



ABL Government Securities Fund

# Half Yearly Report

CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE PERIOD ENDED DECEMBER 31, 2018



ABL Asset Management

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# ABL GOVERNMENT SECURITIES FUND FUND'S INFORMATION

<b>Management Company:</b>	ABL Asset Management Company Limited Plot/Building # 14, Main Boulevard, DHA, Phase - VI, Lahore - 54810	
<b>Board of Directors</b>	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
<b>Audit Committee:</b>	Mr. Muhammad Kamran Shehzad Mr. Muhammad Waseem Mukhtar Mr. Pervaiz Iqbal butt	Chairman Member Member
<b>Human Resource and Remuneration Committee</b>	Mr. Muhammad Waseem Mukhtar Mr. Pervaiz Iqbal butt Mr. Alee Khalid Ghaznavi Mr. Muhammad Kamran Shehzad	Chairman Member Member Member
<b>Chief Executive Officer of The Management Company:</b>	Mr. Alee Khalid Ghaznavi	
<b>Chief Financial Officer &amp; Company Secretary:</b>	Mr. Saqib Matin	
<b>Chief Internal Auditor:</b>	Mr. Kamran Shehzad	
<b>Trustee:</b>	Central Depository Company of Pakistan Ltd. CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi - 74400	
<b>Bankers to the Fund:</b>	Allied Bank Limited Bank Al- Falah Limited Faysal Bank Limited JS Bank Limited Sindh Bank Limited	
<b>Auditor:</b>	M/S. A.F. Ferguson & Co. Chartered Accountants State life Building No. 1-C I.I Chundrigar Road, Karachi.	
<b>Legal Advisor:</b>	Ijaz Ahmed & Associates Suite # 7, 11th Zamzama Street Phase-V, DHA Karachi.	
<b>Registrar:</b>	ABL Asset Management Company Limited. L - 48, Defence Phase - VI, Lahore - 74500	



# ABL GOVERNMENT SECURITIES FUND

## REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

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The Board of Directors of ABL Asset Management Company Limited, the management company of ABL Government Securities Fund (ABL-GSF), is pleased to present the Condensed Interim Financial Statements (un-audited) of ABL Government Securities 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

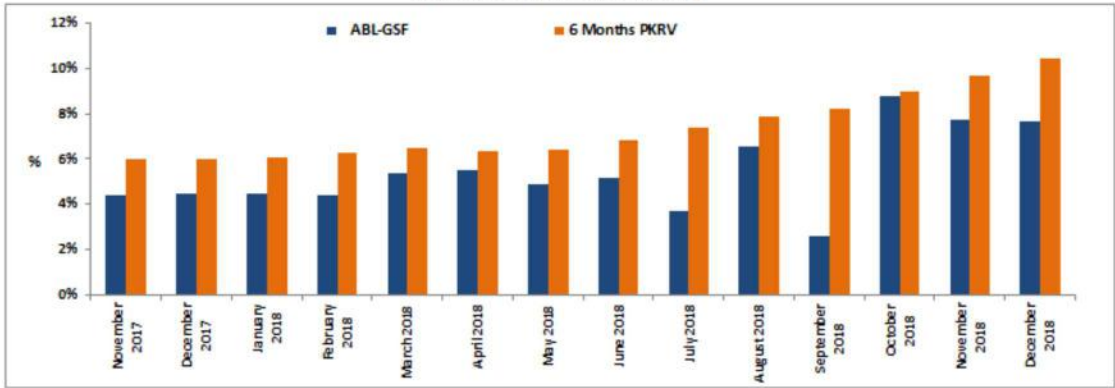
The period under review remained tough for the country amid rising inflation and lower foreign exchange reserves to meet the external obligations of the country. In order to contain the increasing inflation, the State Bank Pakistan raised the discount rate by a total 425bps during last twelve months 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

