12% vs. KSE-100 index negative return of 10%. During 11MFY18, urea sales settled at 5,281K tons down 1% from 5,312K tons in SPLY, while DAP off-take grew 4% to 2,281K tons from 2,184K tons in the previous year. Urea production during 11MFY18 stood at 5,096K tons, down 6% from 5,419K tons in the preceding year due to closure of LNG based plants (Last year production of LNG based plants was 571K tons). The outlook for this sector remains positive on grounds of increased local fertilizer prices. Urea price in the local market increased from PKR 1,377/bag in FY17 to PKR 1,405/bag on average in FY18. Similarly DAP price increased from PKR 2,589/bag on average in FY17 to PKR 2,890/bag in FY18. International urea and DAP prices have recovered 11%/17% since FY17, currently standing at ~USD 250/ton for urea and USD 420/ton for DAP. This rising trend of international nutrients prices has provided enough room to local players to safely increase the prices and pass on gas price hike impact by still keeping imports unfeasible.

The textile sector remained an underperformer, correcting 21% over FY18. The currency weakened by 15.8%YoY on average over the mentioned period; however the export-oriented sector margins remained under pressure as a result of 25%YoY higher average oil price and uptick in cotton price (up 6.3%YoY to average at PKR 6,870/maund in FY18 but closed at PKR 7,600/maund). During the year, the government of Pakistan relaxed the conditions for earlier announced export package by removing 10% growth requirement from 50% of rebate booking in FY18. However, the slower disbursement of cash rebates along with pending sales tax refunds reduced the impact of the package. Moreover, despite increasing demand of package extension, the government of Pakistan only extended the package for value added segments with lower budgeted allocation of PKR 65bn/annum against PKR 180bn package announced earlier. On the profitability front, the 9MFY18 earnings for NML, NCL and KTML clocked in at PKR 5.3bn, down 22%YoY, where lower dividend income from the subsidiaries further dragged the bottom-line growth. However on the export front, according to the available figures, textile exports increased to USD 12.4bn in 11MFY18 as compared to USD 11.3bn in 11MFY17, up 10%YoY.

Chemical sector posted a flat return of 0.47% in FY18 compared to negative return of 8.04% on the KSE-100 index. The outperformance is attributable to improved PTA-PX margins and PVC-ethylene core delta. Moreover, boom in domestic caustic soda market also contributed to the outperformance of the sector. The PTA-PX margins currently stand at USD 180/ton compared to last year's average of ~USD 80/ton on the back PX supply glut and increased demand of PTA for the production of PSF in China due low cultivation of cotton. Moreover PVC-ethylene core delta has also shown a positive trend in 3QFY18 reaching ~USD 390/ton compared to historical average of USD 350/ton. This is due increased PVC demand on the back of solid construction activity in the region. Going forward it is expected that chemical sector will continue to provide decent return in FY19 due to favorable international margins and demand outlook.

During 9MFY18, volumes of automobile industry rose by 22%YoY to 193K units, led by the economy and SUV segments. Amid capacity constraints, INDU and HCAR also increased capacity due to de-bottlenecking by 18% and 10%, respectively. However, PKR weakness and commodity upcycle squeezed margins (sector gross margin of 12.6% in 9MFY18 vs 14.6% in 9MFY17) and Auto-OEM profitability grew by a meagre 4%YoY in 9MFY18. In the tractor space, volumes and profits depicted 9MFY18 YoY growth of 37% and 36%, respectively amid lower GST of 5% and improved farmer income. Overall, the sector market cap shed by 30% with risks such as worsening macros, ban on car sales to non-filer, expected increase in GST on tractors, etc hang on the sector.

Engineering sector posted a negative return of 30.5% compared to -8.0% on KSE-100 index. The underperformance is mainly attributable to increased raw material cost (HRC and scrap) due PKR devaluation. Moreover, oversupply concerns due to massive expansions by all major players have also marred returns of the sector. In the flat steel category, CRC and HRC margins have shrunk to a historical low of USD 61/ton compare to the average of USD 100/ton. Moreover, both ISL and ASL have undergone major expansions, boosting the total flat steel capacity of the country to 1.6mn tons per annum which is slightly higher than the total expected demand of the country that is around 1.5mn tons per annum, thereby creating concerns of oversupply. In the rebar category, power shortage, higher scrap prices and oversupply due to massive expansions have remained a source of concern for the investor. Moreover going forward, PSDP cuts are expected given the surmounting macroeconomic challenges, thereby hurting the demand of long steel in the future.

Independent Power Producers (IPPs) is expected to remain in limelight taking into consideration the economic scenario of Pakistan in FY18. The PKR /USD exchange rate has witnessed a devaluation by ~16%YoY to reach at PKR 121.74/USD during FY18. By having a dollar dominated return, the major edge of IPPs in comparison to other sectors is that they were able to pass on the devaluation impact to consumers. IPP's have a natural hedge against devaluation of PKR. The rising interest rate environment (75bps increase during last six months till June 2018) directly impacted the debt service component inflating the capacity payments. Knowing the fact that power producers are compensated for the increase in debt service component, there is another relief in the pockets of IPPs. Going forward, PKR devaluation coupled with rising

interest rate environment, higher international oil, and coal prices will increase the cost of generation putting burden on the other sectors that are dependent upon the national grid. So far, the government has maintained an aggressive focus on increasing the total nameplate capacity as well as power generation. As of June 2018, total net capacity of power generation has reached 30,342 MWh. The total capacity will further increase in the future, as new plants are expected to come online. According to our estimate, total net capacity may reach ~33,000 MWh in FY19. Furthermore, power curtailment has been reduced tremendously in comparison to recent years but could not be eliminated due to weak transmission and distribution infrastructure. The transmission and distribution losses, higher international oil and coal prices, power theft, and poor recoveries of electricity bills translated into surged circular debt problems (PKR935bn) during the FY18. The rising interest rate environment and expected PKR devaluation in FY19 is expected to add up further in circular debt. IPPs underperformed the market with a negative return of 21.89%YoY compared to the benchmark KSE-100 index which reported a negative return of 10%YoY. The negative result can be attributed to NPL and NCL, which lost their values of ~33% and ~35.3% respectively, due to risk of closure faced by FO plant. KEL's issue regarding tariff with NEPRA triggered the negative sentiment resulting in an approximate decline of 28% in its market value.

FUND PERFORMANCE

During the year under review, ABL Stock Fund's AUM decreased by 29.78% to Rs. 6249.39 million. ABL-SF delivered a negative return of 16.84% against 10% decrease in its benchmark, reflecting an underperformance of 6.84% during the year ended June 30, 2018.

Since its inception on June 28th, 2009 ABL-SF has been among the best performing funds in the equity markets of Pakistan. Prudent fund management style with focus on value investments continues to be the key reason for our superior performance and we strive to maintain our standards as we move ahead.

ADDITIONAL MATTERS

1. The detail of Directors of the Management Company is disclosed in this Annual Report.
2. Financial Statements present fairly the state of affairs, the results of operations, cash flows and the changes in unit holder's fund;
3. Proper books of accounts of the Fund have been maintained.
4. Appropriate accounting policies have been consistently applied in the preparation of the financial statements and accounting estimates are based on reasonable and prudent judgments;
5. 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;
6. The system of internal control is sound in design and has been effectively implemented and monitored;
7. There have been no significant doubts upon the Funds' ability to continue as going concern;
8. Performance table of the Fund is given on page # 16 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. The pattern of unit holding as at June 30, 2018 is given in note No. 25 of the Financial Statements.

AUDITORS

M/s. A.F. Fergusons & Co. (Chartered Accountants), have been re-appointed as auditors for the year ending June 30, 2019 for ABL Stock Fund (ABL-SF).

MANAGEMENT QUALITY RATING

On December 29 2017, JCR-VIS Credit Rating Company Limited has reaffirmed the Management Quality Rating of ABL Asset Management Limited (ABL AMC) at 'AM Two Plus Plus' (AM2++). Outlook on the assigned rating is 'Stable'.

OUTLOOK

Both political uncertainty and economic headwinds are expected to carry on into FY19. While on economic side, external vulnerabilities would continue due to high oil prices. As a result, Pak Rupee will most likely continue losing its strength, inflation will gather further traction, and corrective monetary tightening should carry on. With around USD25bn gross financing requirement, Pakistan is expected begin talks with IMF soon. This could result in cut in development spending, de-subsidization of tariffs and reduction in subsidies

Looking at the aforementioned, stock market is expected to remain volatile. With interest rates expected to reach the double digit mark, valuations have started losing their charm. A defensive investment strategy suits prevailing economic environment. Focus on players that have USD linked returns and/or are steeply undervalued i.e E&Ps, Power, Steels, Banks and selected cements. Major derating is possible if hung parliament is formed in the 2018 election.

ACKNOWLEDGEMENT

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

For & on behalf of the Board



Alea Khalid Ghaznavi

Chief Executive Officer

Lahore, September 6, 2018

FUND MANAGER REPORT

OBJECTIVE

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

EQUITY MARKET REVIEW

The outgoing year came out as an undesirable year for Pakistan equities where KSE-100 index posted a negative return of 10% to close the year at 41,911 points. The index came to the red zone after 8 consecutive years of positive returns. This was broadly due to political uncertainty following PM Sharif's disqualification from public office by the Supreme Court, fast depleting reserves, and volatile macroeconomic stability. Moreover, despite upgrade of Pakistan by Morgan Stanley Capital International (MSCI) from a Frontier Market (FM) to an Emerging Market (EM) index in June 2017, foreign investors remained net sellers in the local bourse with net outflows worth USD 289mn in FY18. However, this was largely absorbed by insurance companies with USD 204mn worth of net buying. Companies and other organizations also supported the market with net buying of USD 100mn and USD 78mn, respectively. On the other hand, mutual funds remained net sellers, offloading USD 35mn worth of shares. Performance of the market remained lackluster where major index laggards were Cements and Banks, posting return of -42% and -11%, respectively. Persistent rise in input cost (higher coal prices coupled with sharp PKR depreciation) along with pricing indiscipline were major reasons behind the underperformance of the cement sector. On the other hand, banking sector deterioration was mainly due to regulatory challenges (additional capital requirements by SBP, increase in minimum pension rate to PKR 8,000/month) and increased oversight on foreign operations. In contrast, the Oil and Gas Exploration & Production (E&P) sector supported the market with positive returns of 20% in the period, largely due to a rebound in international oil prices (Arab Light prices went up ~28% during the year to close at USD 79/ton). Most notable consequence of the worsening top-down scenario was the decline in market activity during the period. Average traded value and volume fell to USD 74.3mn (down 49%YoY) and 174.5mn shares (down 50%YoY), respectively. The KSE-100 index underperformed both the MSCI FM and EM which posted 3.56% and -1.06% returns, respectively, against negative 10% return of the local bourse. Moving ahead, we expect the market to remain volatile until the political and economic situation stabilizes. Pakistan Stock Exchange (PSX) closed the period at an estimated P/E of 7.6x, a 21% discount to the EM index, and a dividend yield (DY) of 6.3%.

FUND PERFORMANCE

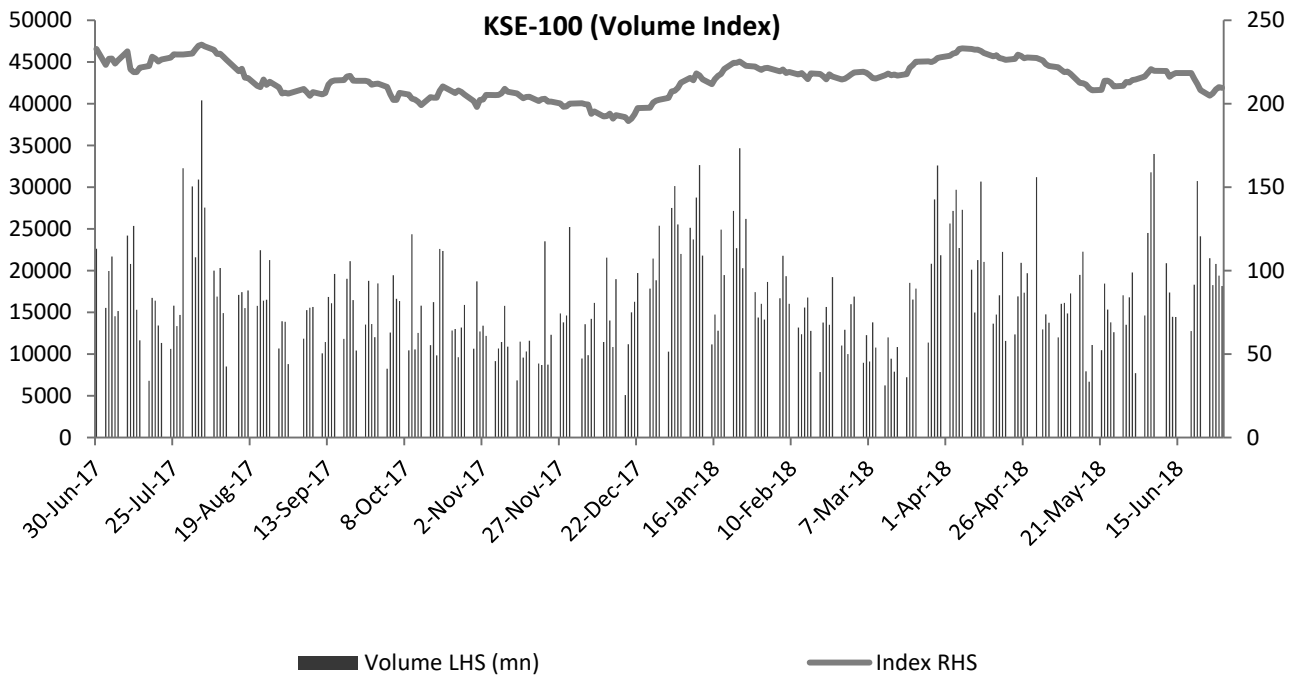
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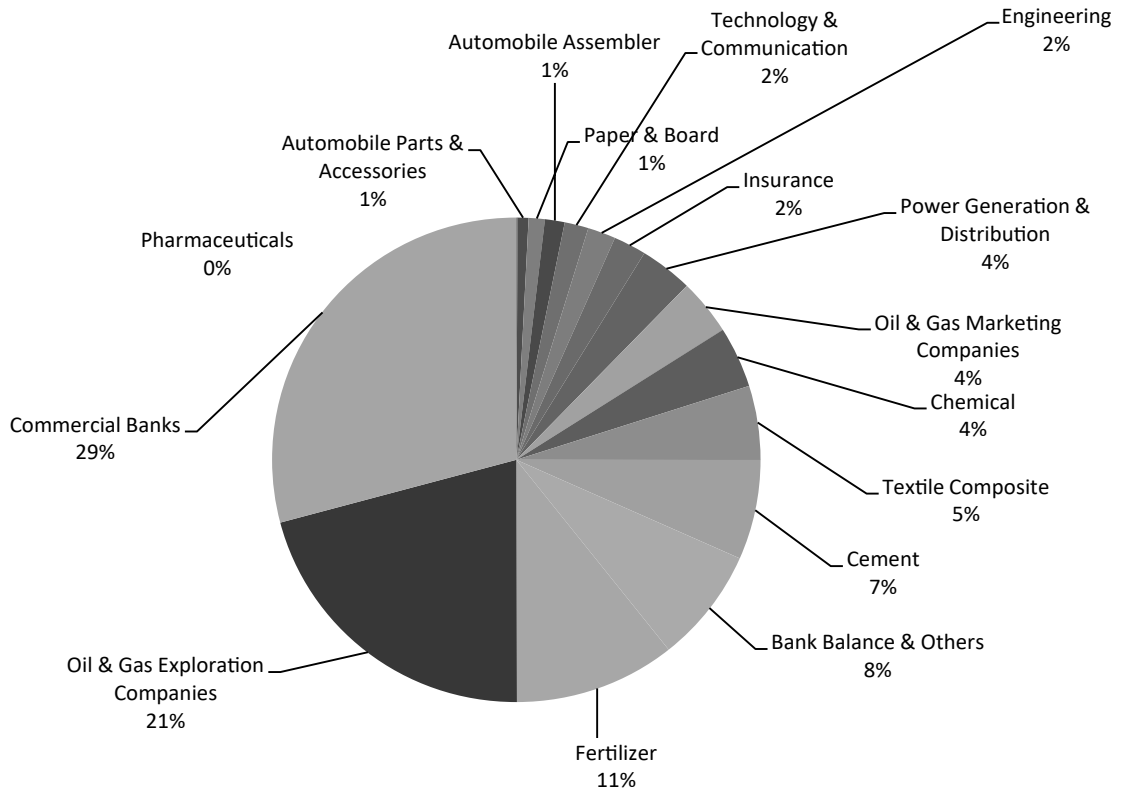
OUTLOOK AND STRATEGY

