



ABL Income Fund

Half Yearly Report

CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED DECEMBER 31, 2018



ABL Asset Management

Discover the potential

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ABL INCOME FUND FUND'S INFORMATION

Management Company:	ABL Asset Management Company Limited Plot/Building # 14, Main Boulevard, DHA, Phase - VI, Lahore - 54810	
Board of Directors	Sheikh Mukhtar Ahmed Mr. Mohammad Naeem Mukhtar Mr. Muhammad Waseem Mukhtar Mr. Tahir Hassan 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. Pervaiz Iqbal butt Mr. Alee Khalid Ghaznavi Mr. Muhammad Kamran Shehzad	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 Limited. CDC-House, Shahrah-e-Faisal, Karachi	
Bankers to the Fund:	Allied Bank Limited Bank Al- Falah Limited United Bank Limited Habib 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 Advocates & Legal Consultants No. 7, 11th Zamzama Street, Phase V DHA Karachi.	
Registrar:	ABL Asset Management Company Limited. L - 48, Defence Phase - VI, Lahore - 74500	

ABL INCOME FUND

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of ABL Asset Management Company Limited, the management company of ABL Income Fund (ABL-IF), is pleased to present the Condensed Interim Financial Statements (un-audited) of ABL Income Fund for the half year ended December 31, 2018.

ECONOMIC PERFORMANCE REVIEW

1HFY19 marked a new chapter for Pakistan's political and economic landscape with the change of Government in the center as well as in the biggest province of the country. Successful transition of power and continuity of democratic process after the general elections of July 25, 2018 have reduced the political noise in the country but challenges on economic front still persists. Though, newly elected Government has taken several measures to address surmounting Balance of Payment (BOP) crisis but the results of those steps are yet to be reflected in numbers.

Pakistan's economic indicators witnessed significant changes during the period due to challenges on external front. CPI has increased substantially to 6.05% in 1HFY19 as compared to 3.75% in the same period last year. CPI is expected to increase further in 2HFY19 due to low base effect and lag impact of currency adjustments as the Pak Rupee (PKR) has devalued by ~14% against the greenback during last six months. Moreover, State Bank of Pakistan (SBP) has adopted contractionary stance, thus; increased policy rate by 350bps to 10% during the said period.

Surprisingly, country's external position continued to remain fragile despite taking above mentioned steps as the Current Account Deficit (CAD) during 1HFY19 is down by only 4.4%YoY to USD7.9 billion as compared to USD8.4 billion during 1HFY18. A much needed support came from workers' remittances which are up 10%YoY to USD10.7 billion. However, foreign exchange reserves remained under pressure standing at 2.9 months of import cover in spite of USD2.0 billion loans received from Saudi Arabia. Hopefully, CAD will come down further going forward as deferred oil facilities of worth USD3.0 billion from Saudi Arabia and UAE will be effective from January 2019. Furthermore, weak international commodity prices particularly oil will further ease off pressure on BOP.

On fiscal front, FBR provisionally collected taxes worth PKR1,763 billion during 1HFY19 against the target of PKR1,960 billion, reflecting a shortfall of more than PKR175 billion. In order to bridge the deficit, the government is expected to announce mini-budget in January 2019 where new taxes of ~PKR200 billion will be imposed. Moreover, meetings with IMF are likely to kick-off in the current month to seek financial package.

Going forward, weak international oil prices, controlled imports, rising remittances and uptick in exports will address risks to the economy. Government is focusing on enhancing Pakistan Exports by giving reliefs to export oriented industry and curtailing imports by imposing additional taxes and duties. It is expected that the Pakistan will enter into IMF program during 2HFY19 which will help in addressing dwindling foreign exchange reserves and give confidence to other lenders.

MUTUAL FUND INDUSTRY REVIEW

Total assets under management (AUMs) of open end mutual fund industry posted a decline of 3.1% during 1HFY19 (from PKR648 billion to PKR628 billion), mainly on account of economic uncertainty and year end phenomena. However, the industry witnessed growth of 1.1%YoY in December 2018 against same period last year. Equity funds including Conventional and Islamic equity witnessed a substantial decline of 12.2% and 18.3% in AUM to close the period at PKR121 billion and PKR85 billion, respectively. This decline can primarily be attributed to dismal market performance (KSE100 index down 11.5% in 1HFY19) due to economic uncertainty driving investor sentiments negative.

On the flip side, the fixed income category (comprising of Income, Aggressive Income and Money Market funds) registered a growth of 4.8% in 1HFY19 to close at PKR200 billion in December 2018 compared to PKR191 billion in June 2018. Similarly, Islamic Income Category also posted a growth of 8.3% in AUMs to end the period at PKR47 billion.

Money Market Review

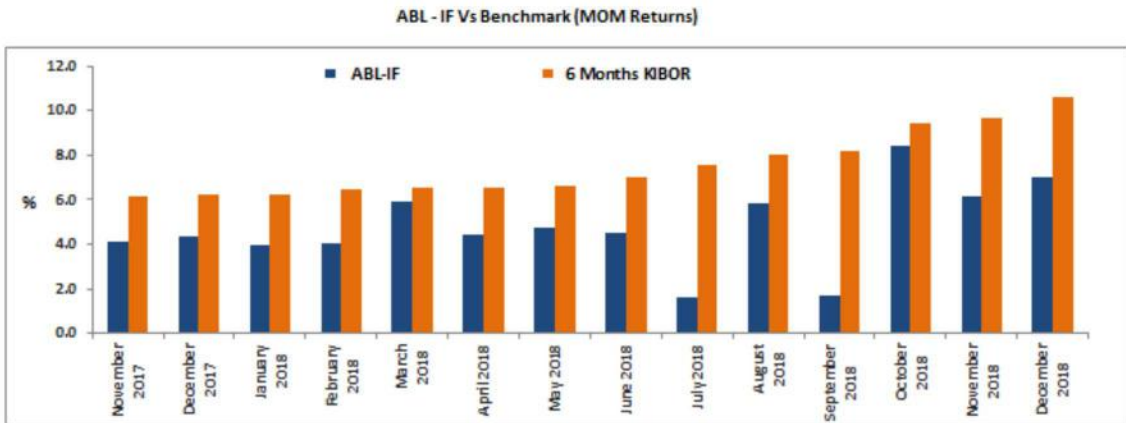
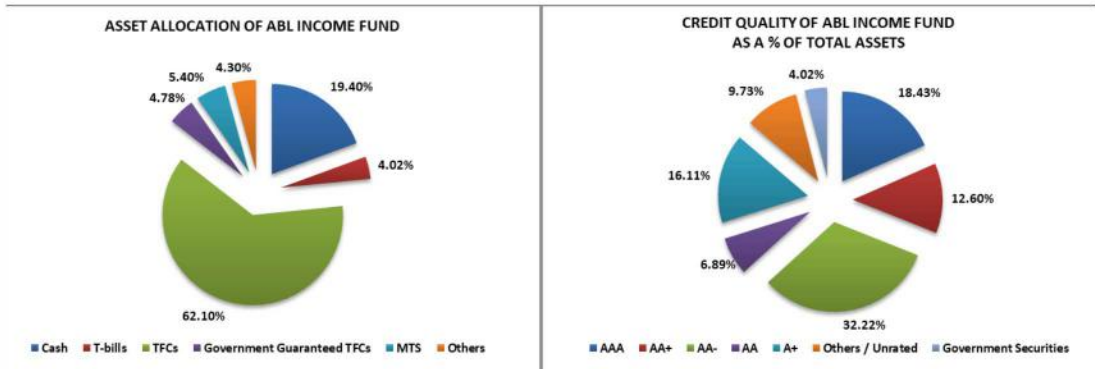
The period under review remained tough for the country amid rising inflation and lower foreign exchange reserves to meet the external obligations of the country. In order to contain the increasing inflation tame down the higher inflation, the SBP raised the discount rate by a total 425bps during last twelve months to 10.5%. On T-bills front, an active participation was witnessed only in 3-Months tenor whereas participation in 6 & 12 months tenor remained subdued due to market's expectation of increase in Policy Rate. Similarly participation in longer tenor bonds (3, 5 & 10 years) also remained depressed. The SBP accepted PKR7.0 billion, PKR6 billion and PKR11 billion in 3, 5 and 10 years tenor at an average cut-off rate of 12.25%, 10.98% and 13.15% respectively. During this period, the SBP remained net lender, hence liquidating the market by frequent OMO injections (23 times). In addition to this, secondary market PKRVs increased by 3.52 to 3.98 bps across different tenors.