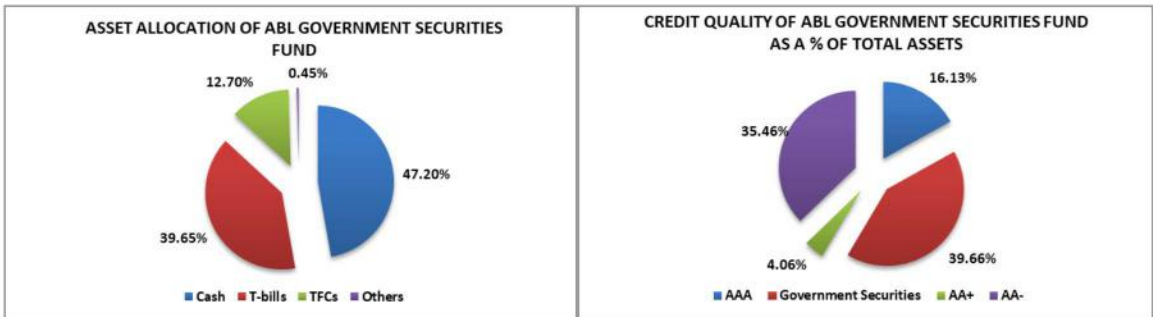
ABL GSF yielded an annualized return of 6.26% during 1HFY19 against the benchmark performance of 8.71%, thus showing an underperformance of 245 bps. Fund's return remained under pressure due to the steep increase in Policy Rates against slow readjustment of corporate debt portfolio. Lack of trading opportunities in longer tenor instruments (PIBs) also prevented the fund from generating trading alpha.



ABL - GSF Vs Benchmark (MOM Returns)



During the period, ABL Government Securities Fund’s AUM reduced by 30.01% to PKR 2,195.11 million from PKR 3,136.62 million in June 2018 as result of expected year end redemptions. Due to the expectations of Policy Rate increase investors shifted their exposure towards shorter tenor Funds. At the end of the period, investment in Government Securities (T-Bills) stood at 39.65% of total assets. Moreover, exposure in TDRs, TFCs and cash assets stood at 0%, 12.7% & 47.20% of total portfolio, respectively. At the end of Dec’18, the fund’s WAM increased to 414 days from 328 days in June 2018 due to aforementioned changes in the asset allocation.



## 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.

## AUDITORS

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

## FUND STABILITY RATING

JCR-VIS Credit Rating Company Ltd. (JCR-VIS) on January 16, 2018, has reaffirmed the Fund Stability Rating of ABL Government Securities 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'.

## 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**



**Head Office**

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S.M.C.H.S. Main Shahra-e-Faisal  
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**TRUSTEE REPORT TO THE UNIT HOLDERS**

**ABL GOVERNMENT SECURITIES 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 Government Securities Fund (the Fund) are of the opinion that ABL Asset Management Company Limited being the Management Company of the Fund has in all material respects managed the Fund during the 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 Government Securities Fund** (the Fund) as at December 31, 2018 and the related condensed interim income statement, 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 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) 32426682-5/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

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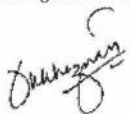
**ABL GOVERNMENT SECURITIES FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT DECEMBER 31, 2018**

	(Un-audited) December 31, 2018	(Audited) June 30, 2018
Note	----- (Rupees in '000) -----	
<b>Assets</b>		
Bank balances	4 1,777,595	2,414,536
Investments	5 1,972,618	2,970,909
Interest / profit accrued	15,710	17,786
Deposit, prepayment and other receivable	1,428	566
<b>Total assets</b>	<b>3,767,351</b>	<b>5,403,797</b>
<b>Liabilities</b>		
Payable to ABL Asset Management Company Limited - Management Company	6 59,780	53,514
Payable to the Central Depository Company of Pakistan Limited - Trustee	241	286
Payable to the Securities and Exchange Commission of Pakistan Limited	1,041	2,201
Payable against redemption of units	3,900	77
Payable against purchase of investment	1,494,200	2,199,168
Accrued expenses and other liabilities	7 13,078	11,936
<b>Total liabilities</b>	<b>1,572,240</b>	<b>2,267,182</b>
<b>NET ASSETS</b>	<b>2,195,111</b>	<b>3,136,615</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>	<b>2,195,111</b>	<b>3,136,615</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	8	
	----- (Number of units) -----	
<b>NUMBER OF UNITS IN ISSUE</b>	<b>211,757,415</b>	<b>297,923,704</b>
	----- (Rupees) -----	
<b>NET ASSET VALUE PER UNIT</b>	<b>10.3662</b>	<b>10.5283</b>

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

For ABL Asset Management Company Limited  
(Management Company)

  
SAQIB MATIN  
CHIEF FINANCIAL OFFICER

  
ALEE KHALID GHAZNAVI  
CHIEF EXECUTIVE OFFICER

  
MUHAMMAD KAMRAN SHEHZAD  
DIRECTOR

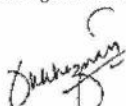
**ABL GOVERNMENT SECURITIES FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018**