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Looking at the aforementioned, stock market is expected to remain volatile. With interest rates expected to reach the double digit mark, valuations have started losing their charm. A defensive investment strategy suits prevailing economic environment. Focus on players that have USD linked returns and/or are steeply undervalued i.e E&Ps, Power, Steels, Banks and selected cements. Major derating is possible if hung parliament is formed in the 2018 election.



ALLOCATION (% OF TOTAL ASSETS)



PERFORMANCE TABLE

	2018	2017	2016	2015	2014
Net Assets	6,249,390	8,899,148	3,193,816	2,256,487	1,114,205
Net Income/Loss	(1,437,731)	2,148,603	287,026	497,466	248,721
----- (Rupees per unit) -----					
Net Assets value	14.0492	17.0470	14.3985	13.5337	11.4246
Interim distribution	0.1357	2.0000	0.2633	-	-
Final distribution	-	0.0472	0.2000	1.0000	3.5271
Distribution date final	23-Aug-17	22-Jun-17	July 24,2015	June 15,2015	June 23,2014
Closing offer price	14.3302	17.3879	14.6865	13.8044	11.6531
Closing repurchase price	14.0492	17.0470	14.3985	13.5337	11.4246
Highest offer price	17.4782	22.0412	15.4037	15.0153	18.8211
Lowest offer price	13.3294	14.8092	12.4684	10.9242	11.2241
Highest repurchase price per unit	17.1355	21.6090	15.1017	14.7209	18.2729
Lowest repurchase price per unit	13.0680	14.5188	12.2239	10.7100	11.0040
----- Percentage -----					
Total return of the fund					
- capital growth	-18.19%	12.74%	5.28%	17.11%	-2.37%
- income distribution	1.36%	20.47%	4.63%	10.00%	35.27%
Average return of the fund					
First year	-16.84%	33.21%	9.91%	27.11%	32.90%
Second year	10.78%	46.41%	39.71%	68.93%	107.15%
Third year	21.76%	86.10%	85.67%	163.32%	161.72%
Forth year	54.77%	147.33%	189.40%	232.68%	238.05%
Fifth year	105.69%	285.51%	265.64%	329.71%	348.45%
Weighted average Portfolio duration in days	0	0	0	0	0
Total distribution per unit					

Disclaimer

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

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-E, Block 'B',
S.M.C.H.S., Main Shahra-e-Faisal,
Karachi - 74400, Pakistan,
Tel: (92-21) 111-111-500
Fax: (92-21) 3-4326020 - 25
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Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ABL STOCK FUND

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

We Central Depository Company of Pakistan Limited, being the Trustee of ABL Stock Fund (the Fund) are of the opinion that ABL Asset Management Company Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2018 in accordance with the provisions of the following:

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

Aftab Ahmed Diwan
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 19, 2018



INDEPENDENT AUDITOR'S REPORT

To the Unitholders of ABL Stock Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of ABL Stock Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2018, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2018, and of its financial performance, its cash flows and transactions for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

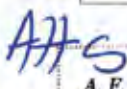
We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the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

Key Audit Matters

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

Following are the key audit matters:

S. No.	Key Audit Matters	How the matter was addressed in our audit
1	<p>Amendments to NBFC Regulations, 2008 (Refer note 3.10 to the annexed financial statements)</p> <p>The Securities and Exchange Commission of Pakistan (the SECP) through its notification [SRO 756(I) / 2017] dated August 3, 2017 made certain amendments in the Non-Banking Finance Companies and Notified Entities Regulations, 2008. The impact of these amendments have been incorporated in the financial statements of the Fund for the year ended June 30, 2018. These amendments mainly include changes with respect to recognition, measurement and presentation of "element of income", addition of certain disclosures with respect to 'Income Statement' (relating to allocation of net</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> understood the requirements of the SECP notification and made inquiries from the management in respect of their methodology for implementing the changes with respect to recording of element of income. verified transactions on a test basis with the underlying records of the reports provided by the management to ensure their compliance with the revised regulations.



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S. No.	Key Audit Matters	How the matter was addressed in our audit
	<p>income for the year) and 'Statement of Movement in Unit Holders' Fund'.</p> <p>The Fund has changed its accounting policy during the current year in respect of accounting for "element of income" consequent to the issuance of the above mentioned notification. The change in accounting policy has been applied prospectively from July 1, 2017 based on the clarification issued by the SECP. With this change in accounting policy the element of income which was previously recognized as part of the income for the year in the Income Statement is now considered as a "capital contribution" and taken to the Statement of Movement in Unit Holders' Fund. Element of income is explained in note 3.10.</p> <p>The above matters are significant accounting and regulatory developments / events for the mutual fund industry affecting the financial statements for the current year and therefore we considered these developments as key audit matter.</p>	<ul style="list-style-type: none"> verified disclosures relating to change in accounting policy to ensure that these are in compliance with the applicable accounting and reporting framework.
2	<p>Net Asset Value (Refer notes 4 and 5 to the annexed financial statements)</p> <p>The investments and bank balances constitute the most significant component of the net asset value (NAV). The investments of the Fund as at June 30, 2018 amounted to Rs 5,876.31 million and bank balances aggregated to Rs 431.59 million.</p> <p>The proper valuation of investments and bank balances for the determination of NAV of the Fund as at June 30, 2018 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> tested the design and operating effectiveness of the key controls for valuation of investments. obtained independent confirmations for verifying the existence of the investment portfolio and bank balances as at June 30, 2018 and reconciled it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed. re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies. obtained approval of Board of Directors of the management company in relation to opening and closing of bank accounts. obtained bank reconciliation statements and tested reconciling items on a sample basis.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

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

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

Board of directors of the management company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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We communicate with board of directors of the management company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide board of directors of the management company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with board of directors of the management company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Noman Abbas Sheikh**.

Afferguson

Chartered Accountants
Karachi

Date: September 27, 2018

ABL STOCK FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2018

	Note	June 30, 2018	June 30, 2017
----- (Rupees in '000) -----			
Assets			
Bank balances	4	431,589	512,124
Investments	5	5,876,305	8,349,814
Receivable against sale of investments		30,121	160,329
Receivable against issue of units		1,965	52,298
Security deposits	6	2,600	2,600
Dividend and profit receivable	7	8,767	21,819
Advances, prepayment and other receivable	8	9,374	2,341
Total assets		6,360,721	9,101,325
Liabilities			
Payable to ABL Asset Management Company Limited - Management Company	9	42,551	54,059.00
Payable to the Central Depository Company of Pakistan Limited - Trustee	10	724	929.00
Payable to the Securities and Exchange Commission of Pakistan	11	6,454	5,886.51
Payable against redemption of units		786	11,428.00
Dividend payable		-	812.00
Accrued expenses and other liabilities	12	60,816	129,063.00
Total liabilities		111,331	202,177.51
NET ASSETS		6,249,390	8,899,147
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		6,249,390	8,899,147
CONTINGENCIES AND COMMITMENTS	13	-----Number of units-----	
NUMBER OF UNITS IN ISSUE		444,822,909	522,036,759.00
NET ASSET VALUE PER UNIT		14.0492	17.0470

The annexed notes from 1 to 33 form an integral part of these financial statements.

For ABL Asset Management Company Limited
(Management Company)


SAQIB MATIN
CHIEF FINANCIAL OFFICER


ALEE KHALID GHAZNAVI
CHIEF EXECUTIVE OFFICER


MUHAMMAD KAMRAN SHEHZAD
DIRECTOR


ABL
Stock Fund

 **ABL Asset Management**
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ABL STOCK FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2018

	Note	June 30, 2018	June 30, 2017
----- (Rupees in '000) -----			
Income			
Interest / profit earned	14	51,359	28,134
Dividend income		313,293	234,611
Other Income		3,046	25,199
(Loss) / gain on sale of investments - net		(1,163,736)	920,574
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	5.2	(416,270)	321,705
		(1,580,006)	1,242,279
Total (loss) / income		(1,212,308)	1,530,223
Expenses			
Remuneration of ABL Asset Management Company Limited - Management Company	9.1	135,872	123,927
Punjab / Sindh Sales Tax on remuneration of the Management Company	9.2	22,188	16,111
Accounting and operational charges	9.4	6,797	6,221
Selling and marketing expenses	9.5	27,189	13,155
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	10.1	7,794	7,196
Sindh Sales Tax on remuneration of the Trustee	10.2	1,013	936
Annual fees to the Securities and Exchange Commission of Pakistan	11.1	6,454	5,887
Securities transaction cost		14,087	20,265
Auditors' remuneration	15	581	557
Annual listing fee		35	60
Printing charges		365	344
Legal and professional charges		142	-
Settlement and bank charges		2,906	2,845
Provision for Sindh Workers' Welfare Fund		-	59,645
Total operating expenses		225,423	257,149
Net (loss) / income from operating activities		(1,437,731)	1,273,074
Element of income and capital gains / (losses) included in the prices of units issued less those in units redeemed - net	3.10	-	1,031,865
Net (loss) / income for the year before taxation		(1,437,731)	2,304,939
Taxation	17	-	-
Net (loss) / income for the year after taxation		(1,437,731)	2,304,939
(Loss) / earnings per unit	18		
Allocation of net income for the year			
Net income for the year after taxation		-	-
Income already paid on units redeemed		-	-
Accounting income available for distribution			
- Relating to capital gains		-	-
- Excluding capital gains		-	-
		-	-

The annexed notes from 1 to 33 form an integral part of these financial statements.

For ABL Asset Management Company Limited
(Management Company)


SAQIB MATIN
CHIEF FINANCIAL OFFICER


ALEE KHALID GHAZNAVI
CHIEF EXECUTIVE OFFICER


MUHAMMAD KAMRAN SHEHZAD
DIRECTOR

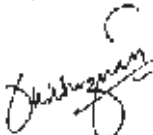
ABL STOCK FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2018

Note	June 30, 2018	June 30, 2017
	----- (Rupees in '000) -----	
Net (loss) / income for the year after taxation	(1,437,731)	2,304,939
Other comprehensive income for the year	-	-
Total comprehensive (loss) / income for the year	(1,437,731)	2,304,939

The annexed notes from 1 to 33 form an integral part of these financial statements.

For ABL Asset Management Company Limited
 (Management Company)


 SAQIB MATIN
 CHIEF FINANCIAL OFFICER


 ALEE KHALID GHAZNAVI
 CHIEF EXECUTIVE OFFICER


 MUHAMMAD KAMRAN SHEHZAD
 DIRECTOR



ABL STOCK FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	2018			2018	
	Capital Value	Undistributed income / (loss)	Unrealised appreciation/ (diminution) on 'available for sale' investments	Total	Total
Net assets at beginning of the year	5,220,350	3,678,797	-	8,899,147	3,193,816
Issue of 235,996,009 units (2017: 519,403,344 units)					
- Capital value (at net asset value per unit at the beginning of the year)	3,997,232	-	-	3,997,232	7,455,845
- Element of loss	(448,999)	-	-	(448,999)	1,970,079
Total proceeds on issuance of units	3,548,233	-	-	3,548,233	9,425,924
Redemption of 313,209,859 units (2017: 219,182,252 units)					
- Capital value (at net asset value per unit at the beginning of the year)	5,313,265	-	-	5,313,265	3,147,661
- Element of income	(613,603)	-	-	(613,603)	938,214
Total payments on redemption of units	4,699,662	-	-	4,699,662	4,085,875
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net	-	-	-	-	(1,031,865)
Total comprehensive (loss) / income for the year	-	(1,437,731)	-	(1,437,731)	2,304,939
Distribution during the year	-	(60,597)	-	(60,597)	(907,792)
Net (loss) / income for the year less distribution	-	(1,498,328)	-	(1,498,328)	1,397,147
Net assets at end of the year	4,068,921	2,180,469	-	6,249,390	8,899,147
Undistributed income brought forward					
- Realised		3,357,092			757,366
- Unrealised		321,705			218,310
		3,678,797			975,676
Accounting income available for distribution					
- Relating to capital gains					
- Excluding capital gains					
Accounting income available for distribution					
- Relating to capital gains		-			
- Excluding capital gains		-			
		-			
Net (loss) / income for the year after taxation		(1,437,731)			2,304,939
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed		-			1,305,974
Distribution for the year		(60,597)			(907,792)
Undistributed income carried forward		2,180,469			3,678,797
Undistributed income carried forward					
- Realised income		2,596,739			3,357,092
- Unrealised (loss) / income		(416,270)			321,705
		2,180,469			3,678,797
				(Rupees)	(Rupees)
Net assets value per unit at beginning of the year				17.0470	14.3985
Net assets value per unit at end of the year				14.0492	17.0470

The annexed notes from 1 to 33 form an integral part of these financial statements.