FUND PERFORMANCE

ABL Income Fund's posted an annualized return 5.18% during 1HFY19 against the benchmark return of 9.03%, thus showing an underperformance of 385 bps. The decline in returns was mainly attributed to a steep increase in interest rates (425 bps) during a short time span of 6 months. Moreover, downward movements in mark to market prices of corporate debt instrument negatively impacted the fund's year-to-date return. The fund's averseness from longer tenor instruments compelled the fund to stay in shorter tenor instruments.

During the period under review, ABL Income Fund's AUM reduced drastically by around 57.22% to close at PKR 1,202.05 million as compared to PKR 2,810.03 million at June 2018. In order to reduce volatility in returns the fund reduced exposure in longer duration debt securities and increased allocation towards high-yielding bank deposits and floating rate instruments such as high rated TFCs and Sukuks. The allocation in corporate debt portfolio however increased substantially due to a significant reduction in fund's net assets. At the end of the period, Exposure in TFCs increased to 66.88% compared to 30.11% in June 2018. Similarly, cash in Daily Product Accounts

reduced to 19.40% of total assets compared to 67.65% in June 2018. The fund's weighted average maturity of the portfolio stood at 827 days compared to 592 days in June 2018.



AUDITORS

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

FUND STABILITY RATING

JCR-VIS Credit Rating Company Ltd. (JCR-VIS) on January 16, 2018, reaffirmed the Fund Stability Rating of ABL Income Fund at 'A(f)' (Single A(f)).

MANAGEMENT QUALITY RATING

On December 31, 2018, JCR-VIS Credit Rating Company Limited (JCR-VIS) has reaffirmed the Management Quality Rating of ABL Asset Management Company Limited (ABL AMC) to 'AM2++' (AM-Two-Double Plus) from 'AM2+' (AM Two Plus). Outlook on the assigned rating is 'Stable'.

FUTURE OUTLOOK

Going forward, we do not expect any significant increase in interest rates for the remaining part of FY'19 due to the fact that rates have already increased by a total of 425 bps taking the policy rate to 10.00% in comparison to average headline inflation of 6.08% during the 1HFY19 as a result of which real interest rates have increased to 392 bps. Further to this, we expect the MoF to rebalance the currently skewed maturity profile through issuance of longer tenor instruments going forward.

Our strategy will be to continue generating majority of the alpha through placements in bank deposits and TDRs. The fund however shall also take exposure in 6-month T-bills to benefit from comparatively higher yields and better trading gains as compared to 3 months T-bills.

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



Director



Alee Khalid Ghaznavi
Chief Executive Officer

Lahore, February 06, 2019

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office

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



TRUSTEE REPORT TO THE UNIT HOLDERS

ABL INCOME FUND

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

We Central Depository Company of Pakistan Limited, being the Trustee of ABL Income 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 six months period ended December 31, 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.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 21, 2019





A·F·FERGUSON&Co.

INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **ABL Income Fund** (the Fund) as at December 31, 2018 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the half year ended December 31, 2018. The Management Company (ABL Asset Management Company Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2018 and December 31, 2017 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2018.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Chartered Accountants

Engagement Partner: **Noman Abbas Sheikh**

Dated: February 26, 2019

Karachi

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

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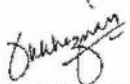
ABL INCOME FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2018

	(Un-audited) December 31, 2018	(Audited) June 30, 2018
Note	----- (Rupees in '000) -----	
Assets		
Bank balances	240,956	1,924,427
Investments	880,652	856,771
Receivable against Marginal Trading System	66,566	-
Profit receivable	17,322	18,297
Receivable against sale of investments	16,040	9,655
Deposits, prepayments and other receivable	20,569	36,778
Total assets	1,242,105	2,845,928
Liabilities		
Payable to ABL Asset Management Company Limited - Management Company	31,002	27,190
Payable to the Central Depository Company of Pakistan Limited - Trustee	212	328
Payable to the Securities and Exchange Commission of Pakistan	890	2,743
Payable against redemption of units	32	811
Accrued expenses and other liabilities	7,917	4,829
Total liabilities	40,053	35,901
NET ASSETS	1,202,052	2,810,027
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)	1,202,052	2,810,027
CONTINGENCIES AND COMMITMENTS	8	
	----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE	116,449,963	267,531,015
	----- (Rupees) -----	
NET ASSET VALUE PER UNIT	10.3225	10.5036

The annexed notes 1 to 15 form an integral part of these condensed interim 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 INCOME FUND

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)


FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018

	Note	Half year ended December 31,		Quarter ended December 31,	
		2018	2017	2018	2017
Income					
Income from government securities		19,319	6,435	8,008	4,513
Income from term deposit receipts		-	11,709	-	6,233
Income from term finance certificates and sukuk		36,454	42,556	18,838	20,216
Income from marginal trading system		2,247	-	2,247	-
Profit on savings accounts		43,699	82,666	18,484	40,978
Other income		77	804	77	153
(Loss) / gain on sale of investments - net		(4,450)	490	(295)	1,465
Unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	5.7	(9,615)	(722)	3,100	(150)
		(14,065)	(232)	2,805	1,315
Total Income		87,731	143,938	50,459	73,408
Expenses					
Remuneration of ABL Asset Management Company Limited - Management Company	6.1	17,804	32,427	7,727	16,311
Punjab sales tax on the Management Company's remuneration	6.2	2,849	5,064	1,237	2,609
Accounting and operational charges	6.4	1,189	2,161	517	1,087
Selling and marketing expense	6.5	4,747	-	2,060	-
Remuneration of Central Depository Company of Pakistan Limited - Trustee		1,437	2,266	652	1,139
Sindh sales tax on remuneration of the Trustee		187	295	85	148
Annual fee to the Securities and Exchange Commission of Pakistan Limited		890	1,621	386	815
Securities transaction costs		229	346	220	179
Bank and settlement charges		44	140	19	26
Auditors' remuneration		251	199	125	101
Printing charges		146	191	58	114
Listing fee		16	14	7	7
Rating fee		151	148	70	74
Total operating expenses		29,940	44,872	13,163	22,610
Net income for the period before taxation		57,791	99,066	37,296	50,798
Taxation	9	-	-	-	-
Net income for the period after taxation		57,791	99,066	37,296	50,798
Earnings per unit	10				
Allocation of net income for the period:					
Net income for the period after taxation		57,791	99,066	37,296	50,798
Income already paid on units redeemed		(27,715)	(22,523)	(24,838)	(13,030)
		30,076	76,543	12,458	37,768
Accounting income available for distribution:					
-Relating to capital gains		-	-	2,805	1,315
-Excluding capital gains		30,076	76,543	9,653	36,453
		30,076	76,543	12,458	37,768

The annexed notes 1 to 15 form an integral part of these condensed interim 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

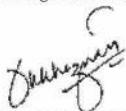
ABL INCOME FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018

	Half year ended December 31,		Quarter ended December 31,	
	2018	2017	2018	2017
	------(Rupees in '000)-----			
Net income for the period after taxation	57,791	99,066	37,296	50,798
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>57,791</u>	<u>99,066</u>	<u>37,296</u>	<u>50,798</u>

The annexed notes 1 to 15 form an integral part of these condensed interim 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

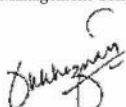
ABL INCOME FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE HALF YEAR ENDED DECEMBER 31, 2018

	Half year ended December 31, 2018			Half year ended December 31, 2017		
	Capital Value	Un distributed income	Total	Capital Value	Un distributed income	Total
	(Rupees in '000)					
Net assets at the beginning of the period (audited)	2,693,534	116,493	2,810,027	3,860,439	14,934	3,875,373
Issue of 26,199,220 (2017: 251,474,527) units						
Capital value (at net asset value per unit at the beginning of the period)	264,878	-	264,878	2,523,647	-	2,523,647
Element of income	1,007	-	1,007	21,472	-	21,472
Total proceeds on issuance of units	265,885	-	265,885	2,545,119	-	2,545,119
Redemption of 177,280,272 (2017: 287,079,706) units						
Capital value (at net asset value per unit at the beginning of the period)	1,785,277	-	1,785,277	2,880,960	-	2,880,960
Element of loss	489	27,715	28,204	17,195	22,523	39,718
Total payments on redemption of units	1,785,766	27,715	1,813,481	2,898,155	22,523	2,920,678
Total comprehensive income for the period	-	57,791	57,791	-	99,066	99,066
Distribution during the period						
- Re. 0.3588 per unit on July 03, 2018	(18,171)	(77,820)	(95,991)	-	-	-
- Re. 0.0850 per unit on August 01, 2018	(4,009)	(18,170)	(22,179)	-	-	-
Net income for the period less distribution	(22,180)	(38,199)	(60,379)	-	99,066	99,066
Net assets at the end of the period (un-audited)	1,151,473	50,579	1,202,052	3,507,403	91,477	3,598,880
Undistributed income brought forward						
- Realised income		114,741			7,621	
- Unrealised income		1,752			7,313	
		116,493			14,934	
Accounting income available for distribution						
-Relating to capital gains		-			-	
-Excluding capital gains		30,076			76,543	
		30,076			76,543	
Distribution during the period		(95,990)			-	
Undistributed income carried forward		50,579			91,477	
Undistributed income carried forward						
-Realised income		60,194			92,199	
-Unrealised loss		(9,615)			(722)	
		50,579			91,477	
		Rupees			Rupees	
Net assets value per unit at beginning of the period		10.5036			10.0354	
Net assets value per unit at end of the period		10.3225			10.2659	

The annexed notes 1 to 15 form an integral part of these condensed interim 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 INCOME FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2018

Half year ended December 31,
2018 2017
Note -----(Rupees in '000)-----

CASH FLOWS FROM OPERATING ACTIVITIES

Net income for the period before taxation 57,791 99,066

Adjustments:

Income from government securities	(19,319)	(6,435)
Income from term deposit receipts	-	(11,709)
Income from term finance certificates and sukuk	(36,454)	(42,556)
Income from marginal trading system	(2,247)	-
Profit on savings accounts	(43,699)	(82,666)
Other income	-	(572)
Unrealised diminution on re-measurement of investments classified as financial assets at fair value through profit or loss - net	9,615	722
	(92,104)	(143,216)

Decrease / (increase) in assets

Deposits, prepayments and other receivable 16,209 507

Increase / (decrease) in liabilities

Payable to ABL Asset Management Company Limited - Management Company	3,812	1,682
Payable to the Central Depository Company of Pakistan Limited - Trustee	(116)	179
Payable to the Securities and Exchange Commission of Pakistan	(1,853)	(1,192)
Dividend payable	-	(1)
Accrued expenses and other liabilities	3,088	(15,681)

Income received from government securities	19,319	6,435
Income received from term deposit receipts	-	6,010
Income received from term finance certificates / sukuk certificates	33,922	46,143
Income received from marginal trading system	1,402	-
Profit received on savings accounts	48,051	85,143
Net amount (paid) / received on purchase and sale of investments	(106,447)	18,911
Net cash flow (used in) / generated from operating activities	(16,926)	103,986

CASH FLOWS FROM FINANCING ACTIVITIES

Cash distribution paid	(118,170)	-
Amount received on issuance of units	265,885	2,545,119
Amount paid on redemption of units	(1,814,260)	(2,937,827)
Net cash used in from financing activities	(1,666,545)	(392,708)


Net decrease in cash and cash equivalents during the period

Cash and cash equivalents at the beginning of the period	1,924,427	2,737,655
Cash and cash equivalents at the end of the period	4 240,956	2,448,933

The annexed notes 1 to 15 form an integral part of these condensed interim 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 INCOME FUND

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2018

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 ABL Income Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered into on June 16, 2008 between ABL Asset Management Company as the Management Company and Central Depository Company of Pakistan Limited 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 September 30, 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 and Fourth Supplements dated November 1, 2010, September 20, 2011, December 20, 2011, and July 30, 2013 respectively with the approval of the Securities and Exchange Commission of Pakistan (SECP). The Securities and Exchange Commission of Pakistan (SECP) authorised constitution of the Trust Deed vide letter no. NBFC - II/VS/ ABL/ 447/ 2008 dated June 06, 2008 in accordance with the requirement of the Non-Banking Finance Companies and Notified Entities Regulation, 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 income 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 September 20, 2008 and are transferable and redeemable by surrendering them to the Fund.