	Half year ended		Quarter	
	December 31,		ended December 31,	
	2018	2017	2018	2017
	(Rupees in '000)			
<b>Income</b>				
Income from government securities	33,002	37,711	13,403	20,715
Income from reverse repo transactions	333	-	-	-
Income from term deposit receipts	3,695	12,669	3,695	4,233
Income from term finance certificates and sukus	21,016	13,539	10,946	6,501
Profit on savings accounts	66,549	31,326	35,417	17,162
(Loss) / gain on sale of investments - net	(2,526)	717	(2,510)	505
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	5.6 (8,297)	1,559	3,840	(101)
	(10,823)	2,276	1,330	404
<b>Total income</b>	113,772	97,521	64,791	49,015
<b>Expenses</b>				
Remuneration of ABL Asset Management Company Limited - Management Company	6.1 17,356	18,493	7,932	9,490
Punjab sales tax on remuneration of the Management Company	6.2 2,777	2,834	1,269	1,518
Accounting and operational charges	6.4 1,387	1,477	635	759
Selling and marketing expenses	6.5 5,547	-	2,538	-
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	1,419	1,488	665	759
Sindh sales tax on remuneration of the Trustee	186	194	87	99
Annual fee to the Securities and Exchange Commission of Pakistan Limited	1,041	1,110	476	570
Securities transaction costs	43	146	20	59
Settlement and bank charges	59	74	5	35
Auditors' remuneration	234	281	129	179
Printing charges	100	189	12	101
Annual listing fee	14	18	5	11
Annual rating fee	134	129	67	64
<b>Total operating expenses</b>	30,297	26,433	13,840	13,644
<b>Net income for the period before taxation</b>	83,475	71,088	50,951	35,371
Taxation	9 -	-	-	-
<b>Net income for the period after taxation</b>	83,475	71,088	50,951	35,371
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	83,475	71,088	50,951	35,371
<b>Earnings per unit</b>	10			
<b>Allocation of net income for the period:</b>				
Net income for the period after taxation	83,475	71,088	50,951	35,371
Income already paid on units redeemed	(19,657)	(7,256)	(15,083)	749
	63,818	63,832	35,868	36,120
<b>Accounting income available for distribution:</b>				
-Relating to capital gains	-	2,276	1,330	404
-Excluding capital gains	63,818	61,556	34,538	35,716
	63,818	63,832	35,868	36,120

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

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 GOVERNMENT SECURITIES FUND**  
**CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

	Half year ended December 31, 2018			Half year ended December 31, 2017		
	Capital Value	Undistributed Income	Total	Capital Value	Undistributed Income	Total
	(Rupees in '000)					
Net assets at beginning of the period (audited)	3,002,011	134,604	3,136,615	3,787,532	6,747	3,794,279
Issue of 57,429,067 (2017: 73,531,750 units)						
- Capital value (at net asset value per unit at the beginning of the period)	578,587	-	578,587	736,641	-	736,641
- Element of income	6,512	-	6,512	9,654	-	9,654
Total proceeds on issuance of units	585,099	-	585,099	746,295	-	746,295
Redemption of 143,595,356 units (2017: 172,135,490 units)						
- Capital value (at net asset value per unit at the beginning of the period)	1,444,272	-	1,444,272	1,724,453	-	1,724,453
- Element of loss	3,134	19,657	22,791	4,625	7,256	11,881
Total payments on redemption of units	1,447,406	19,657	1,467,063	1,729,078	7,256	1,736,334
Total comprehensive income for the period	-	83,475	83,475	-	71,088	71,088
Distribution during the period @ Re 0.3994 per unit on July 3, 2018	(18,892)	(100,099)	(118,991)	-	-	-
Distribution during the period @ Re 0.0800 per unit on August 1, 2018	(5,006)	(19,018)	(24,024)	-	-	-
Net (loss) / income for the period less distribution	(23,898)	(35,642)	(59,540)	-	71,088	71,088
Net assets at end of the period (un-audited)	2,115,806	79,305	2,195,111	2,804,749	70,579	2,875,328
Undistributed income brought forward						
- Realised income		131,427			6,566	
- Unrealised income		3,177			181	
Accounting income available for distribution		134,604			6,747	
- Relating to capital gains		-			2,276	
- Excluding capital gains		63,818			61,556	
Distribution during the period		63,818			63,832	
Undistributed income carried forward		(119,117)			-	
Undistributed income carried forward		79,305			70,579	
- Realised income		87,602			69,020	
- Unrealised (loss) / income		(8,297)			1,559	
		79,305			70,579	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period			10.5283			10.0180
Net assets value per unit at end of the period			10.3662			10.2639