For ABL Asset Management Company Limited
(Management Company)


SAQIB MATIN
CHIEF FINANCIAL OFFICER


ALEE KHALID GHAZNAVI
CHIEF EXECUTIVE OFFICER


MUHAMMAD KAMRAN SHEHZAD
DIRECTOR

ABL STOCK FUND

CASH FLOW STATEMENT

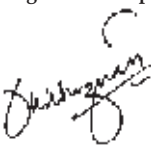
FOR THE YEAR ENDED JUNE 30, 2018

	June 30, 2018	June 30, 2017
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) / income for the year before taxation	(1,437,731)	2,304,939
Adjustments for:		
Interest / profit earned	14 (51,359)	(26,078)
Dividend income	(313,293)	(234,611)
Net unrealised diminution / (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	416,270	(321,705)
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net	-	(1,031,865)
Other Income	(3,046)	(25,199)
Provision for Sindh Workers' Welfare Fund	12.1 -	59,645
	48,572	(1,579,813)
Decrease / (increase) in assets		
Receivable against sale of investments	130,208	(160,329)
Advances, prepayment and other receivable	(7,033)	(2,302)
	123,175	(162,631)
Increase / (decrease) in liabilities		
Payable to ABL Asset Management Company Limited - Management Company	(11,508)	26,616
Payable to the Central Depository Company of Pakistan - Trustee	(205)	520
Payable to the Securities and Exchange Commission of Pakistan	567	3,246
Payable against purchase of investments	-	(18,923)
Accrued expenses and other liabilities	(65,201)	57,836
	(76,347)	69,295
	(1,342,331)	631,790
Dividend received		
Interest received	326,379	223,015
Net amount received / (paid) on purchase and sale of investments	51,325	25,161
	2,057,239	(5,007,107)
Net cash generated from / (used in) operating activities	1,092,612	(4,127,141)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net receipts from issuance of units	3,598,566	9,374,263
Net payments against redemption of units	(4,710,304)	(4,075,384)
Cash pay-out against distribution	(61,409)	(907,081)
Net cash (used in) / generated from financing activities	(1,173,147)	4,391,798
Net (decrease) / increase in cash and cash equivalents	(80,535)	264,657
Cash and cash equivalents at the beginning of the year	512,124	247,467
Cash and cash equivalents at the end of the year	20 431,589	512,124

The annexed notes from 1 to 33 form an integral part of these financial statements.

For ABL Asset Management Company Limited
(Management Company)


SAQIB MATIN
CHIEF FINANCIAL OFFICER


ALEE KHALID GHAZNAVI
CHIEF EXECUTIVE OFFICER


MUHAMMAD KAMRAN SHEHZAD
DIRECTOR


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ABL STOCK FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 ABL Stock Fund is an open ended mutual fund constituted under a Trust Deed entered into on April 23, 2009 between ABL Asset Management Limited (ABL AMCL) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed has been revised through the Deed of Change of Trustee and the First and Second Supplemental Trust Deeds dated June 23, 2010 and July 29, 2011 respectively with the approval of the Securities and Exchange Commission of Pakistan (SECP). Furthermore, the Offering Document of the Fund has been revised through the First, Second, Third, Fourth, Fifth, Sixth, Seventh and Eighth Supplements dated April 28, 2010, May 19, 2010, September 05, 2011, September 20, 2011, May 31, 2012, July 30, 2013, October 06, 2016 and July 01, 2017 respectively with the approval of the SECP. The Securities and Exchange Commission of Pakistan (SECP) authorised constitution of the Trust Deed vide letter no. NBFC-II/DD/ABLAMC/422/09 on April 10, 2009 in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at Plot No. 14, Main Boulevard, DHA Phase 6, Lahore. The Management Company is a member of the Mutual Funds Association of Pakistan (MUFAP).

1.2 The Fund has been categorised as an open ended equity scheme by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs 10 per unit. Thereafter, the units are being offered for public subscription on a continuous basis from June 28, 2009 and are transferable and redeemable by surrendering them to the Fund.

1.3 The objective of the Fund is to provide higher risk adjusted returns which the Fund aims to deliver mainly by investing in equity securities that may be allowed by the SECP. The investment objectives and policies are explained in the Fund's offering document.

1.4 The title to the assets of the Fund is held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

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

There are certain amended standards and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2017 but are considered not to be relevant or do not 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 accounting and reporting standards that are not yet effective

The following standards have been adopted in Pakistan and would be effective from the dates mentioned below against the respective standards:

Standard	periods beginning on or after)
- IFRS 9 - Financial Instruments	July 01, 2018
- IFRS 15 - Revenue from Contracts with Customers	July 01, 2018
- IFRS 16 - Leases	January 01, 2019

These standards may impact the financial statements of the Fund on adoption. The Management is currently in the process of assessing the full impact of these standards on the financial statements of the Fund.

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with the accounting and reporting standards requires the management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgments and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The estimates and judgments that have a significant effect on the financial statements of the Fund relate to classification, valuation and impairment of financial assets (notes 3.3 and 5) and provision for taxation (notes 3.13 and 17).

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except that investments have been carried at fair values.

2.6 Functional and presentation currency

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented except for the change in accounting policy as explained in note 3.10 below.

3.2 Cash and cash equivalents

These comprise balances with banks in savings and current accounts, cheques in hand and other short-term highly liquid investments with original maturities of three months or less.

3.3 Financial assets

3.3.1 Classification

The management determines the appropriate classification of the financial assets of the Fund in accordance with the requirements of International Accounting Standard (IAS) 39: 'Financial Instruments: Recognition and Measurement' at the time of the purchase of the financial assets and re-evaluates this classification on a regular basis. The classification depends on the purpose for which the financial assets are acquired. The financial assets of the Fund are categorised as follows:

a) Financial assets at fair value through profit or loss

These are acquired principally for the purpose of generating profits from short-term fluctuations in prices.

b) Loans and receivables

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

c) Available-for-sale

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

3.3.2 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

3.3.3 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These 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 and transaction costs are recognised in the Income Statement.

3.3.4 Subsequent measurement

Subsequent to initial recognition, financial assets are valued as follows:

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

Basis of valuation of equity securities

The investments of the Fund in equity securities are valued on the basis of closing quoted market prices available at the stock exchange. A security listed on the stock exchange is valued at the closing price determined by such exchange in accordance with its regulations.

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

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

b) Loans and receivables

These are carried at amortised cost using the effective interest method.

Gains or losses are recognised in the Income Statement through the amortisation process or when the financial assets carried at amortised cost are derecognised or impaired.

3.3.5 Impairment

a) Available-for-sale financial assets

Impairment loss on equity securities

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 included in the Income Statement. Impairment losses recognised in the income statement on equity securities are only reversed when the equity securities are derecognised.

a) Loans and receivables

For financial assets classified as 'loans and receivables', 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 amount of the provision is determined based on the provisioning criteria specified by the SECP.

3.3.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the Income Statement.

3.4 Financial liabilities

Financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair values and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the Income Statement.

3.5 Offsetting of financial assets and financial liabilities

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

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

3.7 Net asset value per unit

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

3.8 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the application received by the Management Company / distributors during business hours on that day. The offer price represents the Net

Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load and provision of any duties and charges if applicable. The sales load is payable to the Management Company / distributors.

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

3.9 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared and approved by the Board of Directors of the Management Company.

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

The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated August 3, 2017 has made certain amendments in the NBFC Regulations. 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. As per the notification, element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. MUFAP, in consultation with the SECP, has specified the methodology of determination of income paid on units redeemed during the year under which such income is paid on gross element received and is calculated from the latest date at which the Fund achieved net profitability during the year. Furthermore, the revised regulations also require certain additional disclosures with respect to 'Income Statement' (relating to allocation of net income for the year) and 'Statement of Movement in Unit Holders' Fund', whereas disclosure with respect to 'Distribution Statement' has been deleted in the revised regulations.

Previously, an equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' was created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption. The net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during the accounting period which pertained to unrealised appreciation / (diminution) held in the Unit Holder's Fund was recorded in a separate account and any amount remaining in this reserve account at the end of the accounting period (whether gain or loss) was included in the amount available for distribution to the unitholders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period was recognised in the Income Statement.

As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management Company has applied the above changes in accounting policy, including the additional disclosure requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', prospectively from July 1, 2017 based on a clarification issued by the SECP. Accordingly, corresponding figures have not been restated. The 'Distribution Statement' for the comparative period has not been presented as it has been deleted as a result of the amendments made in the NBFC Regulations through the aforementioned SRO issued by the SECP.

Had the element of income been recognised as per the previous accounting policy, the loss of the Fund would have been lower by Rs 164.604 million with no effect on the 'net assets attributable to the unit holders' and NAV per unit of the Fund as disclosed in the 'Statement of Assets and Liabilities' and 'Statement of Movement in Unit Holders' Fund' respectively. However, the change in accounting policy does not have any impact on the 'Cash Flow

Statement'. The change has resulted in inclusion of certain additional disclosures / new presentation requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund which have been incorporated in these statements.

3.11 Revenue recognition

- Gains / (losses) arising on sale of investments are recorded at the date at which the transaction takes place.
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are recorded in the period in which these arise.
- Dividend income is recognised when the right to receive the dividend is established.
- Profit on bank deposits is recognised on an accrual basis

3.12 Expenses

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

3.13 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 in cash.

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.

3.14 Earnings / (loss) per unit

Earnings / (loss) per unit is calculated by dividing the net income of the year before taxation of the Fund by the weighted average number of units outstanding during the year.

3.15 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistan Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

4	BANK BALANCES	Note	June 30, 2018	June 30, 2017
			----- (Rupees in '000) -----	
	Balances with banks in:			
	Savings accounts	4.1	431,589	263,253
	Call deposit receipt		-	248,871
			<u>431,589</u>	<u>512,124</u>

4.1 This includes balance(s) of Rs 391.995 million (2017: Rs 174.662 million) maintained with Allied Bank Limited (a related party) that carries profit at 7.40% per annum (2017: 6.70% per annum). Other profit and loss sharing accounts of the Fund carry profit rates ranging from 4.00% to 7.59% per annum (2017: 4.00% to 6.75% per annum).

5	INVESTMENTS	Note	June 30, 2018	June 30, 2017
			----- (Rupees in '000) -----	
	At fair value through profit or loss - held for trading			
	Quoted equity securities	5.1	5,876,305	8,349,814



5.1 Investments in equity securities - quoted

Shares of listed companies - fully paid up ordinary shares with a face value of Rs. 10 each unless stated other wise.

Name of the investee company	Number of shares/ certificates				Balance as at June 30, 2018				Market value as a percentage of net assets	Paid-up value of shares held as a percentage of total paid-up capital of the Investee Company
	As at July 1, 2017	Acquired during the year	Bonus/ right shares received during the year	Sold during the year	As at June 30, 2018	Carrying value as at June 30, 2018	Market value as at June 30, 2018	Market value as a percentage of total investments		
-----"Number of shares"-----										
-----"Rupees in 000"-----										
-----Percentage-----										
OIL AND GAS MARKETING COMPANIES										
Hascol Petroleum Limited (Note 5.1.2)	23,652	-	-	-	23,652	8,068	7,421	0.13%	0.12%	0.02%
Sui Northern Gas Pipelines Limited	2,294,000	3,887,000	-	5,444,000	737,000	76,673	73,862	1.26%	1.18%	0.12%
Sui Southern Gas Company Limited	-	700,000	-	-	700,000	26,878	22,974	0.39%	0.37%	0.08%
Pakistan State Oil Company Limited (Note 5.1.2)	864,500	555,800	141,380	1,143,900	417,780	146,107	132,984	2.26%	2.13%	0.15%
					257,726	237,241	4,04%	3.80%		
OIL AND GAS EXPLORATION COMPANIES										
Oil and Gas Development Company Limited	1,166,800	2,496,300	-	1,507,900	2,155,200	323,493	335,392	5.71%	5.37%	0.05%
Pakistan Oilfields Limited	115,000	618,500	-	404,150	329,350	190,246	221,254	3.77%	3.54%	0.14%
Mari petroleum Company Limited	273,560	44,880	-	65,680	252,760	395,966	380,702	6.48%	6.09%	0.23%
Pakistan Petroleum Limited	904,600	1,713,900	-	810,400	1,808,100	362,608	388,561	6.61%	6.22%	0.09%
					1,272,313	1,325,909	22.57%	21.22%		
FERTILIZERS										
Engro Fertilizer Limited	3,900,000	2,715,500	-	3,710,000	2,905,500	176,467	217,651	3.70%	3.48%	0.22%
Engro Corporation Limited	1,199,000	880,100	-	1,004,300	1,074,800	329,579	337,337	5.74%	5.40%	0.21%
Fauji Fertilizer Company Limited	-	1,150,000	-	400,000	750,000	75,417	74,168	1.26%	1.19%	0.06%
Dawood Hercules Corporation	-	8,100	-	-	8,100	980	897	0.02%	0.01%	0.00%
Fauji Fertilizer Bin Qasim Limited	-	1,460,000	-	180,000	1,280,000	55,027	49,408	0.84%	0.79%	0.14%
					637,470	679,461	11.56%	10.87%		
ENGINEERING										
International Industries Limited	-	16,300	-	16,000	300	86	70	0.00%	0.00%	0.00%
Amreli Steel Limited	947,500	741,300	-	1,579,800	109,000	12,650	7,690	0.13%	0.12%	0.04%
International Steel Limited	2,055,000	383,100	-	1,362,600	1,075,500	136,338	109,378	1.86%	1.75%	0.25%
Mughal Iron & Steel Industries Limited (Note 5.1.2)	55,721	-	-	50,000	5,721	462	351	0.01%	0.01%	0.00%
					149,536	117,489	2.00%	1.88%		
CEMENT										
D.G. Khan Cement Company Limited	1,180,400	3,522,700	-	3,594,000	1,109,100	169,227	126,981	2.16%	2.03%	0.25%
Pioneer Cement Limited	1,176,000	325,000	-	986,100	514,900	60,340	24,128	0.41%	0.39%	0.23%
Maple Leaf Cement Factory	-	1,100,000	-	500,000	600,000	46,528	30,444	0.52%	0.49%	0.10%
Kohat Cement Company Limited	-	492,300	-	70,000	422,300	80,344	51,972	0.88%	0.83%	0.27%
Lucky Cement Limited	559,400	208,500	-	392,950	374,950	290,014	190,448	3.24%	3.05%	0.12%
					646,453	423,973	7.21%	6.79%		
PAPER & BOARD										
Packages Limited	502,750	41,550	-	467,650	76,650	53,074	37,537	0.64%	0.60%	0.09%
Century Paper & Board Mills	-	482,000	-	-	482,000	35,461	30,607	0.52%	0.49%	0.33%
					88,535	68,144	1.16%	1.09%		
AUTOMOBILE ASSEMBLER										
Indus Motor Company Limited	157,440	1,000	-	158,440	-	-	-	0.00%	0.00%	0.00%
Ghandhara Industries Limited	200	-	-	200	-	-	-	0.00%	0.00%	0.00%
Honda Atlas Cars (Pakistan) Limited	288,900	17,050	-	305,950	-	-	-	0.00%	0.00%	0.00%
Millat Tractors Limited	180,000	15,020	-	124,700	70,320	95,875	83,544	1.42%	1.34%	0.16%
Pak Suzuki Motor Company Limited	191,900	58,950	-	250,850	-	-	-	0.00%	0.00%	0.00%
					95,875	83,544	1.42%	1.34%		
AUTOMOBILE PARTS & ACCESSORIES										
Thal Limited	777,800	44,900	-	726,950	95,750	57,239	45,723	0.78%	0.73%	0.24%
General Tyre & Rubber Co. of Pak Limited	702,400	-	-	702,400	-	-	-	0.00%	0.00%	0.00%
					57,239	45,723	0.78%	0.73%		
CABLE & ELECTRICAL GOODS										
Pak Elektron Limited	1,120,500	418,300	-	1,538,800	-	-	-	0.00%	0.00%	0.00%
					-	-	0.00%	0.00%		