1.3 The objective of the Fund is to earn superior risk adjusted rate of return by investing in a blend of short, medium and long-term instruments, both within and outside Pakistan which the Fund aims to deliver mainly by investing in government securities, cash in bank accounts, money market placements, deposits, certificates of deposits, term deposit receipts, commercial papers, reverse repo, term finance certificates / sukuks, marginal trading system, spread transactions other absolute return instruments that may be allowed by the SECP. The investment objectives and policies are explained in the Fund's offering document.

1.4 JCR-VIS Credit Rating Company Limited has assigned Management Quality Rating of AM2++ (stable outlook) to the Management Company as at December 31, 2018 and fund stability rating of A(f) to the fund as at January 16, 2018.

1.5 The title to the assets of the Fund's held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2 STATEMENT OF COMPLIANCE

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, 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 VIII A 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 VIII A of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2018.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT POLICIES

3.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2018 except for the change in accounting policy as explained in note 3.2.

3.2 Effective from July 01, 2018, the fund has adopted IFRS 9: "Financial Instruments" which has replaced IAS 39: "Financial Instruments: Recognition and Measurement". The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'expected credit losses' (ECL) approach rather than 'incurred credit losses' approach, as previously given under IAS 39. However, the SECP vide its letter dated November 21, 2017, has deferred the applicability of requirements relating to impairment for debt securities on mutual funds till further instructions. Currently, the Asset Management Companies are required to continue to follow the requirements of Circular 33 of 2012 for impairment of debt securities. Furthermore, the ECL has impact on all other assets of the Fund which are exposed to credit risk. However, majority of the assets of the Fund other than debt securities (for which there is a separate criteria as mentioned above) that are exposed to credit risk pertain to counter parties which have high credit rating. Therefore, the management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these condensed interim financial statements.

IFRS 9 has provided a criteria for debt securities whereby debt securities are either classified as (a) amortised cost or (b) at fair value through other comprehensive income "(FVOCI)" or (c) at fair value through profit or loss (FVPL) based on the business model of the entity. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Furthermore, the collection of contractual cash flows for debt securities is only incidental to achieving the Fund's business model's objective.

IFRS 9 requires securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis to be recognized as FVPL. The management considers its investment in debt securities being managed as a group of assets and hence has classified them as FVPL. Accordingly, the Fund's investment portfolio continues to be classified as fair value through profit or loss and other financial assets which are held for collection continue to be measured at amortised cost.

The adoption of IFRS-9 did not have any impact on classification and measurement of financial assets and financial liabilities on the date of its adoption.

3.3 The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2018. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2018.

3.4 Amendments to accounting and reporting standards that are effective in the current period

There are certain amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2018. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements other than as disclosed in note 3.2.

3.5 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

There are certain new standards, interpretations and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting periods beginning on or after July 1, 2019. However, these are not expected to have any significant

impacts on the Fund's operations and are, therefore, not detailed in these condensed interim financial statements.

		(Un-audited) December 31, 2018	(Audited) June 30, 2018
		------(Rupees in '000)-----	
4	BANK BALANCES		
	Balances with banks in savings accounts	240,956	1,924,427

4.1 This includes balance of Rs 8.390 million (June 30, 2018: Rs 746.835 million) maintained with Allied Bank Limited (a related party) that carries profit at 10.80% per annum (June 30, 2018: 6.70%). Other profit and loss saving accounts of the Fund carry profit rates ranging from 4.00% to 11.70% per annum (June 30, 2018: 2.50% to 6.70% per annum).

		(Un-audited) December 31, 2018	(Audited) June 30, 2018
		------(Rupees in '000)-----	
5	INVESTMENTS		
At fair value through profit or loss			
	- Government securities - Market Treasury Bills	49,972	-
	- Term finance certificates - listed	160,980	161,242
	- Term finance certificates - unlisted	585,695	611,361
	- Sukuk certificates - listed	84,005	84,168
	- Sukuk certificates - unlisted	-	-
	- Government securities - Pakistan Investment Bonds	-	-
		880,652	856,771

5.1 Government securities - Market Treasury Bills

Tenor	Face Value (Rupees in '000)				Rupees in '000		Percentage	
	As at July 01, 2018	Purchased during the period	Sold / matured during the period	As at December 31, 2018	Carrying value as at December 31, 2018	Market value as at December 31, 2018	Market value as a percentage of total Investments	Market value as a percentage of net assets
3 Months	-	13,284,000	13,234,000	50,000	49,977	49,972	4.16%	5.67%
December 31, 2018	-	13,284,000	13,234,000	50,000	49,977	49,972	4.16%	5.67%
June 30, 2018	-	-	-	-	-	-	-	-

Market treasury bill carries purchase yield of 8.75% and will mature on January 03, 2019

5.2 Term finance certificates - listed

Name of the investee company	As at July 1, 2018	Purchased during the period	Disposed / matured during the period	As at December 31, 2018	Carrying value as at December 31, 2018	Market value as at December 31, 2018	Market value as a percentage of total Market	Market value as a percentage of net assets	Investment as a percentage of total issue size
	-----Number of Certificates-----				-----Rupees in '000----		-----Percentage-----		
Commercial Bank									
MCB Bank Limited (Face value of Rs. 4,991 per certificate)	32,246	-	-	32,246	161,210	160,980	18.28%	13.39%	4.02%
December 31, 2018	32,246	-	-	32,246	161,210	160,980	18.28%	13.39%	
June 30, 2018					163,161	161,242	18.82%	5.74%	

5.3 Term finance certificates - unlisted

Name of the investee company	As at July 1, 2018	Purchased during the period	Disposed / matured during the period	As at December 31, 2018	Carrying value as at December 31, 2018	Market value as at December 31, 2018	Market value as a percentage of total Market	Market value as a percentage of net assets	Investment as a percentage of total issue size
	-----Number of Certificates-----				-----Rupees in '000----		-----Percentage-----		
Power									
Pakistan Water and Power Development Authority (Face value of 2,143 per certificate)	27,800	-	-	27,800	60,006	59,370	6.74%	4.94%	0.64%
Commercial Banks									
Bank of Punjab TFC (Face value of 99,920 per certificate)	1,850	140	200	1,790	182,556	176,746	20.07%	14.70%	7.15%
JS Bank TFC (Face value of 4,996 per certificate)	39,850	-	-	39,850	200,561	199,953	22.7%	16.63%	6.64%
Investment Companies									
Jahangir Siddiqui Company Limited (Face value of 5,000 per certificate)	30,000	-	-	30,000	151,789	149,626	16.99%	12.45%	10.00%
December 31, 2018	<u>99,500</u>	<u>140</u>	<u>200</u>	<u>99,440</u>	<u>594,912</u>	<u>585,695</u>	<u>66.5%</u>	<u>48.72%</u>	
June 30, 2018					<u>607,858</u>	<u>611,361</u>	<u>71.35%</u>	<u>21.76%</u>	