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

For ABL Asset Management Company Limited  
(Management Company)

  
**SAQIB MATIN**  
 CHIEF FINANCIAL OFFICER

  
**ALEE KHALID GHAZNAVI**  
 CHIEF EXECUTIVE OFFICER

  
**MUHAMMAD KAMRAN SHEHZAD**  
 DIRECTOR

**ABL GOVERNMENT SECURITIES 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)-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	83,475	71,088
<b>Adjustments:</b>		
Income from government securities	(33,002)	(37,711)
Income from term deposit receipts	(3,695)	(12,669)
Income from term finance certificates and sukuks	(21,016)	(13,539)
Profit on savings accounts	(66,549)	(31,326)
Income from reverse repo transactions	(333)	-
Net unrealised diminution /(appreciation)on re-measurement of classified as financial assets at fair value through profit or loss - net	8,297	(1,559)
	(116,298)	(96,804)
<b>(Increase) / decrease in assets</b>		
Deposit, prepayment and other receivable	(862)	328
<b>(Decrease) / increase in liabilities</b>		
Payable to ABL Asset Management Company Limited - Management Company	6,266	(795)
Payable to the Central Depository Company of Pakistan Limited - Trustee	(45)	(70)
Payable to the Securities and Exchange Commission of Pakistan	(1,160)	(3,968)
Accrued expenses and other liabilities	1,142	(52,227)
	6,203	(57,060)
Income received on government securities	33,002	43,007
Income received on term deposit receipts	3,822	8,903
Income received from reverse repo transactions	333	-
Income received on term finance certificates	18,873	8,384
Profit received on savings accounts	70,641	36,112
Net amount (paid) / received on purchase and sale of investments	(719,994)	777,174
<b>Net cash flows (used in) / generated from operating activities</b>	(620,805)	791,132
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash distribution paid	(143,015)	(50)
Receipts from issuance of units	585,099	746,295
Payments on redemption of units	(1,463,240)	(1,723,755)
<b>Net cash used in financing activities</b>	(1,021,156)	(977,510)
<b>Net decrease in cash and cash equivalents during the period</b>	(1,641,961)	(186,378)
Cash and cash equivalents at the beginning of the period	4,913,696	2,730,075
<b>Cash and cash equivalents at the end of the period</b>	3,271,735	2,543,697

4.2

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

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 GOVERNMENT SECURITIES FUND

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

### 1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 ABL Government Securities Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered into on November 01, 2011 between ABL Asset Management Company Limited (ABL AMCL) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed has not been revised. Furthermore, the Offering Document of the Fund has been revised through the First, Second, Third, Fourth, Fifth and Sixth Supplements dated January 12, 2012, May 31, 2012, July 30, 2013, February 10, 2014, October 01, 2014 and October 06, 2016 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 / ABLAMC / 439 / 2011 dated October 31, 2011 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 November 29, 2011 and are transferable and redeemable by surrendering them to the Fund.

1.3 The objective of the scheme is to deliver optimal risk adjusted returns by investing mainly in mix of short to long term Government Securities and other debt Instruments. The investment objectives and policies are explained in the Fund's offering document.

1.4 JCR-VIS Credit Rating Company Limited 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 is 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 published approved 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) -----	
<b>4</b>	<b>BANK BALANCES</b>		
	Balances with banks in savings accounts	1,777,595	2,414,536

4.1 This includes balance of Rs 606.938 million (June 30, 2018: Rs 651.331 million) maintained with Allied Bank Limited (a related party) that carries profit at 10.80% per annum (June 30, 2018: 7.40%). Other profit and loss saving accounts of the Fund carry profit rates ranging from 8.00% to 11.70% per annum (June 30, 2018: 3.75% to 7.59% per annum).