5.1.1 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. The details of shares which have been pledged are as follows:

Particulars	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
	(Number of shares)		(Rupees in '000)	
D.G Khan Cement Company Limited	60,000	550,000	6,869	117,238.00
Engro Corporation Limited	50,000	50,000	15,693	16,296.00
Pakistan Petroleum Limited	35,000	35,000	7,522	5,185.00
Habib Bank Limited	500,000	500,000	83,220	134,570.00
Adamjee Insurance Company Limited	1,000,000	1,000,000	48,730	68,360.00
Hub Power Company Limited	1,170,000	670,000	107,827	78,678.00
Engro Fertilizers Limited	500,000	-	37,455	-
Nishat Mills Limited	300,000	-	42,276	-
MCB Bank Limited	500,000	-	98,885	-
Oil & Gas Development Company Limited	500,000	-	77,810	-
	<u>4,615,000</u>	<u>2,805,000</u>	<u>526,287</u>	<u>420,327</u>

5.1.2 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001 as a result of which companies are liable to withhold five percent of the bonus shares to be issued. The shares so withheld shall only be released if the Fund deposit tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

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, 2018, the following bonus shares of the Fund have been withheld by certain companies at the time of declaration of bonus shares. 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 company	June 30, 2018		June 30, 2017	
	Bonus Shares			
	Number	Market Value	Number	Market Value
	(Rupees in '000)		(Rupees in '000)	
Hascol Petroleum Company Limited	20,207	6,340	20,207	6,893
The Searle Company Limited	11,262	3,823	7,191	3,682
Mughal Iron and Steel Industries Limited	1,429	88	1,429	115
Highnoon Laboratories Limited	230	94	188	118
Pakistan State Oil Company Limited	7,069	2,250	-	-
Faysal Bank Limited	4,958	129	-	-
		<u>12,707</u>		<u>10,808</u>

	Note	June 30, 2018	June 30, 2017
		----- (Rupees in '000) -----	
5.2	Unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		
	Market value of investments	5.1 5,876,305.00	8,349,814.00
	Carrying value of investments	5.1 (6,292,575.00)	(8,028,109.00)
		<u>(416,270)</u>	<u>321,705</u>
6	SECURITY DEPOSITS		
	Security deposit with :		
	- National Clearing Company of Pakistan Limited	2,500	2,500
	- Central Depository Company of Pakistan Limited	100	100
		<u>2,600</u>	<u>2,600</u>
7	DIVIDEND AND PROFIT RECEIVABLE		
	Dividend receivable	6,216	19,302
	Profit receivable	2,551	2,517
		<u>8,767</u>	<u>21,819</u>
8	ADVANCES, PREPAYMENT AND OTHER RECEIVABLE		
	Prepaid credit line facility	-	856
	Advance against Initial Public Offer subscription	8,750	-
	Cash in IPS Account	3	864
	Advance tax	8.1 621	621
		<u>9,374</u>	<u>2,341</u>

8.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, during the year ended June 30, 2017, withholding tax on dividend and profit on debt paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholders. The tax withheld on dividends and profit on bank deposit amounts to Rs 0.621 million.

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of

withholding tax deducted on profit received by the Fund on bank deposits has been shown as deposits and other receivables at June 30, 2018 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

	Note	June 30, 2018	June 30, 2017
		----- (Rupees in '000) -----	
9	PAYABLE TO ABL ASSET MANAGEMENT COMPANY LIMITED - MANAGEMENT COMPANY - RELATED PARTY		
	Management fee payable	9.1 11,174	14,787
	Punjab / Sindh Sales Tax payable on remuneration of the Management Company	9.2 4,373	4,507
	Federal Excise Duty payable on remuneration of the Management Company	9.3 17,569	17,569
	Accounting and operational charges payable	9.4 1,717	2,114
	Selling and marketing expenses payable	9.5 6,868	13,155
	Sales and transfer load	850	1,927
		42,551	54,059

9.1 As per the amendments made in the NBFC Regulations, 2008 vide SRO 1160(1)/2015 dated November 25, 2015, the Management Company is entitled to a remuneration equal to an amount not exceeding 2% of the average annual net assets in case of equity schemes. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 2% (2017: 2%) per annum of the average net assets of the Fund during the year ended June 30, 2018. The remuneration is payable to the Management Company monthly in arrears.

9.2 During the year, an amount of Rs. 22.188 million (2017: Rs 16.111 million) was charged on account of sales tax on management fee levied through Punjab Sales Tax on Services Act, 2012 (2017: Sindh Sales Tax on Services Act, 2011), and an amount of Rs. 22.322 million (2017: Rs. 14.964 million) has been paid to the Management Company which acts as a collecting agent.

Consequent to change in registered office of the Management Company, the Fund had completed its registration process with the Punjab Revenue Authority in July 2017 and, now, the services obtained by the Fund are subject to the Punjab sales tax at a rate specified in the Punjab Sales Tax on Services Act, 2012. During the year Punjab sales tax has been charged at the rate of 16% (June 30, 2017: Sindh Sales tax at the rate of 13%).

9.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

During the year ended June 30, 2017, 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 01 July 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 01, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 17.569 million is being retained in these financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been made, the Net Asset Value of the Fund as at June 30, 2018 would have been higher by Re 0.040 (2017: Re 0.034) per unit.

9.4 In accordance with Regulation 60 of the NBFC Regulations, the Management Company has charged expenses at the rate of 0.1% of the average net assets of the Fund being lower than actual expenses chargeable to the Fund for the year.

9.5 The SECP vide circular 40 of 2016 dated December 30, 2016 (later amended vide circular 05 of 2017 dated February 13, 2017 and circular 5 of 2018 dated June 4, 2018) has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except for fund of funds and money market funds) initially for three years (from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense shall be 0.4% per annum of net assets of the fund or actual expenses whichever is lower. Accordingly, the Management Company has charged selling and marketing expenses amounting to Rs. 27.189 million at the rate of 0.4% of the net assets of the Fund being lower than actual expenses chargeable to the Fund for the year.

	Note	June 30, 2018	June 30, 2017
----- (Rupees in '000) -----			
10 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE - RELATED PARTY			
Trustee fee payable	10.1	641	822
Sindh Sales Tax payable on trustee fee	10.2	83	107
		<u>724</u>	<u>929</u>

10.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the trust deed as follows:

On net assets:

- up to Rs 1,000 million Rs 0.7 million or 0.2% per annum of net assets, whichever is higher.
- exceeding Rs.1,000 million Rs 2 million plus 0.10% per annum of net assets exceeding Rs 1,000 million.

10.2 During the year, an amount of Rs 1.013 million (2017: Rs. 0.936 million) was charged on account of sales tax on remuneration of the Trustee levied through Sindh Sales Tax on Services Act, 2011 and an amount of Rs. 1.037 million (2017: Rs. 0.879 million) was paid to the Trustee which acts as a collecting agent.

	Note	June 30, 2018	June 30, 2017
----- (Rupees in '000) -----			
11 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN			
Annual fee payable	11.1	<u>6,454</u>	<u>5,887</u>



- 11.1 In accordance with the NBFC Regulations, 2008, a collective investment scheme classified as an equity scheme is required to pay to the Securities and Exchange Commission of Pakistan an amount equal to 0.095% of the average annual net assets of the Fund as annual fee.

	Note	June 30, 2018	June 30, 2017
----- (Rupees in '000) -----			
12 ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration payable		330	330
Printing charges payable		150	102
Brokerage payable		2,970	905
Withholding tax payable		158	68,050
Provision for Sindh Workers' Welfare Fund	12.1	56,600	59,646
Other payables		608	30
		60,816	129,063

- 12.1 As a consequence of the 18th amendment to the Constitution of Pakistan, the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh in May 2015 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, was 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 had 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 SWWF on CISs/mutual funds, the MUFAP recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015).

In the repealed Companies Ordinance, 1984 and the now applicable Companies Act, 2017, mutual funds have not been included in the definition of "financial institutions". The MUFAP has held the view that SWWF is applicable on asset management companies and not on mutual funds.

The registered office of the Management Company of the Fund has been relocated from the Province of Sindh to the Province of Punjab. However, as a matter of abundant caution the provision for SWWF made for the period from May 21, 2015 till June 30, 2017 amounting to Rs 56.6 million (June 30, 2017: Rs 59.646 million) is being retained in these financial statements of the Fund till the final decision in respect of SWWF.

Had the provision for SWWF not been recorded in the financial statements of the Fund for the period from May 21, 2015 to June 30, 2017, the net asset value of the Fund as at June 30, 2018 would have been higher by Re. 0.127 per unit (2017: Re 0.114).

13 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2018 and June 30, 2017.

	June 30, 2018	June 30, 2017
	----- (Rupees in '000) -----	
14 INTEREST / PROFIT EARNED		
Interest / profit on:		
Savings	47,279	26,078
Government Securities - Market Treasury Bills	4,080	2,056
	<u>51,359</u>	<u>28,134</u>

15 AUDITORS' REMUNERATION

Annual audit fee	290	268
Half yearly review of condensed interim financial statements	150	132
Other certifications	40	80
Out of pocket expenses	101	77
	<u>581</u>	<u>557</u>

16 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2018 is 3.32% (2017: 4.14%) which includes 0.47% (2017: 1.38%) representing government levies on the Fund such as sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 4% prescribed under the NBFC Regulations for a collective investment scheme categorised as an equity scheme.

17 TAXATION

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

18 LOSS / EARNINGS PER UNIT

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

19 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

19.1 Connected persons include ABL Asset Management Company being the Management Company, the Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes managed by the Management Company, any entity in which the Management Company, its CISs or their connected persons have material interest, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund, directors and their close family members and key management personnel of the Management Company.

- 19.2 Transactions with connected persons are executed on an arm's length basis and essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.
- 19.3 Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.
- 19.4 Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.
- 19.5 The details of transactions carried out by the Fund with connected persons during the year and balances with them as at year end are as follows:

	June 30, 2018	June 30, 2017
	----- (Rupees in '000) -----	
ABL Asset Management Company Limited - Management Company		
Remuneration charged	135,872	123,927
Punjab / Sindh Sales Tax on remuneration of the Management Company	22,188	16,111
Accounting and operational charges	6,797	6,221
Selling and marketing charges	27,189	13,155
Payment made to the Management Company	139,485	114,677
Cash distribution	-	25,301
Issue of 33,311,770 units (2017: 30,030,697 units)	506,007	521,812
Redemption of 23,572,241 units (2017: 20,273,569 units)	365,000	395,000
Outstanding 29,882,461 units (2017: 20,142,932 units)	419,825	343,377
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	7,794	7,196
Sindh Sales Tax on remuneration of the Trustee	1,013	936
Payment made to Trustee	7,975	6,733
Settlement charges incurred	666	1,032
Security deposits refundable	100	100
Balance in IPS account	3	864
Allied Bank Limited		
Profit on bank deposits	23,444	21,261
Bank charges	94	108
Investment in call deposit receipt	-	248,871
Ibrahim Agencies (Private) Limited		
Issue of 1,500,916 units (2017: 6,023,949 units)	22,074	101,475
Cash distribution	-	62,309
Units held: 40,024,247 units (2017: 38,523,331 units)	562,309	656,706
ABL Financial Planning Fund - Conservative Allocation Plan		
Issue of 1,207,105 units (2017: 4,114,548 units)	17,631	77,015
Redemption of 1,208,373 units (2017: 8,240,862 units)	17,392	140,539
Units held: 3,363,038 units (2017: 3,364,306 units)	47,248	57,351

	June 30, 2018	June 30, 2017
----- (Rupees in '000) -----		
ABL Financial Planning Fund - Active Allocation Plan		
Issue of 6,015,447 units (2017: 45,874,523 units)	90,460	868,890
Redemption of 28,514,453 units (2017: 11,187,182 units)	449,343	214,176
Cash distribution	-	93,138
Units held: 29,326,201 units (2017: 51,825,207 units)	412,010	883,464
ABL Financial Planning Fund - Strategic Allocation Plan		
Issue of 19,480,720 units (2017: 19,780,806)	293,057	392,352
Redemption of 18,151,357 units (2017: 175,429 units)	282,901	3,420
Cash distribution	-	34,957
Units held: 20,934,740 units (2017: 19,605,377 units)	294,116	334,213
Directors of the Management Company		
Sheikh Mukhtar Ahmad		
Issue of 28,933 units (2017: 706,756 units)	432	12,882
Cash distribution	-	5,882
Units held: 3,669,015 units (2017: 3,640,082 units)	51,547	62,052
Mohammad Waseem Mukhtar		
Issue of 74,326 units (2017: 79,353 units)	1,047	1,441
Cash distribution	-	641
Units held: 471,359 units (2017: 397,033 units)	6,622	6,768
Key Management Personnel		
Chief Executive Officer		
Issue of 323,234 units (2017: 263,962)	5,027	4,767
Redemption of 49,610 units (2017: 32,837 units)	680	500
Cash distribution	-	366
Units held 504,749 units (2017: 231,125 Units)	7,091	3,940

19.6 Other balances due to / from related parties / connected persons are included in the respective notes to the financial statements.