5.4 Sukuk certificates - listed

Name of the investee company	As at July 1, 2018	Purchased during the period	Disposed / matured during the period	As at December 31, 2018	Carrying value as at December 31, 2018	Market value as at December 31, 2018	Market value as a percentage of total Market	Market value as a percentage of net assets	Investment as a percentage of total issue size
	-----Number of Certificates-----				-----Rupees in '000----		-----Percentage-----		
Fertilizer									
Dawood Hercules Corporation Limited (Face value of Rs. 100,000 per certificate)	840	-	-	840	84,168	84,005	9.54%	6.99%	162%
Government of Pakistan									
GOP Ijara Sukuk ₨	-	20,000	20,000	-	-	-	-	-	-
December 31, 2018	<u>840</u>	<u>20,000</u>	<u>20,000</u>	<u>840</u>	<u>84,168</u>	<u>84,005</u>	<u>9.54%</u>	<u>6.99%</u>	
June 30, 2018					<u>84,000</u>	<u>84,168</u>	<u>9.82%</u>	<u>3.00%</u>	

5.5 Sukuk certificates - unlisted

Name of the investee company	As at July 1, 2018	Purchased during the period	Disposed / matured during the period	As at December 31, 2018	Carrying value as at December 31, 2018	Market value as at December 31, 2018	Market value as a percentage of total Market	Market value as a percentage of net assets	Investment as a percentage of total issue size
	-----Number of Certificates-----				-----Rupees in '000----		-----Percentage-----		
Commercial Bank									
Meezan Bank Limited (Face value of Rs. 1,000,000 per certificate)	-	200	200	-	-	-	-	-	-
December 31, 2018	<u>-</u>	<u>200</u>	<u>200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
June 30, 2018					<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

5.6 Government securities - Pakistan Investment Bonds

Issue date	Tenor	Face value (Rupees in '000)				Rupees in '000		Market value as a percentage of total investments	Market value as a percentage of net assets
		As at July 1, 2018	Purchased during the period	Disposed / matured during the period	As at December 31, 2018	Carrying value as at December 31, 2018	Market value as at December 31, 2018		
July 19, 2012	10 year	-	101500	101500	-	-	-	-	
August 9, 2019	10 year	-	289,000	289,000	-	-	-	-	
Total		-	390,500	390,500	-	-	-	-	
Total - June 30, 2018									

5.7 Unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss - net

	Note	(Un-audited) December 31, 2018	(Audited) June 30, 2018
		-----Rupees in '000-----	
Market value of securities	5.1, 5.2, 5.3, 5.4, 5.5, 5.6	880,652	856,771
Less: carrying value of securities	5.1, 5.2, 5.3, 5.4, 5.5, 5.6	890,267	855,019
		<u>(9,615)</u>	<u>1,752</u>

6 PAYABLE TO ABL ASSET MANAGEMENT COMPANY LIMITED - RELATED PARTY

Management fee payable	6.1	2,026	3,253
Punjab sales tax on remuneration of the Management Company	6.2	3,110	3,306
Federal Excise duty on remuneration of Management Company	6.3	19,142	19,142
Accounting and operational charges payable	6.4	1,189	674
Selling and marketing expenses payable	6.5	5,526	780
Sales load payable		9	35
		<u>31,002</u>	<u>27,190</u>

6.1 The Management Company has charged remuneration at the rate of 1.5% (June 30, 2018 : 1.5%) per annum based on the daily net assets of the Fund. The amount of remuneration is being paid monthly in arrears.

6.2 During the period, an amount of Rs. 2.894 million (2017: Rs 5.064 million) was charged on account of sales tax on management fee levied through Punjab Sales Tax on Services Act, 2012.

6.3 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.

With effect from July 1, 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.

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.

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 19.142 million is being retained in these condensed interim 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 December 31, 2018 would have been higher by Re 0.164 (June 30, 2018: Re 0.072) per unit.

- 6.4 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.
- 6.5 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. 4.747 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 period.

		(Un-audited) December 31, 2018	(Audited) June 30, 2018
7	ACCRUED EXPENSES AND OTHER LIABILITIES	----- (Rupees in '000) -----	
	Auditors' remuneration payable	324	414
	Brokerage payable	6	6
	NCCPL charges payable	30	30
	Printing charges payable	288	150
	Provision for Sindh Workers' Welfare Fund	4,183	4,183
	Withholding taxes payable	3,025	46
	Other payable	61	-
		<u>7,917</u>	<u>4,829</u>

- 7.1 As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF. In view of the above developments regarding the applicability of SWWF on CISs/ mutual funds, the MUFAP had 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 (i.e. starting from May 21, 2015).

The registered office of the Management Company of the Fund had been relocated from the Province of Sindh to the Province of Punjab. Accordingly, the Fund has not recorded provision in respect of SWWF after such relocation. 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 4.183 million (June 30, 2018: Rs 4.183 million) is being retained in these condensed interim financial statements of the Fund till the final decision in respect of SWWF.

Had the provision for SWWF not been recorded in these condensed interim 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 December 31, 2018 would have been higher by Re 0.036 (June 30, 2018: 0.016) per unit.

8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at the December 31, 2018 and June 30, 2018.

9 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable

thereon to the unitholders. Since the management intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2019 to the unit holders in the manner as explained above, no provision for taxation has been made in these condensed interim financial statements during the period.
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.

10 EARNINGS PER UNIT

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

11 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at December 31, 2018 is 1.073% which includes 0.14% representing government levies on the Fund such as sales taxes, annual fee payable to the SECP, etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as a income scheme.

12 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

12.1 Connected persons include ABL Asset Management Company Limited 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.

12.2 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.

12.3 Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.

12.4 Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.

12.5 Detail of transactions with related parties / connected persons during the period:

	Un-audited Half year ended December 31,	
	2018	2017
	------(Rupees- in 000)-----	
ABL Asset Management Company Limited - Management Company		
Issue of 5,723,241 (2017: 23,853,065) units	58,016	240,000
Redemption of 87,607,535 (2017: 19,729,314) units	900,268	200,000
Remuneration for the period	17,804	32,427
Punjab sales tax on remuneration	2,849	5,064
Accounting and operational charges	1,189	2,161
Selling and marketing expenses	4,747	-
Sales load paid	299	246
Central Depository Company of Pakistan Limited - Trustee		
Remuneration for the period	1,437	2,266
Sindh sales tax on remuneration	187	295
Settlement charges	-	73
Allied Bank Limited		
Profit on savings account	5,212	5,334
Bank charges	12	27

Un-audited Half year ended December 31,	
2018	2017
------(Rupees- in 000)-----	

ABL Financial Planning Fund - Conservative Allocation Plan

Issue of 728,502 (2017: 1,508,347) units	7,380	15,200
Redemption of 2,158,040 (2017: 4,793,729) units	21,985	48,676

ABL Financial Planning Fund - Strategic Allocation Plan

Issue of 1,792,778 (2017: 25,368,591) units	18,162	255,000
Redemption of 16,554,726 (2017: 16,066,801) units	169,525	162,696

Millat Tractors*

Redemption of Nil (2017: 21,916,367) units	-	225,000
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DIRECTORS OF THE MANAGEMENT COMPANY

Muhammad Waseem Mukhtar

Issue of 222,653 (2017: Nil) units	2,282	-
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Sheikh Mukhtar Ahmed

Issue of 681,477 (2017: Nil) units	7,000	-
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* Current period figures have not presented as the person is not classified as related party / connected person of the Fund as at December 31, 2018

12.6 Details of balances outstanding at the period / year end with connected persons are as follows:

	(Un-audited) December 31, 2018	(Audited) June 30, 2018
	Rupees in '000	
ABL Asset Management Company Limited - Management Company		
Outstanding 113,679 (June 30, 2018: 81,997,973) units	1,173	861,274
Remuneration payable	2,026	3,253
Punjab sales tax on remuneration	3,110	3,306
Federal Excise duty on remuneration	19,142	19,142
Accounting and operational charges payable	1,189	674
Selling and marketing expenses payable	5,526	780
Sales load payable	9	35
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	187	295
Sindh sales tax on remuneration of the Trustee	25	33
Security deposits	100	100
Allied Bank Limited		
Balances held	8,390	746,835
Profit receivable	1,090	1,305
ABL Financial Planning Fund - Conservative Allocation Plan		
Outstanding 15,100,774 (June 30, 2018: 16,530,312) units	155,878	173,628
ABL Financial Planning Fund - Strategic Allocation Plan		
Outstanding 25,936,579 (June 30, 2018: 40,698,527) units	267,730	427,481

DIRECTORS OF THE MANAGEMENT COMPANY

Muhammad Waseem Mukhtar

Outstanding 928,757 (June 30, 2018: 706,104) units

9,587

7,417

Sheikh Mukhtar Ahmed

Outstanding 681,477 (June 30, 2018: NIL) units

7,035

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13 FAIR VALUE OF FINANCIAL INSTRUMENTS

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.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Fair value of investments is determined as follows:

- Investments in government securities are valued on the basis of rates announced by the Financial Markets Association of Pakistan.
- Listed and unlisted debt securities, other than government securities, are valued on the basis of rates determined by Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by SECP for valuation of debt securities.
- Fair value of all other financial assets and financial liabilities of the Fund approximate their carrying amounts due to short term maturities of these instruments

13.1 Fair value hierarchy

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

Level 1: Fair value measurements using quoted price (unadjusted) in an active market for identical assets or liabilities;

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

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

As at December 31, 2018 and June 30, 2018, the Fund held the following financial instruments measured at fair value:

	(Un-audited)			
	As at December 31, 2018			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
At fair value through profit or loss				
- Government securities - Market Treasury Bills	-	49,972	-	49,972
- Term finance certificates - listed	-	160,980	-	160,980
- Term finance certificates - unlisted	-	585,695	-	585,695
- Sukuk certificates - listed	-	84,005	-	84,005
	-	880,652	-	880,652

	(Audited)			
	As at June 30, 2018			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
At fair value through profit or loss				
- Term finance certificates - listed	-	161,242	-	161,242
- Term finance certificates - unlisted	-	611,361	-	611,361
- Sukuk certificates - listed	-	84,168	-	84,168
	-	856,771	-	856,771

14 GENERAL

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


14.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for better presentation and disclosure. There have been no significant reclassifications during the period.

15 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on February 6, 2019 by the Board of Directors of the Management Company.

For ABL Asset Management Company Limited
(Management Company)


SAQIB MATIN
CHIEF FINANCIAL OFFICER


ALEE KHALID GHAZNAVI
CHIEF EXECUTIVE OFFICER


MUHAMMAD KAMRAN SHEHZAD
DIRECTOR

ہماری حکمت عملی یہ ہوگی کہ طویل المعیاد کے انسٹرومنٹس میں سرمایہ کاری کی جائے تاکہ یہ پورٹ فولیو بڑھے یہ اسی طرح ہو جیسے GIS کا نیا اجراء ہوا ہوتا کہ وہ زیادہ فائدہ دے سکے جبکہ فنڈ کی حکمت عملی یہ ہے کہ اس کی زیادہ سرمایہ کاری نقد اور TDR میں ہو جو ہماری رائے کے مطابق جو مارکیٹ میں زیادہ بہتر کارکردگی کی مظاہرہ کر سکے گی۔

توثیق:

ہم اپنے گرانقدر سرمایہ کاروں کا شکریہ ادا کرتے ہیں جنہوں نے ہم پر اپنا اعتماد کیا منتظمین بھی سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کا بڑی (سینٹرل ڈیپازٹری کمیٹی آف پاکستان لمیٹڈ) کا اور پاکستان اسٹاک ایکسچینج کی انتظامیہ کا ان کی مسلسل رہنمائی اور معاونت پر مشکور ہیں۔ منتظمین انتظامی اراکین کی جانب سے کی گئی کاوشوں کو بھی سراہتے ہیں۔

برائے اور منجانب منتظمین:

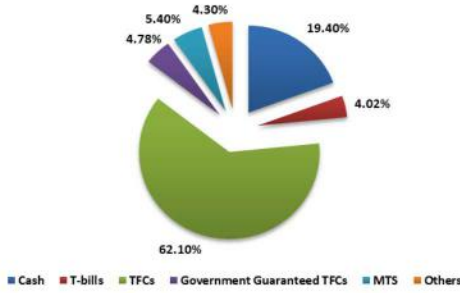
علی خالد غزنوی

سربراہ

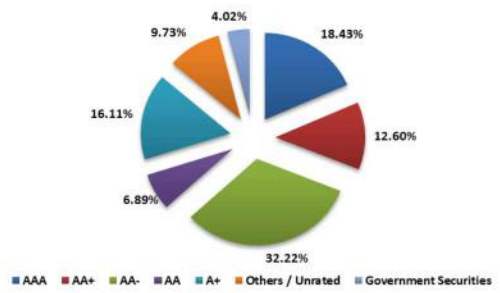
منتظم

06 فروری 2019

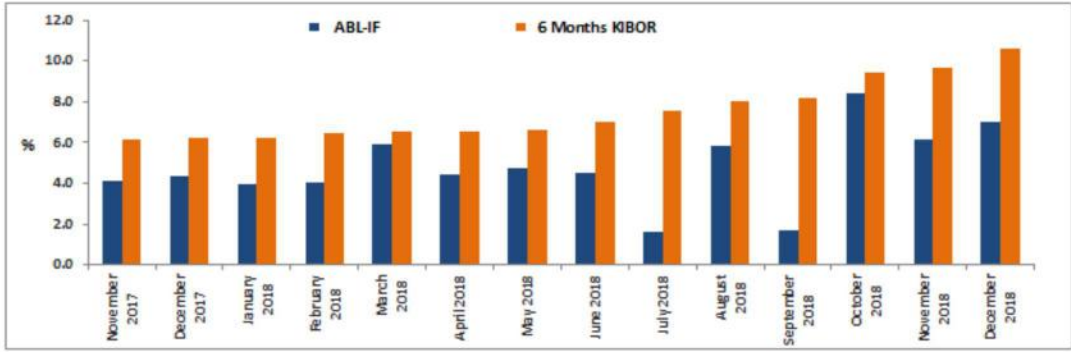
ASSET ALLOCATION OF ABL INCOME FUND



CREDIT QUALITY OF ABL INCOME FUND AS A % OF TOTAL ASSETS



ABL - IF Vs Benchmark (MOM Returns)