		June 30, 2018	June 30, 2017
		----- (Rupees in '000) -----	
20	CASH AND CASH EQUIVALENTS		
	Bank balances	4	431,589
		<u>431,589</u>	<u>512,124</u>
		<u>431,589</u>	<u>512,124</u>

21 **FINANCIAL INSTRUMENTS BY CATEGORY**

----- June 30, 2018 -----			
Loans and Receivables	At fair value through profit or loss	Available-for- sale	Total
----- (Rupees in '000) -----			
Financial assets			
Bank balances	431,589	-	431,589
Investments	-	5,876,305	5,876,305
Receivable against sale of investments	30,121	-	30,121
Receivable against issue of units	1,965	-	1,965
Dividend and other receivables	-	-	-
Security deposits	2,600	-	2,600
Dividend and profit receivable	8,767	-	8,767
Advances, prepayment and other receivable	8,753	-	8,753
	<u>483,795</u>	<u>5,876,305</u>	<u>6,360,100</u>

Financial liabilities

----- June 30, 2018 -----			
	At fair value through profit or loss	At amortised cost	Total
----- (Rupees in '000) -----			
Payable to ABL Asset Management Company Limited - Management Company	-	42,551	42,551
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	724	724
Payable against redemption of units	-	786	786
Accrued expenses and other liabilities	-	3,482	3,482
	<u>-</u>	<u>47,543</u>	<u>47,543</u>

----- June 30, 2017 -----			
Loans and Receivables	At fair value through profit or loss	Available-for- sale	Total
----- (Rupees in '000) -----			
Financial assets			
Bank balances	512,124	-	512,124
Investments	-	8,349,814	8,349,814
Receivable against sale of investments	160,329	-	160,329
Receivable against issue of units	52,298	-	52,298
Dividend and other receivables	-	-	-
Security deposits	2,600	-	2,600
Dividend and profit receivable	21,819	-	21,819
Advances, prepayment and other receivable	864	-	864
	<u>750,034</u>	<u>8,349,814</u>	<u>9,099,848</u>

	----- June 30, 2017 -----		
	At fair value through profit or loss	At amortised cost	Total
	----- (Rupees in '000) -----		
Financial liabilities			
Payable to ABL Asset Management Company Limited - Management Company	-	54,059	54,059
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	929	929
Payable against redemption of units	-	11,428	11,428
Dividend payable	-	812	812
Accrued expenses and other liabilities	-	1,367	1,367
	-	68,595	68,595

22 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

22.1 Market risk

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

The Management Company manages the market risk through diversification of the investment portfolio and by following the internal guidelines established by the Investment Committee.

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

(i) Yield / interest rate risk

Yield / interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As of June 30, 2018, the Fund is exposed to such risk on its balances held with banks. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds accrued mark-up on balances with banks which expose the Fund to cash flow interest rate risk. In case of 100 basis points increase/decrease in applicable rates on the last repricing date with all other variables held constant, the net income / loss for the year and net assets of the Fund would have been higher/lower by Rs. 0.026 million (2017: Rs. 0.025 million).

b) Sensitivity analysis for fixed rate instruments

As at 30 June 2018, the Fund does not hold any fixed rate instrument that may expose the Fund to fair value interest rate risk.

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

The Fund's interest rate sensitivity related to financial assets and financial liabilities as at June 30, 2018 can be determined as follows:

Particulars	----- As at June 30, 2018 -----					
	Effective yield/ interest rate	Exposed to Yield / Interest risk			Not exposed to Yield / Interest rate risk	Total
		Upto three months	More than three months and upto one year	More than one year		
	%	----- Rupees in '000 -----				
Financial assets						
Bank balances	4 - 7.59	431,589	-	-	-	431,589
Investments		-	-	-	5,876,305	5,876,305
Receivable against sale of investments		-	-	-	30,121	30,121
Receivable against issue of units		-	-	-	1,965	1,965
Security deposits		-	-	-	2,600	2,600
Dividend and profit receivable		-	-	-	8,767	8,767
Advances, prepayment and other receivable		-	-	-	8,753	8,753
		431,589	-	-	5,928,511	6,360,100
Financial liabilities						
Payable to ABL Asset Management Company Limited - Management Company		-	-	-	42,551	42,551
Payable to the Central Depository Company of Pakistan - Trustee		-	-	-	724	724
Payable against redemption of units		-	-	-	786	786
Accrued expenses and other liabilities		-	-	-	3,482	3,482
		-	-	-	47,543	47,543
On-balance sheet gap		431,589	-	-	5,880,968	6,312,557
Total interest rate sensitivity gap		431,589	-	-		
Cumulative interest rate sensitivity gap		431,589	431,589	431,589		

Particulars	----- As at June 30, 2017 -----					
	Effective yield/ interest rate	Exposed to Yield / Interest risk			Not exposed to Yield / Interest rate risk	Total
		Upto three months	More than three months and upto one year	More than one year		
	%	----- Rupees in '000 -----				
Financial assets						
Bank balances	4 - 6.75	512,124	-	-	-	512,124
Investments		-	-	-	8,349,814	8,349,814
Receivable against sale of investments		-	-	-	160,329	160,329
Receivable against issue of units		-	-	-	52,298	52,298
Security deposits		-	-	-	2,600	2,600
Dividend and profit receivable		-	-	-	21,819	21,819
Advances, prepayment and other receivable		-	-	-	864	864
		512,124	-	-	8,587,724	9,099,848
Financial liabilities						
Payable to ABL Asset Management Company Limited - Management Company		-	-	-	54,059	54,059
Payable to the Central Depository Company of Pakistan - Trustee		-	-	-	929	929
Payable against redemption of units		-	-	-	11,428	11,428
Dividend payable		-	-	-	812	812
Accrued expenses and other liabilities		-	-	-	1,367	1,367
		-	-	-	68,595	68,595
On-balance sheet gap		512,124	-	-	8,519,129	9,031,253
Total interest rate sensitivity gap		512,124	-	-		
Cumulative interest rate sensitivity gap		512,124	512,124	512,124.0		

(ii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

(iii) Price risk

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

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

In case of 5% increase / decrease in KSE 100 index on June 30, 2018, with all other variables held constant, the total comprehensive income of the Fund for the year would increase / decrease by Rs. 293.815 million (2017: Rs. 417.491 million) and the net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on equity securities classified as financial assets at fair value through profit or loss.

The analysis is based on the assumption that equity index had increased / decreased by 5% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KSE 30 Index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the KSE 30 Index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2018 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the KSE 30 Index.

Liquidity risk

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

The Fund is exposed to daily settlement of equity securities and daily redemptions at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is, therefore, to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

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

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

2018						
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total
----- Rupees in '000 -----						
Financial assets						
Bank balances	431,589	-	-	-	-	431,589
Investments	5,876,305	-	-	-	-	5,876,305
Receivable against sale of investments	30,121	-	-	-	-	30,121
Receivable against issue of units	1,965	-	-	-	-	1,965
Security deposits	2,600	-	-	-	-	2,600
Dividend and profit receivable	8,767	-	-	-	-	8,767
Advances, prepayment and other receivable	8,753	-	-	-	-	8,753
	6,360,100	-	-	-	-	6,360,100
Financial liabilities						
Payable to ABL Asset Management Company Limited - Management Company	42,551	-	-	-	-	42,551
Payable to the Central Depository Company of Pakistan - Trustee	724	-	-	-	-	724
Payable against redemption of units	786	-	-	-	-	786
Accrued expenses and other liabilities	3,482	-	-	-	-	3,482
	47,543	-	-	-	-	47,543
Net financial assets	6,312,557	-	-	-	-	6,312,557
----- 2017 -----						
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total
----- Rupees in '000 -----						
Financial assets						
Bank balances	512,124	-	-	-	-	512,124
Investments	8,349,814	-	-	-	-	8,349,814
Receivable against sale of investments	160,329	-	-	-	-	160,329
Receivable against issue of units	52,298	-	-	-	-	52,298
Security deposits	2,600	-	-	-	-	2,600
Dividend and profit receivable	21,819	-	-	-	-	21,819
Advances, prepayment and other receivable	864	-	-	-	-	864
	9,099,848	-	-	-	-	9,099,848
Financial liabilities						
Payable to ABL Asset Management Company Limited - Management Company	54,059	-	-	-	-	54,059
Payable to the Central Depository Company of Pakistan - Trustee	929	-	-	-	-	929
Payable against redemption of units	11,428	-	-	-	-	11,428
Dividend payable	812	-	-	-	-	812
Accrued expenses and other liabilities	1,367	-	-	-	-	1,367
	68,595	-	-	-	-	68,595
Net financial assets	9,031,253	-	-	-	-	9,031,253

22.3 Credit risk

22.3.1 Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation as it falls due. The table below analyses the Fund's maximum exposure to credit risk:

	2018		2017	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
-----Rupees in '000-----				
Bank balances	431,589	431,589	512,124	512,124
Investments in quoted equity securities	5,876,305	-	8,349,814	-
Receivable against sale of investments	30,121	30,121	160,329	160,329
Receivable against issue of units	1,965	1,965	52,298	52,298
Security deposits	-	-	-	-
Dividend and profit receivable	8,767	8,767	21,819	21,819
Security deposits	2,600	2,600	2,600	2,600
Advances, prepayment and other receivable	9,374	8,753	2,341	864
	6,360,721	483,795	9,101,325	750,034

The maximum exposure to credit risk before any credit enhancement as at June 30, 2018 is the carrying amount of the financial assets.

There is a possibility of default by participants or failure of the financial market / stock exchanges, the depositories, the settlements or clearing systems, etc. Settlement risk on equity securities is considered minimal because of inherent controls established in the settlement process. The Fund's policy is to enter into financial contracts in accordance with internal risk management policies and instruments guidelines approved by the Investment Committee.

22.3.2 Credit quality of financial assets

The Fund's significant credit risk (excluding credit risk relating to settlement of equity securities) arises mainly on account of its placements in banks and mark-up accrued thereon, cheques in hand, dividend receivable and receivable against sale of units and against investments, investments in term finance and sukuk certificates. The credit rating profile of balances with banks is as follows:

Rating	% of financial assets exposed to credit risk	
	2018	2017
Bank balances		
A+	0.00%	0.00%
AA+	0.00%	0.06%
AA-	0.44%	3.63%
AA	0.00%	0.00%
AAA	6.35%	1.93%
	6.79%	5.62%

23 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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.

25 UNIT HOLDING PATTERN OF THE FUND

Category	2018			2017		
	Number of unit holders	Investment amount (Rupees in '000)	Percentage of total	Number of unit holders	Investment amount (Rupees in '000)	Percentage of total
Individuals	2,114	2,209,961	35	1,720	2,658,744	29
Associated companies & Directors	7	1,793,677	28	8	2,347,871	26
Insurance companies	12	275,312	4	11	385,141	4
Banks & DFIs	-	-	-	1	546,830	6
Retirement Funds	43	1,476,855	23	44	2,126,062	23
Public limited companies	7	274,526	4	2	160,582	1
Others	12	219,059	3	17	673,917	7
	2,195	6,249,390	1000	1,803	8,899,147	100

26 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

2018		2017	
Name of broker	Percentage of commission paid	Name of broker	Percentage of commission paid
Insight Securities (Private) Limited	9.59%	Next Capital Limited	9.52%
BMA Capital Management Limited	8.48%	Elixir Securities Pakistan (Private) Limited	7.51%
Next Capital Limited	8.37%	Intermarket Securities Limited	7.27%
Topline Securities Limited	7.78%	AKD Securities Limited	7.21%
Al Habib Capital Markets (Private) Limited	7.39%	Optimus Capital Management (Private) Limited	7.14%
Optimus Capital Management (Private) Limited	6.00%	Insight Securities (Private) Limited	6.74%
JS Global Capital Limited	5.51%	Global Securities Pak Limited	6.23%
EFG Herems Pakistan Limited	5.47%	Arif Habib Limited	5.98%
AKD Securities Limited	5.30%	DJM Securities (Private) Limited	5.68%
Intermarkets Securities Limited	5.27%	Topline Securities Limited	5.49%

27 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

Following are the details in respect of members of the Investment Committee of the Fund:

Name	Designation	Qualification	Overall experience
Alee Khalid Ghaznavi	Chief Executive Officer	MBA	17
Saqib Matin	CFO & Company Secretary	ACA & APFA	19
Kashif Rafi	Chief Investment Officer	MBA - Finance	16
Fahad Aziz	Fund Manager - Fixed Income	MBA - Finance	12
M. Abdul Hayee	Fund Manager - Equity	MBA-Executive & CFA	10
Aniel Victor	Head of Risk Management	BS Actuarial Science & Risk Management	11
Ali Ahmed Tiwana	Head of Equity	CIMA	8

28 NAME AND QUALIFICATION OF THE FUND MANAGER

Name	Designation	Qualification	Other Funds managed by the Fund Manager
Ali Ahmed Tiwana	Fund Manager	CIMA	ABL Pension Fund, ABL Financial Planning Fund, ABL Islamic Financial Planning Fund and Allied Capital Protected Fund.



29 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The 52nd, 53rd, 54th and 55th Board of Directors meetings were held on August 23, 2017, October 26, 2017, February 19, 2018 and April 26, 2018, respectively. Information in respect of attendance by the directors and other persons in the meetings is given below:

S.No.	Name	Number of meetings			Meetings not attended
		Held	Attended	Leave Granted	
1	Sheikh Mukhtar Ahmed	4	4	-	-
2	Mohammad Naeem Mukhtar	4	1	3	52nd, 54th , 55th
3	Muhammad Waseem Mukhtar	4	4	-	-
4	Tahir Hasan Qureshi	4	4	-	-
5	Kamran Nishat*	3	2	1	52nd
6	Muhammad Kamran Shehzad	4	4	-	-
7	Pervaiz Iqbal Butt**	1	1	-	-
8	Alee Khalid Ghaznavi	4	4	-	-
	Other persons				
9	Saqib Matin***	4	4	-	-

*Retired in the 10th AGM held on April 2, 2018

**Elected as new director in the 10th AGM

***Saqib Matin attended the meetings as Company Secretary.

30 RATING OF THE FUND AND THE MANAGEMENT COMPANY

The JCR-VIS Credit Rating Company Limited has upgraded the asset manager rating of the Management Company to AM2++ (2017: AM2+) on December 29, 2017. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

31 CORRESPONDING FIGURES

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

32 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on September 06, 2018.

33 GENERAL

Figures have been rounded off to the nearest (thousand) Rupee unless otherwise stated.

For ABL Asset Management Company Limited
(Management Company)


SAQIB MATIN
CHIEF FINANCIAL OFFICER


ALEE KHALID GHAZNAVI
CHIEF EXECUTIVE OFFICER

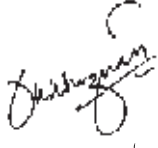

MUHAMMAD KAMRAN SHEHZAD
DIRECTOR

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	-	-	-	-	-
(%ages)	-	-	-	-	-

Depository Company of Pakistan Limited) اور پاکستان اسٹاک ایکسچینج لمیٹڈ کی انتظامیہ کی جانب سے ہمیشہ ملنے والی رہنمائی اور سپورٹ کے لیے ان کا شکر گزار ہے۔
ڈائریکٹرز مینجمنٹ ٹیم کی کاوشوں کو بھی سراہتے ہیں۔
بورڈ کی طرف سے اور بورڈ کے لیے



علی خالد غرنوی
چیف ایگزیکٹو آفیسر

لاہور، ۶ ستمبر 2018

بندش کے خطرے کے باعث علی الترتیب اپنی 33% اور 3.35% قدروں کا نقصان کیا۔ KBL کے ساتھ NEPRA کے زرخامے والے مسئلے کی وجہ سے منفی تاثر میں اضافہ کیا جس کے نتیجے میں اس کی مارکیٹ ویلیو میں تقریباً 28% کی کمی آئی۔

فنڈ کی کارکردگی

سال مذکورہ کے دوران، ABL Stock Fund 29 AUM 78.8% کم ہو کر 39.6249 ملین روپے پر آ گیا۔ ABL-SF نے اپنے بیچ مارک میں 10% کمی کے مقابلے میں 84.16% کا منفی ریٹرن دیا، جس سے 30 جون 2018 کو اختتام پذیر ہونے والے سال میں اس کی 84.6% کی خراب کارکردگی ظاہر ہوتی ہے۔ 28 جون 2009 کو اپنے آغاز سے ABL-SF کا شمار پاکستان کی ایکویٹی مارکیٹس میں بہترین کارکردگی دکھانے والے فنڈز میں ہوتا ہے۔ ہماری اعلیٰ ترین کارکردگی کی کلیدی وجہ مثبت سرمایہ کاری پر توجہ کے ساتھ پروڈنٹ فنڈ منجمنٹ اسٹائل ہے اور ہم آئندہ بھی اپنے معیارات کو برقرار رکھنے کے لیے کوشاں رہیں گے۔

اضافی امور

1. منجمنٹ کمپنی کے ڈائریکٹروں کی تفصیلات اس سالانہ رپورٹ میں موجود ہیں۔
2. مالیاتی گوشوارے معاملات، آپریشنز کے نتائج، کیش فلوز اور یونٹ ہولڈرز کے فنڈز میں تبدیلی کو مناسب انداز میں پیش کرتے ہیں؛
3. فنڈ کے کھاتوں کی کتابیں باقاعدگی کے ساتھ رکھی جاتی ہیں۔
4. مالیاتی گوشواروں کی تیاری میں باقاعدگی کے ساتھ مناسب اکاؤنٹنگ پالیسیوں کا اطلاق کیا جاتا ہے اور اکاؤنٹنگ اسٹیٹمنٹس مناسب اور محتاط فیصلوں پر مبنی ہوتے ہیں؛
5. مالیاتی گوشواروں کی تیاری اکاؤنٹنگ کے متعلقہ بین الاقوامی معیارات، جن کا اطلاق پاکستان میں ہوتا ہے، Non-Banking Finance Companies (Establishment and Regulation) 2003 اور Securities and Exchange Commission of Pakistan کی شرائط Trust Deed اور ہدایات کی شرائط کے مطابق کی گئی ہے؛
6. اندرونی کنٹرول کا نظام ڈیزائن کے اعتبار سے بالکل درست ہے اور اس کا اطلاق اور نگرانی موثر انداز میں کی جاتی ہے؛
7. فنڈ کے ترقی کرنے کی اہلیت پر کوئی خاطر خواہ شکوک و شبہات نہیں ہیں؛
8. فنڈ کی کارکردگی کا جدول سالانہ رپورٹ کے صفحہ نمبر 16 پر دیا گیا ہے؛
9. مالیاتی گوشواروں میں پہلے سے بیان کردہ ٹیکسوں، ڈیوٹیوں، لیویز اور چارجز واجب الادا نہیں ہیں؛
10. یہ اسٹیٹمنٹ پروڈنٹ فنڈ کی سرمایہ کاری کی قدروں کے لیے قابل اطلاق نہیں کیونکہ ملازمین کو ریٹائرمنٹ پر ملنے والے فوائد کے اخراجات منجمنٹ کمپنی اٹھائے گی؛
11. 30 جون 2018 کے یونٹ ہولڈنگ کا نمونہ مالیاتی گوشوارے کے نوٹ نمبر 25 میں دیا گیا ہے۔

آڈیٹران

30 جون 2019 کو ختم ہونے والے سال کے لیے Co Ferguson's A.F. چارٹرڈ اکاؤنٹنٹس کو دوبارہ آڈیٹر مقرر کیا گیا ہے۔ منجمنٹ کو الٹی ریٹنگ

29 دسمبر 2017 کو JCR-VIS Credit Rating Company Limited نے ABL Asset Management Limited (ABL AMC) کو منجمنٹ کو الٹی ریٹنگ 'AM Two-Plus' (AM2++) دی ہے۔ دی جانے والی ریٹنگ پر 'Stable Outlook' ہے۔

امکانات

مالی سال 2019 میں بھی سیاسی غیر یقینی اور معاشی باد مخالف کے جاری رہنے کا امکان ہے۔ جبکہ معاشی صورتحال میں، تیل کی بڑھی ہوئی قیمتوں کی وجہ سے بیرونی خطرات بھی لاحق رہیں گے۔ نتیجتاً، امکان ہے کہ پاکستانی روپے کی قدر میں مزید کمی واقع ہوگی، افراط زر میں اضافہ ہوگا، اور اصلاحی مالیاتی سختی برقرار رہے گی۔ تقریباً 25 بلین امریکی ڈالر کی سرمایہ کاری کی شرط کے ساتھ، امکان ہے کہ پاکستان جلد ہی IMF سے بات چیت کا آغاز کرے گا۔ اس کے نتیجے میں امکان ہے کہ سیسڈی اور ترقیاتی کاموں میں خرچ ہونے والی رقم میں کمی واقع ہوگی اور اس کے ساتھ ساتھ ٹیرف کی سیسڈی بھی ختم ہو جائے گی۔

مذکورہ بالا حالات کو دیکھتے ہوئے معلوم ہوتا ہے کہ اسٹاک مارکیٹ بھی عدم استحکام کا شکار رہے گی۔ شرح سود کے دہرے ہندسوں میں داخل ہونے کا امکان ہے، valuations بھی اپنی جاذبیت کھور رہی ہیں۔ موجودہ معاشی ماحول کے لیے سرمایہ کاری کی دفاعی حکمت عملی بہتر ہے۔ توجہ ایسے اداروں پر ہے جن کے ریٹرنز کا تعلق امریکی ڈالر سے ہے اور / یا بہت کم قیمت ہیں جیسے E&Ps، توانائی، اسپینل، پینک اور منتخب سیمنٹ۔ اگر 2018 کے انتخابات کے بعد معلق پارلیمنٹ تشکیل دی گئی تو بڑے پیمانے پر derating کا امکان ہے۔

اظہار تشکر

ہم اپنے بیش قیمت سرمایہ کاروں کے شکر گزار ہیں، جنہوں نے ہم پر اپنا اعتماد قائم رکھا۔ بورڈ Securities and Exchange Commission of Pakistan (Central)



سست تقسیم کی وجہ سے ہیکسج کا اثر کم ہو گیا۔ مزید برآں، ہیکسج میں توسیع کی بڑھتی ہوئی طلب کے باوجود، حکومت پاکستان نے صرف کم تر بجٹ والی ویلیو ایڈڈ حصوں کے لیے پہلے سے اعلان کردہ 180 بلین روپے کے مقابلے میں صرف 65 بلین سالانہ کی توسیع کی۔ منافع کے معاملے میں، مالی سال 2018 کے پہلے 9 ماہ کے دوران NCL، NML اور KTML کی آمدنیاں 3.5 بلین روپے رہیں، جو کہ 22% YoY اہتری کی طرف گئیں، جہاں ذیلیوں سے ہونے والے کم تر منافع کی آمدنی کی وجہ سے کم سے کم منافع میں اور زیادہ اضافہ کیا۔ تاہم، برآمدات کے معاملے میں دستیاب اعداد و شمار کے مطابق، ہیکسٹائل کی برآمدات مالی سال 2017 کے پہلے گیارہ ماہ کے دوران 3.11 بلین امریکی ڈالر کے مقابلے میں 10% YoY بڑھ کر مالی سال 2018 کے پہلے گیارہ ماہ کے دوران میں 4.12 بلین ڈالر ہو گئیں۔

کیمیکل کے شعبے نے مالی سال 2018 کے دوران KSE-100 انڈیکس میں 04.8% کے منفی ریٹرن کے مقابلے میں 47.0% کا سپاٹ ریٹرن دیا۔ اچھی کارکردگی کی وجہ سے بہتر PTA-PX مارجنز اور PVC-ethylene core delta ہیں۔ مزید برآں، کاسٹک سوڈا کی مقامی مارکیٹ میں بہتری کا بھی اس شعبے کی اچھی کارکردگی میں حصہ ہے۔ گزشتہ سال کے اوسط 80 امریکی ڈالر فی ٹن کے مقابلے میں موجودہ PTA-PX مارجنز 180 امریکی ڈالر فی ٹن ہیں اس کی وجہ سے PX کی رسد کی فراوانی اور کپاس کی کم پیداوار کی وجہ سے چین میں PSF کی پیداوار کے لیے PTA کی بڑھتی ہوئی طلب ہیں۔ مزید برآں، PVC-ethylene core delta نے بھی مالی سال 2018 کی تیسری سہ ماہی میں تاریخی اوسط 350 امریکی ڈالر فی ٹن کے مقابلے میں تقریباً 390 امریکی ڈالر فی ٹن پر پہنچ کر مثبت رجحان ظاہر کیا۔ اس کی وجہ سے PVC کی بڑھتی ہوئی طلب ہے۔ آگے بڑھتے ہوئے اس بات کی توقع کی جاسکتی ہے کہ مالی سال 2019 کے دوران کیمیکل کا شعبہ موافق بین الاقوامی مارجنز اور طلب کے امکانات کے باعث اچھے ریٹرن دیتا رہے گا۔

مالی سال 2018 کے پہلے 9 ماہ کے دوران، گاڑیوں کی صنعت میں 22% YoY 193K یونٹس کا اضافہ ہوا، جس کا بڑا حصہ کانومی اور SUV پر مشتمل ہے۔ صلاحیت میں کمی کے باعث، INDU اور HCAR نے بھی رکاوٹیں ختم ہونے کی وجہ سے اپنی صلاحیتوں میں علی الترتیب 18% اور 10% اضافہ کیا۔ تاہم، روپے کی بے قدری اور بہتر ایشیا کی تیاری کی وجہ سے مارجنز کافی سنکڑ گئے (مالی سال 2018 کے پہلے 9 ماہ کے دوران شعبے کا مجموعی مارجنز مالی سال 2017 کے پہلے 9 ماہ کے مارجنز 6.14% کے مقابلے میں 6.12% رہا) اور Auto-OEM کے منافع میں مالی سال 2018 کے پہلے 9 ماہ کے دوران 4% YoY کا معمولی اضافہ ریکارڈ کیا گیا۔

ٹریڈ کی صنعت میں، مالی سال 2018 کے پہلے 9 ماہ کے دوران والیمیز اور منافع میں علی الترتیب 37% اور 36% کا اضافہ ہوا جس کی وجہ سے 5% کا کم تر GST اور کسانوں کی بہتر آمدنی ہے۔ مجموعی طور پر، اس شعبے کی مارکیٹ کو بگڑتے macros، نان فائلر کو گاڑی فروخت کرنے پر پابندی، ٹریڈروں پر GST کے متوقع اضافے وغیرہ کی وجہ سے 30% کی تنزیل کا سامنا کرنا پڑا۔

انجینئرنگ کے شعبے نے KSE-100 انڈیکس پر 0.8% کے مقابلے میں 5.30% کا منفی ریٹرن دیا۔ خراب کارکردگی کی بڑی وجہ پاکستانی روپے کی بے قدری کے باعث خام مال کی بڑھتی ہوئی قیمت (HRC اور اسکرپ) تھی۔ مزید برآں، تمام بڑے اداروں کے پھیلاؤ کے باعث رسدزاندہ طلب کے خدشات کی وجہ سے بھی شعبے کے ریٹرن خراب ہوئے۔ فلیٹ اسٹیل کے زمرے میں، CRC اور HRC کے مارجنز سنکڑ کر اوسط 100 امریکی ڈالر فی ٹن کے مقابلے میں تاریخ کی کم ترین سطح 61 امریکی ڈالر فی ٹن پر چلے گئے۔ مزید برآں، ISL اور ASL میں بڑے پیمانے پر توسیع کی گئی، جس کی وجہ سے ملک کے کل فلیٹ اسٹیل کی صلاحیت بڑھ کر 6.1 بلین ٹن سالانہ ہو گئی جو کہ کل متوقع طلب 5.1 بلین سالانہ سے تھوڑی سی زیادہ تھی، اس وجہ سے رسدزاندہ طلب کے خدشات پیدا ہوئے۔ rebar کے زمرے میں، توانائی کی کمی، اسکرپ کی بڑھتی ہوئی قیمتیں اور بڑے پیمانے پر پھیلاؤ کے باعث رسدزاندہ از طلب سرمایہ کار کے لیے خدشات کا باعث بنے۔ مزید برآں، آگے بڑھتے ہوئے، میکرو اکنامک چیلنجز پر قابو پانے کی وجہ سے PSDP میں کمی متوقع ہے، اس طرح مستقبل میں long steel کی طلب میں کمی کا خدشہ ہے۔