محاسب کار :

میسرز فرگوسن اینڈ کمپنی (چارٹرڈ اکائونٹنٹس) کو اے بی ایل انکم فنڈ (ABL-IF) کاربرائے مالی سال 30 جون 2019 تک محاسب کار مقرر کیا گیا۔

فونڈ کے استحکام کی درجہ بندی:

16 جنوری 2018 کو JCR-VIS کریڈٹ ریٹنگ کمپنی لیمیٹڈ نے فونڈ کے استحکام کی درجہ بندی میں اے بی ایل اسلامک انکم فنڈ کو 'A(f) (Single A(f) قرار دیا ہے۔

انتظامی معیار کی درجہ بندی :

31 دسمبر 2018 کو JCR-VIS کریڈٹ ریٹنگ کمپنی لیمیٹڈ نے اے بی ایل ایسٹ مینجمنٹ کمپنی لیمیٹڈ کی انتظامی معیار کی درجہ بندی کو AM two (AM2++ سے AM2+ قرار دیا۔ متعین کردہ حد بندی کے لحاظ سے مستحکم ہے۔

مستقبل کا خاکہ:

بقیہ مالی سال 2019 میں شرح سود میں اضافہ کی وجہ سے کسی بہتر تبدیلی کو توقع نہیں ہے کیونکہ حقیقتاً ریٹس میں پہلی اضافہ 245 برنس پوائنٹس سے ہو چکا تھا۔ جو پالیسی ریٹ کو 10% تک لے گیا۔ 1HFY19 کے دوران اوسطاً زیادہ مہنگائی 6.08% تک رہی جس کی وجہ سے حقیقی شرح سود 392 برنس پوائنٹس تک بڑھ گئی۔ اس کے علاوہ MOF (ملٹی آپشن فیسلٹی) سے ہم امید کرتے ہیں کہ آگے چل کر طویل المدتی مواقع کے ذریعے موجودہ سکلزی ہوئی مدت کو برابری سطح پر لایا جاسکے گا۔

تک) جس کی وجہ غیر یقینی اقتصادی صورتحال اور سال کا اختتام تھے۔ تاہم انڈسٹری نے گذشتہ سال اسی مدت کے دوران دسمبر 2018 میں 1.1% اضافہ کا مشاہدہ کیا۔ ایکویٹی فنڈز اسلامی اور غیر اسلامی ایکویٹی نے AUM میں 18.3% اور 12.2% تک خاطر خواہ کمی کا مشاہدہ کیا اور مدت کے اختتام پر بالترتیب 121 ارب روپے اور 85 ارب روپے پر تھے۔

بنیادی طور پر یہ کمی مارکیٹ کی خراب کارکردگی سے اخذ کی جاسکتی ہے۔ 1HFY19 میں 11.5% سے 100KSE انڈیکس منفی ہوا اور اس کی وجہ مارکیٹ کی غیر یقینی صورتحال ہے جس سے سرمایہ کاروں میں منفی جذبات پروان چڑھے۔ فلپ کی طرف (جارحانہ آمدنی اور کرنسی مارکیٹ کے فنڈز پر مشتمل) مقرر شدہ آمدنی والے زمرے میں 1HFY19 میں 200 ارب روپے تک بند ہونے کیلئے 4.8% اضافہ ہوا جبکہ جون 2018 میں 191 ارب تک بند ہوئے۔ اسی طرح اسلامی آمدنی کے زمرے میں AUM میں 8.3% کا اضافہ ہوا جبکہ اسکی حد 47 ارب روپے تک تھی۔

کرنسی مارکیٹ کا جائزہ:

بڑھتی ہوئی مہنگائی اور زرمبادلہ کم ہوتے ہوئے ذخائر جو ملک کے بیرونی معاہدوں کو پورا کر سکتے تھے کی وجہ سے ملک کو سخت صورتحال کا سامنا رہا۔ افراط زر کی قابو میں رکھنے کے لیے اسٹیٹ بینک آف پاکستان نے گذشتہ بارہ ماہ کے دوران ڈسکونٹ کی شرح میں 10.5% کمی کی۔ ٹریژری بل کے لئے صرف تین ماہ میں ایک مضبوط شمولیت دیکھنے میں آئی جبکہ 6 ماہ اور 12 ماہ کی مدت میں یہ بالکل محدود رہ گئی کیونکہ مارکیٹ میں پالیسی ریٹ میں بڑھنے کی اُمید تھی۔ اسی طرح لمبی مدت کے بانڈز (3، 5 اور 10 سال) میں بھی شمولیت بہت کم رہی۔ اسٹیٹ بینک نے بالترتیب 12.25%، 10.98% اور 13.51% کے اوسط کٹ آف ریٹ سے 3، 5 اور 10 سال کی مدت میں بھی 7 ارب روپے، 6 ارب اور 11 ارب روپے وصول کئے ہیں۔ اس مدت کے دوران اسٹیٹ بینک ہی صرف قرض فراہم کرنے والا رہا، مارکیٹ کو اوپن مارکیٹ آپریشن OMO (23 مرتبہ) کے تحت پیسہ دیا گیا۔ مزید برآں ثانوی مارکیٹ میں روپے کی قدر میں مختلف مدتوں کے دوران 3.52 بزنس پوائنٹس سے 3.98 بزنس پوائنٹس کا اضافہ ہوا۔

فنڈ کی کارکردگی:

اے بی ایل آمدنی فنڈ اسلامی فنڈ کی درجہ بندی میں سب سے زیادہ منافع دینے والا فنڈ تھا۔ فنڈ نے سالانہ 5.18% کا منافع ظاہر کیا جو کہ مقرر معیار سے 9.03% زیادہ تھا۔ لہذا اس کی بہتر کارکردگی 385 بزنس پوائنٹس زیادہ رہی۔ زیر جائزہ مدت کے دوران فنڈ کے زیر انتظام اثاثہ جات AUM 30 جون 2018 میں 5019.58 ملین روپے کے مقابلے میں 31 دسمبر 2018 میں 11.87% کمی کے ساتھ 4423.78 ملین روپے تک رہ گئے۔ 1HFY19 کے دوران اسلامی کرنسی مارکیٹ نے کثیر سرمایہ کے باعث نچلے درجے پر تجارت (خرید و فروخت) کی۔ منافع کے ریٹس DPA & TDR میں پرکشش رہے۔ جبکہ کارپوریٹ ڈیٹ میں کوئی خاطر خواہ نئی اجراء دیکھنے میں نہیں آئی۔ کم منافع کی وجہ سے حکومت کے اجارہ سکوک کی طلب محدود رہی۔ اس مدت کے دوران ہم نے حکومتی اجارہ سکوک میں Exposure برقرار نہیں رکھا۔ کارپوریٹ اجارہ سکوک برقرار رکھا گیا کیونکہ فنڈ نے اعلیٰ معیار کے تیزی سے پھیلتے ہوئے انٹرومنٹ کو Hold رکھا تاکہ فنڈ کے بنیادی منافع کو سپورٹ کیا جاسکے۔ مزید یہ کہ TDR میں صحت مند اندر سرمایہ کاری نے اس مدت میں منافع دیا۔ جون 2018 میں 457 دن کے مقابلے میں WAM کا پورٹ فولیو 541 دن تک بڑھ گیا مدت کے اختتام تک فنڈ 22.14% کارپوریٹ سکوک، 6.74% TDR اور 69.92% بینک میں موجود نقد پر مشتمل تھا۔ بینکس میں رکھی گئی رقومات (ڈیپازٹس + TDR) میں اضافہ ہو گیا کیونکہ سال کے اختتام پر بینک کی طرف سے زیادہ منافع پیش کیا گیا۔

آگاہی منجانب منتظمین کمپنی

اے بی ایل انکم فنڈ (ABL-IF) کی انتظامی کمپنی ABL ایسٹ مینجمنٹ کمپنی لمیٹڈ کے بورڈ آف ڈائریکٹرز نے ایل انکم فنڈ کے جامع مالیاتی (غیر محاسبی) حسابات برائے ششماہی 31 دسمبر 2018 پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

جانزہ برائے اقتصادی کارکردگی

1HFY19 میں پاکستان کے اقتصادی اور سیاسی افریقہ پر وفاق میں حکومت کی تبدیلی اور اسی طرح ملک کے سب سے بڑے صوبے میں حکومت کی تبدیلی سے ایک نئے دور کا آغاز ہوا۔ 25 جولائی 2018 کے عام انتخابات کے بعد اقتدار اور جمہوری عمل کے تسلسل کی کامیاب منتقلی نے سیاسی شور کو کم کر دیا ہے لیکن معاشی محاذ پر چیلنج ابھی موجود ہیں۔

اگرچہ چینی حکومت نے ادائیگی کے توازن پر قابو پانے کیلئے کئی اقدامات کئے ہیں لیکن ان اقدامات کے نتائج کے اثرات تعداد کے لحاظ سے آنا باقی ہیں۔ بیرونی محاذ کے چیلنجوں کی وجہ سے پاکستان کے اقتصادی حالات نے اس عرصے میں اہم تبدیلیوں کا مشاہدہ کیا۔ پچھلے سال کی ششماہی کے مقابلے میں CPI (کنزیومر پرائزنڈکس) جو کہ 3.75% تھا اس میں 6.05% اضافہ ہوا۔

2HFY19 کے دوران CPI میں مزید اضافے کی توقع ہے۔ کیونکہ کرنسی میں ردوبدل کا زیادہ اثر ہوا اور پاکستانی روپے میں 14% کمی کی گئی۔ اسٹیٹ بینک آف پاکستان نے اس طرح کا موقف اپنایا ہے۔ جس سے پالیسی ریٹ میں 350 برنس پوائنٹ سے 10% تک اضافہ ہوا ہے۔

حیرت انگیز طور پر ملک کی بیرونی حیثیت مندرجہ بالا اقدامات اٹھانے کے باوجود نازک ہے۔ کیونکہ موجودہ اکاؤنٹ کا خسارہ (CAD) مالی سال 1HFY18 کے دوران YoY 4.4% تک 7.9 امریکی ارب ڈالر تک کم ہوا جبکہ 1HFY18 میں یہ خسارہ 8.4 امریکی ڈالر تھا۔ اشد ضروری بیرون ملک کارکنوں کی ترسیلات زر 10% YoY امریکی ڈالرتھیں جن سے بھی مدد حاصل ہوئی بھی تھی۔ سعودی عرب سے 2 ارب ڈالر موصول ہونے کے باوجود زر مبادلہ کے ذخائر پر جو صرف 2.9 ماہ کی درآمدات کو پورا کرنے کیلئے تھے دباؤ برقرار رہا۔ امید ہے کہ موجودہ مالی خسارہ (CAD) جنوری سے ملنے والے 3 ارب ڈالر کے ادھارتیل کی وجہ سے مزید کم ہو جائیگا۔ مزید یہ کہ بین الاقوامی طور پر اشیاء کی کمزور قیمتیں خاص طور پر تیل کی قیمت ادائیگی کے توازن میں دباؤ میں کمی کر دیگی۔

مالیاتی مجوزہ پرائیف بی آر نے 1763 ارب روپے کے محصولات وصول کئے ہیں جبکہ ہدف 1960 ارب روپے کا تھا جس میں 175 ارب روپے سے زیادہ کمی ہے۔ مالیاتی خسارے کو کم کرنے کیلئے حکومت کے ایک منی بجٹ جس کا اعلان جو جنوری 2019 میں متوقع ہے میں 200 ارب میں محصولات بھی لگائے گئے۔ اور یہ کہ مالی امداد کے لیے IMF سے بھی معاملات طے ہونے کی توقع اسی ماہ میں ہے۔ آگے تیل کی بین القوامی (عالمی) گرتی ہوئی قیمتیں، محدود درآمدات، ترسیلات زر اور برآمدات میں اضافہ معیشت کو لاحق خطرات کا مقابلہ کر سکیں گی حکومت درآمدات / محصولات اور ڈیوٹیز میں اضافہ کر کے اور پاکستانی برآمدی صنعت کو چھوٹ دے کر برآمدات میں اضافے کے لئے کوشاں ہے۔ یہ بھی امید ہے کہ پاکستان IMF کے پروگرام میں 2018-19 کے مالی سال کی دوسری ششماہی میں شامل ہو جائیگا جس سے زر مبادلہ کم ہوتے ہوئے ذخائر میں مدد ملے گی اور دیگر قرض فراہم کرنے والوں کے اعتماد میں اضافہ ہوگا۔

مشترکہ فنڈ کی صنعت کا جانزہ:








مشترکہ فنڈ کی صنعت کے زیر انتظام (اثاثہ جات - AUM) میں 1HFY19 کے دوران 3.1% کی کمی آئی ہے (648 ارب روپے سے 628 روپے



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