مالی سال 2018 کے دوران پاکستان کے معاشی منظر نامے میں یہ توقع ہے کہ IPPs (Independent Power Producers) پر توجہ مرکوز رہے گی۔ مالی سال 2018 کے دوران پاکستانی روپے کو امریکی ڈالر کے مقابلے میں 16% YoY کی بے قدری کا سامنا رہا جس کی وجہ سے امریکی ڈالر کی قیمت 74.121 روپے فی ڈالر تک جا پہنچی۔ ڈالر کے غلبے والے ریٹرن سے، دیگر شعبوں کے مقابلے میں IPPs کو بڑا فائدہ یہ تھا کہ وہ روپے کی بے قدری کے اثرات کو صاف فین تک منتقل کرنے کے قابل تھے۔ IPPs کے پاس روپے کی بے قدری کے مقابلے میں قدرتی رکاوت تھی۔ بڑھتی ہوئی شرح سود کے ماحول نے براہ راست قرضوں کی خدمت کے عنصر پر اثر ڈالا جس کی وجہ سے capacity payments میں اضافہ ہوا۔ اس حقیقت سے سب واقف ہیں کہ توانائی پیدا کرنے والے قرضوں کی خدمات میں اضافے کے ذمے دار ہیں، یہ IPPs کے پاس ایک اور ریلیف ہے۔ آگے بڑھتے ہوئے، روپے کی بے قدری نے بڑھتی ہوئی شرح سود کے ماحول، تیل اور کوئلے کی بڑھی ہوئی بین الاقوامی قیمتوں کے ساتھ مل کر توانائی کی پیداواری لاگت میں اضافہ کیا جس کا بوجھ ان تمام شعبوں پر پڑا جو national grid پر انحصار کرتے ہیں۔ ابھی تک، حکومت نے جارحانہ انداز میں اپنی توجہ توانائی پیدا کرنے کی صلاحیت بڑھانے پر مرکوز رکھی ہے۔ جون 2018 کے مطابق، توانائی پیدا کرنے کی کل صلاحیت 342,30 MWh تک پہنچ چکی تھی۔ مستقبل میں اس صلاحیت میں اضافہ ہو جائے گا کیونکہ توقع ہے کہ نئے پلانٹس کام کرنا شروع کر دیں گے۔ ہمارے تخمینے کے مطابق، مالی سال 2019 تک یہ صلاحیت 33,000 MWh تک پہنچ جائے گی۔ مزید برآں، گزشتہ چند سالوں کے مقابلے میں توانائی کی کٹوتی میں غیر معمولی حد تک کمی واقع ہوئی ہے لیکن ترسیل اور تقسیم کے کمزور انفراسٹرکچر کے باعث اسے مکمل طور پر ختم نہیں کیا جاسکا۔ مالی سال 2018 کے دوران ترسیل اور تقسیم میں ہونے والے نقصانات، تیل اور کوئلے کی بڑھی ہوئی بین الاقوامی قیمتیں، توانائی کی چوری، اور بجلی کے بلوں کی ناقص وصولی کی وجہ سے گزشتہ قرضوں (935 بلین روپے) کا مسئلہ بھی سنگین صورتحال اختیار کر گیا۔ بڑھتی ہوئی شرح سود کے ماحول اور روپے کی بے قدری کی وجہ سے مالی سال 2019 میں گزشتہ قرضوں میں مزید اضافے کا امکان ہے۔ IPPs نے KSE-100 انڈیکس کے پچ مارک 10% YoY کے مقابلے میں 89.21% YoY کا منفی ریٹرن دیا کی وجہ سے مارکیٹ کی کارکردگی خراب رہی۔ منفی نتیجے کی وجہ سے NPL اور NCL ہیں، جنہوں نے FO پلانٹ کی

(OMCs) کے لیے بھی مالی سال 2018 بہت مشکل رہا کیونکہ شعبے میں 8.15% YoY کی کمی دیکھنے میں آئی جبکہ اس عرصے کے دوران KSE-100 0.10% نیچے کی جانب گیا۔ اس کی بڑی وجہ شیل پاکستان لمیٹڈ (SHEL) کے حصص کی قیمتوں میں 6.41% YoY کمی جبکہ پاکستان اسٹیٹ آئل (PSO) کے حصص کی قیمتوں میں 3.5% YoY اضافہ ہے۔ اٹک پٹرولیم (APL) اور میسکول پٹرولیم (HASCOL) علی الترتیب 2.1% اور 0.1% پر تقریباً فلیٹ رہے۔ مالی سال 2018 کے دوران OMCs کی خراب کارکردگی کی بنیادی وجہ روپے کی بے قدری (مالی سال 2018 کے دوران 9.15% نیچے)، FO کا زوال، اور منافع میں کمی ہے۔ صنعتی پٹرولیم سیکڑ میں 2.4% YoY سے 4.24 ملین ٹن کی کمی واقع ہوئی، جس کی اہم وجہ FO والیمرز میں 1.24% YoY سے 1.7 ملین ٹن کی کمی واقع ہوئی۔ FO سیکڑ میں کمی کو حکومت پاکستان کے FO درآمدات پر پابندی کے اچانک فیصلے سے منسوب کیا جاسکتا ہے کیوں کہ مختلف فیول میسرز پر سرپلس پاور جزیشن دستیاب تھی۔ FO کو چھوڑ کر، POL مصنوعات کی سیکڑ میں 4.7% YoY سے 3.17 ملین ٹن کا اضافہ ہوا ہے۔ والیمرز میں تیزی سے ہونے والے اضافے کا باعث موٹر گیسو لین (YoY 5.15+) اور ہائی اسپیڈ ڈیزل (YoY 2.6+) ہے۔ پٹرولیم کی قیمتیں اوپر کی طرف (YoY 29-26+) گئیں، خام تیل کی (YoY 9.68+) کے ساتھ، منافع میں inventory gains کی وجہ سے اضافہ کرتے ہوئے۔ اس طرح، مالی سال 2018 کے پہلے 9 ماہ کے دوران منافع میں (SHEL کے علاوہ) 3% YoY کمی واقع ہوئی۔ HASCOL نے انڈسٹری میں اپنی بہترین کارکردگی رکھتے ہوئے اپنے مارکیٹ شیئر میں 2.3% سے 8.11% تک اضافہ کیا۔ دوسری جانب، PSO اور SHEL کے مارکیٹ شیئر میں 5.4% اور 7% سے 8.50% اور 6.6% تک علی الترتیب کمی واقع ہوئی۔ APL کے مارکیٹ شیئر میں 6.0% سے 8.8% تک اضافہ واقع ہوا۔ اسی طرح گردش قرضوں کے لیے، اس میں شدت واقع ہوتی رہی جس کی وجہ سے PSO کے لیے جذبات میں کمی واقع ہو گئی۔ نتیجتاً، PSO کے پاس CAPEX کے لیے کیش فلوز نہیں تھے جو مارکیٹ شیئر کو برقرار رکھنے کے لیے ضروری ہوتا ہے؛ اس لیے بڑھتی ہوئی مسابقت PSO کے مارکیٹ شیئر کو کاٹنے کا باعث بنی۔

مالی سال 2018 میں سینٹ کا شعبہ اچانک ہی نیچے کی طرف چلا گیا اور 10% بیچ مارک انڈیکس کے مقابلے میں 42% کا منفی سالانہ ریٹرن دیا۔ شعبے کی خراب کارکردگی کو ان عوامل سے منسوب کیا جا رہا ہے (i) بڑھتی ہوئی ان پٹ کوسٹ جہاں سال کے دوران کونسلے کی اوسط قیمت 94 ڈالر فی ٹن تھی (20% YoY کم) اور (ii) جو اختمام تک 104 ڈالر فی ٹن ہو گئی تھی، (ii) پاکستانی روپے کی 16% تک بے قدری سے درآمدی کونسلے کی قیمتوں میں مزید اضافے تک (iii) 25 روپے فی تھیلے کے حساب سے Federal Excise Duty جو سال کے دوران عائد کی گئی جس کی وجہ سے منافع میں مزید کمی واقع ہوئی (iv) سینٹ کے تھیلے کی قیمت کے عدم استحکام پر بڑھتا ہوا رسک جو آئے والے 2 سالوں میں 17 ملین ٹن (موجودہ گنجائش سے 33% زیادہ) کے لگ بھگ ہونے والے پھیلاؤ کی وجہ سے تھا اور (v) بگڑتی ہوئی معاشی صورتحال اور بعد از انتخابات طلب کے معاملات۔ ترسیل کے محاذ پر، شعبے نے مثبت کارکردگی دکھائی جہاں مجموعی ترسیلات 14% YoY سے بڑھ کر (9 سالوں میں سب سے زیادہ) 46 ملین ٹن پر رک گئیں۔ سال کے دوران، مقامی ترسیلات میں 15% YoY کا خاطر خواہ اضافہ ہوا جس کی وجہ 41 ملین ٹن کاریکار ڈبنا۔ مقامی طلب میں اضافے کو تاریخی انتخابات کے سال، اور نجی شعبے میں تعمیراتی سرگرمیوں میں اضافے سے منسوب کیا جاسکتا ہے۔ مزید برآں، پورے ملک کی برآمدات میں گزشتہ 8 سال کے دوران ہونے والے کمی کے رجحان کے مقابلے میں 2% YoY کا اضافہ ہوا ہے۔ برآمدات میں بہتری اس عرصے کے دوران افغانستان میں برآمدات کے اضافے اور جنوبی خطے سے برآمدات میں اضافے کے رجحان کی وجہ سے آئی ہے (جنوب میں 5.2 ملین ٹن کے brownfield پھیلاؤ کے سبب ہوا)۔ آگے بڑھتے ہوئے، توقع کرتے ہیں کہ سینٹ کے تھیوں کی قیمتوں میں ہونے والا حالیہ اضافہ قلیل المدتی اعتبار سے توثبت ہو گا لیکن جب پھیلاؤ متعلقہ ترسیلات بشمول DGKC 8.2 ملین ٹن، CHCC 1.2 ملین ٹن، MLCF 2.2 ملین ٹن اور Power 3.2 ملین ٹن مارکیٹ میں آں اثر شروع ہوں گی تو ان قیمتوں میں عدم استحکام آئے گا۔

مالی سال 2018 میں کھاد کے شعبے نے 2.1 ملین ٹن یوریا کی پیداوار سے آغاز کیا، جس کی وجہ سے اس صنعت کی قیمتیں متعین کرنے کی طاقت دباؤ میں رہی۔ تاہم، رسد / طلب کی صورتحال 600K ٹن یوریا کی برآمد کے بعد یکسر مختلف ہو گئی۔ اس کے ساتھ ساتھ، مئی 2018 میں LNG پر چلنے والے پلانٹس کی بندش کے نتیجے میں پیداوار کم ہو کر 330K ٹن رہ گئی۔ ان معاملات کی بحالی کے نتیجے میں مالی سال 2018 کے دوران شعبے نے بہتر کارکردگی دکھائی اور KSE-100 انڈیکس کے منفی 10% ریٹرن کے مقابلے میں 12% اوپر گیا۔ مالی سال 2018 کے پہلے 11 ماہ کے دوران، یوریا کی سیکڑ 281K، 5 ٹن رہی جو SPLY میں 312K، 5 ٹن سے 1% کم تھی، جب کہ گزشتہ سال کے مقابلے میں 2DAP میں 184K، 2 ٹن سے 4% بڑھ کر 281K، 2 ٹن ہو گیا۔ مالی سال 2018 کے پہلے 11 ماہ کے دوران، LNG سے چلنے والے پلانٹس کی بندش کی وجہ سے یوریا کی پیداوار گزشتہ سال کے 419K، 5 ٹن کے مقابلے میں 6% کم یعنی 096K، 5 ٹن پر آ گئی (گزشتہ سال LNG سے چلنے والے پلانٹس کی پیداوار 571K تھی)۔ کھاد کی مقامی قیمتوں میں اضافے کی وجہ سے اس شعبے کی ترقی کے مثبت امکانات موجود ہیں۔ مالی سال 2018 میں اوسط یوریا کی قیمتیں 2017 کی قیمتوں 377، 1 روپے فی تھیلا کے مقابلے میں بڑھ کر 405، 1 روپے فی تھیلا ہو گئیں۔ اسی طرح DAP کی اوسط قیمتیں بھی 2017 کی قیمتوں 589، 2 روپے فی تھیلا کے مقابلے میں مالی سال 2018 میں بڑھ کر 890، 2 روپے فی تھیلا پر پہنچ گئیں۔ مالی سال 2017 کے دوران یوریا اور DAP کی قیمتوں میں 11% اور 17% تک بہتری آئی ہے، یوریا کی موجودہ قیمتیں تقریباً 250 امریکی ڈالر فی ٹن اور DAP کی 420 امریکی ڈالر فی ٹن ہیں۔ غذائی ایشیا کی قیمتوں میں اضافے کے بین الاقوامی رجحان کی وجہ سے مقامی صنعت کاروں کو محفوظ طریقے سے قیمتوں میں اضافے کا کافی موقع مل گیا ہے تاکہ وہ گیس کی قیمتوں میں اضافے کا مقابلہ کر سکیں اور درآمد شدہ ایشیا کے مقابلے میں اپنی ایشیا کی بہتر قیمتیں طے کر سکیں۔

مالی سال 2018 کے دوران نیکیٹائن کی صنعت کی کارکردگی بھی خراب رہی اور کاروبار میں 21% کمی واقع ہوئی۔ پاکستانی روپے کی قیمت میں بھی اس عرصے کے دوران اوسطاً 8.15% YoY کمی کی ریکارڈ کی گئی؛ تاہم برآمدی شعبے کے مارجن بھی اوسطاً 25% YoY زائد تیل کی قیمتوں اور کپاس کی قیمتوں میں اضافے (مالی سال 2018 میں 3.6% YoY اضافے سے اوسطاً 870، 6 روپے فی من سے بڑھ کر 600، 7 روپے فی من پر بند ہوئے) کے باعث دباؤ میں رہے۔ سال کے دوران، حکومت پاکستان نے پہلے سے اعلان شدہ ایکسپورٹ پیکیج کی شرائط میں مالی سال 2018 کے دوران 50% rebate بنگ میں سے 10% growth کی شرط ختم کرتے ہوئے، چھوٹی دی۔ تاہم، ریڈیو سیکڑ ٹیکس کی واپسی اور نقد rebate کی

کمی نظر آئی جو 137 ملین روپے تھی۔ اسی طرح، اسلاک ایکویٹی فنڈز میں بھی 4.20% YoY کی کمی نظر آئی جو 104 ملین روپے تھی۔

ایکویٹی مارکیٹ کا جائزہ

یہ سال پاکستان کی ایکویٹیز کے لیے اچھا ثابت نہیں ہوا کیونکہ KSE-100 انڈیکس نے 10% کا منفی ریٹرن ظاہر کیا اور سال کا اختتام 911,41 پوائنٹس پر ہوا۔ مسلسل 8 سال مثبت ریٹرن دینے کے بعد انڈیکس پہلی بار ریڈ زون میں آیا۔ اس کی بڑی وجہ سیاسی غیر یقینی اور سپریم کورٹ کی طرف سے وزیراعظم نواز شریف کی نااہلی، تیزی سے ختم ہونے والے ذخائر اور غیر مستحکم میکرو اکنامک صورتحال تھی۔

مزید برآں، جون 2017 میں (MSCI Morgan Stanley Capital International) کی طرف سے (FM Frontier Market) سے (EM Emerging Market) انڈیکس میں پاکستان کی مستقل ترقی کے باوجود، مالی سال 2018 کے دوران بیرونی سرمایہ کار مقامی بازار حصص میں خالص فروخت کنندگان ہی رہے اور باہر کی جانب خالص اخراج 289 ملین رہا۔ تاہم، اس کو بڑے پیمانے پر بیمہ کمپنیوں نے 204 ملین امریکی ڈالر کی خالص خریداری سے جذب کر لیا۔ کمپنیوں اور دیگر اداروں نے بھی علی الترتیب 100 ملین اور 78 ملین امریکی ڈالر کی خالص خریداری سے مارکیٹ کو سہارا دیا۔ دوسری طرف، 35 ملین ڈالر کے حصص کی فروخت کے باعث میوچل فنڈز بھی خالص فروخت کنندگان رہے۔ بازار کی کارکردگی بھی مایوس کن رہی جہاں بڑے انڈیکس میں سست رفتار سیسٹ اور بینکس رہے، جنہوں نے علی الترتیب -42% اور -11% کارپوریشن پوسٹ کیا۔ سینٹ کے شعبے کی خراب کارکردگی کی اہم وجوہات ان پٹ کو سٹ میں مسلسل اضافے (کوئلے کی بڑھی ہوئی قیمتیں روپے کی بے قدری کے ساتھ) کے ساتھ ساتھ قیمت کے تعین میں بے ضابطگی تھیں۔ دوسری طرف، بینکنگ کی کارکردگی میں تنزلی کی اہم وجوہات ریگولیٹری پیلیجرز (اسٹیٹ بینک آف پاکستان کی طرف سے اضافی کپینٹل کی شرائط، کم از کم پینشن ریٹ میں 000.8 ماہانہ تک کا اضافہ) اور بیرون ملک آپریشن کی خراب نگرانی تھیں۔ اس کے برعکس (E&P Production Oil and Gas Exploration) شعبے نے اس عرصے کے دوران 20% مثبت ریٹرن سے مارکیٹ کو سہارا دیا، بالخصوص تیل کی بین الاقوامی قیمتوں میں واپسی کے باعث (عرب لائٹ قیمتیں) اس سال کے دوران 28% تک اضافے کے ساتھ 79 ڈالر فی ٹن پر بند ہوئیں۔ اوپر سے نیچے گرتے ہوئے بدترین منظر نامے کا سب سے قابل ذکر نتیجہ اس عرصے کے دوران مارکیٹ کی سرگرمی کی گراؤ تھا۔ اوسط کاروباری قیمت اور ولیم 3.74 ملین (49% YoY تک نیچے) امریکی ڈالر تک گر گیا اور 5.174 حصص (50% YoY تک نیچے)، علی الترتیب -100 KSE انڈیکس کی MSCI FM اور EM دونوں میں خراب کارکردگی رہی جس نے مقامی بازار حصص منفی 10% ریٹرن کے مقابلے میں علی الترتیب 56.3% اور -06.1% ریٹرن پوسٹ کیا۔ آگے بڑھتے ہوئے، ہم امید کرتے ہیں کہ مارکیٹ سیاسی و معاشی استحکام تک غیر مستحکم رہے گی۔ پاکستان اسٹاک ایکسچینج (PSX) اس عرصے میں 6x.7 کے تخمیناً P/E پر بند ہوئی، EM انڈیکس کا ڈسکاونٹ 21% رہا، اور حاصل ہونے والا منافع (DY) 3.6% رہا۔

شعبے کا جائزہ

مالی سال 2018 کے دوران بینکوں کو خاطر خواہ ریگولیٹری باخلاف کا سامنا رہا، جہاں حبیب بینک لمیٹڈ، منیٹل بینک لمیٹڈ اور یونائیٹڈ بینک لمیٹڈ کو Systemically Important (D-SIBs Banks) کے زمرے میں رکھا گیا اور ان کی کم از کم CAR Capital Adequacy) کی شرائط میں 2% کا اضافہ ہو گیا جس کا اطلاق اگلے سال سے ہو گا۔ مزید برآں، مالی سال 2018 کی تیسری سہ ماہی کے بعد سے، بینکوں کو اسٹیٹ بینک آف پاکستان کی جانب سے لگائے گئے deposit insurance charge کا بھی سامنا کرنا ہو گا۔ مالی سال 2018 کے پہلے 9 ماہ کے دوران کے شعبے کا منافع بھی دباؤ کا شکار رہا کیونکہ سپریم کورٹ نے حبیب بینک لمیٹڈ، یونائیٹڈ بینک لمیٹڈ، مسلم کمرشل بینک اور الائیٹڈ بینک لمیٹڈ پر ماہانہ پینشن 000.8 ماہانہ تک کرنے کی شرط عائد کر دی تھی۔ اس کے باعث مالی سال 2018 کی پہلی سہ ماہی کے دوران بڑے یکبارگی اخراجات کا سامنا ہوا اور اس میں انتظامی اخراجات کی وجہ سے اضافے کے امکانات بھی رہے۔ سب سے بڑے بینک، حبیب بینک لمیٹڈ، پر بھی نیویارک میں ہونے والے بھاری جرمانے کے اثرات مرتب ہوئے جس کے نتیجے میں زرمبادلہ کا نقصان اٹھانا پڑا۔ تاہم، بڑھتی ہوئی شرح سود کے باعث اس شعبے کو تھوڑی سی مہلت مل گئی۔ جون 2018 سے، ڈسکاونٹ ریٹ میں 75bps سے 0.7% اضافہ ہوا (جو ابھی 0.8% کے ارد گرد ہے)۔ اس کی وجہ سے NIMS اور شعبے کے منافع میں 2019 سے خاطر کو اضافہ ہو گا۔

مالی سال 2018 کے دوران E&P سیکٹر نے 2.20% YoY اوپر جاتے ہوئے دیگر تمام شعبوں کو پیچھے چھوڑ دیا۔ جون ہی OPEC-Russia نے کپے ارادے کے ساتھ عالمی قیمتوں میں استحکام کی غرض سے تیل کی فراہمی بند کی تیل کی قیمتوں میں لڑکھڑاتے ہوئے 28% YoY اضافہ ہو گیا۔ ادائیگی کے بحران میں توازن کے دوران پاکستانی روپے کی بھی تقریباً 16% YoY کے بے قدری نظر آئی۔ پاکستانی E&Ps نے اس سے فائدہ اٹھایا اور اس طرح مالی سال 2018 کے پہلے 9 ماہ کے نتائج میں مجموعی PAT کی نشوونما 34% YoY دکھائی۔ تاہم، تیل کی پیداوار میں قابل ذکر کمی نظر آئی (صرف 2% YoY اوپر)، جس کی اہم وجوہات Tal اور Nashpa جیسے بڑے اثاثوں میں کمی ہے۔ اس کو حکومت پاکستان کی فرنس آئل (FO) پر مبنی جزییشن کی کٹوتی سے بھی منسوب کیا جا رہا ہے جس کا اثر ملک کے شمالی حصوں کی ریفائنریوں سے تیل حاصل کرنے پر پڑا ہے۔ اہم دریافتوں میں جھنڈیال شامل ہے جو ایک بڑی (23 ملین بیرل تیل کے ذخائر) دریافت برائے آپریٹرز (POL Pakistan Oilfields) تھی؛ تاہم، فیلڈ میں پیداواریت کو مسائل کا سامنا رہا اور وہ سال کے آخر تک کم ہو کر تیل کے Supplementary Agreement via جو، 600bpd پر آگئی۔ دیگر اہم واقعات میں حکومت پاکستان کی جانب سے عائد کردہ ایسی آئل فیلڈ زپر، جو Supplementary Agreement via جو، 1400bpd سے کمیشننگ پر 600bpd پر آگئی۔ تمام متاثرہ E&Ps نے اس معاملے کو اسلام آباد ہائی کورٹ میں چیلنج کیا جہاں کیس جاری ہے۔

ABL-SFABL Stock Fund) کی منجمنٹ کمپنی (ABL AMCLABL Asset Management Company Limited) کا بورڈ آف ڈائریکٹرز 30 جون 2018ء کو اختتام پذیر ہونے والے سال کے ABL Stock Fund کے آڈٹ شدہ مالیاتی گوشوارے Audited Financial Statements پیش کرتے ہوئے خوشی محسوس کر رہا ہے۔

معاشی کارکردگی کا جائزہ

مالی سال 2018 میں پاکستان کی میکرو اکانومی کا اہم موضوع دہرے خسارے میں اضافہ تھا جس کے نتیجے میں ذخائر تیزی سے ختم ہو رہے تھے۔ حکومت نے مالیاتی سال 2018 کے دوسرے نصف میں سخت مالیاتی اقدامات کیے؛ تاہم، بیرونی کھاتوں کا خسارہ بڑھتا رہا، جبکہ مالیاتی سال 2018 کے اختتام تک افراط زر کا دباؤ بھی برقرار رہا، یہ تمام علائقوں میں ایک ایسی معیشت کی تھیں جس نے ایک طویل عرصے تک ترقی کی ہو اور اب وہ افراط زر کی طرف جارہی ہو۔ گو کہ 0.6% کا بلند و بالا ہدف حاصل نہ ہو سکا، لیکن مالیاتی سال 2018 میں GDP کی نشوونما 8.5% رہی، جو گزشتہ 13 سال کے مقابلے میں اوپر کی طرف جاتی ہوئی تینوں عناصر (خدمات / صنعتی / زرعی) 4.6% / 8.5% / 3% YoY میں سب سے زیادہ ہے۔ نشوونما میں کلیدی عملاتی عوامل میں CPEC پر محیط جلد فائدہ دینے والے انفراسٹرکچر کے منصوبے، خالص توانائی کی فراہمی کی نشوونما (خالص پیدا کردہ) کا 4.8% YoY تک مالیاتی سال 2018 کے پہلے گیارہ ماہ کے لیے، اور قائم رہنے والا قرضوں کا اضافہ (مالیاتی سال 2018 کے پہلے گیارہ ماہ کے لیے نئی شعبے میں کریڈٹ اسٹاک میں 18% YoY کے حساب سے اضافہ ہوا، بشمول اس عرصے کے دوران 780 بلین روپے offtake)۔ تاہم، مالیاتی خسارہ بطور GDP کی شرح فیصد GDP کے 8.6% ہونے کی امید تھی (جس کا تخمینہ 5.5% مئی 2018 میں دیا گیا تھا)

مالی سال 2018 کے دوران موجودہ اکاؤنٹ خسارہ Current Account Deficit (CAD) میں 45% YoY سے امریکی ڈالر 18 بلین تک اضافہ ہوا ہے۔ برآمدات کی مضبوط بحالی کا اثر (مالی سال 2018 کے دوران 2.13% YoY تک) اور 3% YoY اعلیٰ کارکنوں کی ترسیلات بڑھتی ہوئی درآمدات (مالی سال 2018 میں 1.15% YoY تک) کی وجہ سے ممکنہ ہدف سے زیادہ رہیں۔ اسٹیٹ بینک آف پاکستان نے مالی سال 2018 کے دوران دسمبر 2017 سے آغاز کرتے ہوئے تین مرحلوں میں ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں 9.15% تک کمی کی تا کہ بڑھتی ہوئی درآمدات پر زیادہ فائدے کے بغیر قابو پایا جاسکے۔ بیرونی کھاتے سے اخراج کے باوجود، اس عرصے کے دوران قرضوں کی ادائیگی زرمبادلہ کے ذخائر میں اوپر کی جانب بڑھی۔ نتیجتاً، مالی سال 2018 کے دوران پاکستان انٹرنیشنل کیپیٹل مارکیٹ میں دوبارہ چلا گیا، 875.6% کی زرچ سے 10 سالہ یوروبانڈ میں 5.1 بلین امریکی ڈالر کا اضافہ ہوا اور 625.5% کی شرح سے 5 سالہ سکوک میں 0.1 بلین امریکی ڈالر کا اضافہ ہوا۔

مضبوط نشوونما کے باوجود، مالی سال 2018 کے لیے headline inflation حکومت کے ہدف 0.6% YoY سے کافی نیچے رہا، جس کی اوسط مالی سال 2018 کے دوران (مالی سال 2017) 2.4% YoY کے مقابلے میں (9.3% YoY رہی)۔ تاہم، تیل کی بین الاقوامی قیمتوں میں (مالی سال 2018 کے دوران عرب لائٹ اپ 5.24%) مخالف سمت تبدیلی اور مالی سال 2018 کے دوسرے نصف میں ڈالر کی قیمتوں میں اضافے کے باعث افراط زر کے دباؤ میں اضافہ ہوا اور جون 2018 میں 5% CPI پر پہنچ گیا (مرکزی افراط زر NFNE گزشتہ سال 5.5% YoY کے مقابلے میں 1.7% رہی)۔ بعد ازاں اسٹیٹ بینک آف پاکستان نے مالی سال 2018 کے دوسرے نصف میں پالیسی ریٹ میں اضافہ کر کے 75bps کر دیا، جس کا آغاز جنوری 2018 میں 6% اضافے یعنی 25bps سے ہوا تھا۔ تاہم، MPS مارچ 2018 میں اسٹیٹ بینک آف پاکستان نے پالیسی ریٹس میں دوبارہ اضافہ نہیں کیا، جس کی وجہ یہ بتائی گئی کہ روپے کی حالیہ بے قدری اور برآمدات میں بہتری کوریٹ میں اضافے سے قبل ناچنا ضروری ہے۔ تاہم، اپریل 2018 میں مرکزی افراط زر میں 0.7% اضافے کے ساتھ MPS مئی 2018 میں اسٹیٹ بینک آف پاکستان نے پالیسی ریٹ میں 50bps سے 50.6% اضافہ کر دیا۔

مالی سال 2018 کے پہلے 9 ماہ کے دوران مالیاتی خسارہ 1481 بلین روپے (GDP کا تقریباً 3.4%) رہا، جو 20% YoY کے اضافے کی عکاسی کرتا ہے اور جو اس عرصے کے دوران اخراجات کا بنیادی فنکشن رہا اور آمدنی کے جمع کرنے کے مقابلے میں تیز رہا۔ ترقیاتی اخراجات کی نشوونما بھی اچھی رہی (مالی سال 2018 کے پہلے 9 ماہ کے دوران 37% YoY یعنی 13% YoY کے مقابلے میں زیادہ نشوونما موجودہ اخراجات میں) اس سے معیشت کی نشوونما کی رفتار کو سہارا ملا۔

میوچل فنڈ انڈسٹری کا جائزہ















پاکستان کی اوپن اینڈ میوچل فنڈ انڈسٹری کے کل زیر انتظام اثاثوں (AUMs) میں مالی سال 2018 کے دوران 8.2% کی معمولی کمی نظر آئی جو 680 بلین روپے سے کم ہو کر 661 بلین روپے ہو گئے۔ اس کمی کی بڑی وجہ اسلامک ایکویٹی اور انکم فنڈز کے زمروں میں 20% اور 16% کی علی الترتیب کمی ہے۔ اس کے برعکس، انڈسٹری میں منی مارکیٹ فنڈز میں سرمایہ کاروں کی بڑھتی ہوئی دلچسپی دیکھی گئی، اس لیے منی مارکیٹ فنڈز کے زیر انتظام AUMs میں مالی سال 2018 کے دوران 77% اضافہ موجودہ بڑھتی ہوئی شرح سود کی وجہ سے نظر آیا۔ مجموعی بنیاد پر، ایکویٹی کے زمرہ (ایکویٹی اور اسلامک ایکٹیو فنڈز پر مشتمل) میں جون 2017 کے 288 بلین کے مقابلے میں جون 2018 میں 1.16% YoY کی کمی نظر آئی جو تقریباً 242 بلین روپے تھی۔ مالی سال 2018 میں اسٹاک مارکیٹ کی کمزور کارکردگی رہی، جس کی وجہ سے میکرو اکانومک انڈیکس اور سیاسی غیر یقینی تھی، اس لیے ایکویٹی فنڈز میں 4.12% YoY کی



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