		(Un-audited) December 31, 2018	(Audited) June 30, 2018
		----- (Rupees in '000) -----	
<b>4.2</b>	<b>Cash and cash equivalents</b>		
	Bank balances	1,777,595	2,414,536
	Market Treasury Bill with original maturity of less than 3 months	1,494,140	2,199,160
	Term deposit receipt	-	300,000
		<u>3,271,735</u>	<u>4,913,696</u>

### 5 INVESTMENTS

#### At fair value through profit or loss

-	Government Securities - Market Treasury Bill	1,494,140	2,199,160
-	Term Finance Certificates - unlisted	318,473	326,520
-	Government Securities - Pakistan Investment Bonds	-	-
-	Sukuk Certificates - listed	100,005	100,200
-	Sukuk Certificates - unlisted	60,000	45,029
-	Term Deposit Receipt	-	300,000
		<u>1,972,618</u>	<u>2,970,909</u>

### 5.1 Government Securities - Market Treasury Bills

Tenor	Face Value (Rupees in '000)				Rupees in '000		Percentage	
	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 investments	Market value as a percentage of net assets
3 Months	2,200,000	54,906,500	55,606,500	1,500,000	1,494,200	1,494,140	75.74%	68.07%
Total	<u>2,200,000</u>	<u>54,906,500</u>	<u>55,606,500</u>	<u>1,500,000</u>	<u>1,494,200</u>	<u>1,494,140</u>	<u>75.74%</u>	<u>68.07%</u>
Total - June 30, 2018					<u>2,199,168</u>	<u>2,199,160</u>	<u>74.02%</u>	<u>70.11%</u>



5.11 Market treasury bills carry purchase yield of 10.12% (June 30, 2018: 6.90%) per annum and will mature on January 17, 2019 (June 30, 2018: July 5, 2018).

## 5.2 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 investment	Market value as a Percentage of net assets	Investment as a Percentage of total issue size
<b>Commercial Bank</b>									
Habib Bank Limited (Face value of Rs. 99,900 per certificate)	-	200	200	-	-	-	-	-	-
Bank of Punjab (Face value of Rs. 99,920 per certificate)	170	-	-	170	174,697	168,847	8.56%	7.69%	6.83%
<b>Investment Companies</b>									
Jahangir Siddiqui & Company Limited - TFC X (Face value of Rs. 5,000 per certificate)	30,000	-	-	30,000	151,789	149,626	7.59%	6.82%	10.00%
<b>Total</b>	<u>3170</u>	<u>200</u>	<u>200</u>	<u>3170</u>	<u>326,486</u>	<u>318,473</u>	<u>16.15%</u>	<u>14.51%</u>	
Total - June 30, 2018					<u>322,864</u>	<u>326,520</u>	<u>10.99%</u>	<u>10.41%</u>	

## 5.3 Government Securities - Pakistan Investment Bonds

Issue date	Tenor	Face value (Rupees in '000)			Rupees in '000		Market value as a Percentage of total investment	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		
July 18, 2013	5 years	-	1,000,000	1,000,000	-	-	-	-
August 9, 2018	10 years	-	125,000	125,000	-	-	-	-
<b>Total</b>		<u>-</u>	<u>1,125,000</u>	<u>1,125,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total - June 30, 2018								

## 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 investment	Market value as a Percentage of net assets	Investment as a Percentage of total issue size
<b>Fertilizer</b>									
Dawood Hercules Corporation Limited (I) (Face value of Rs. 100,000 per certificate)	1,000	-	-	1,000	100,200	100,005	5.07%	4.56%	192%
<b>Total</b>	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>100,200</u>	<u>100,005</u>	<u>5.07%</u>	<u>4.56%</u>	
Total - June 30, 2018					<u>100,700</u>	<u>100,200</u>	<u>3.37%</u>	<u>3.19%</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 investment	Market value as a Percentage of net assets	Investment as a Percentage of total issue size
<b>Fertilizer</b>									
Dawood Hercules Corporation Limited (II) (Face value of Rs. 100,000 per certificate)	450	150	-	600	60,029	60,000	3.04%	2.73%	100%
<b>Total</b>	<u>450</u>	<u>150</u>	<u>-</u>	<u>600</u>	<u>60,029</u>	<u>60,000</u>	<u>3.04%</u>	<u>2.73%</u>	
Total - June 30, 2018					<u>45,000</u>	<u>45,029</u>	<u>152%</u>	<u>144%</u>	



5.6	Unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss - net	Note	(Un-audited)	(Audited)
			December 31, 2018	June 30, 2018
			------(Rupees in '000)-----	
	Market value of securities	5.1, 5.2, 5.3, 5.4, 5.5	1,972,618	2,970,909
	Less: carrying value of securities	5.1, 5.2, 5.3, 5.4, 5.5	1,980,915	2,967,732
			<u>(8,297)</u>	<u>3,177</u>

**6 PAYABLE TO ABL ASSET MANAGEMENT COMPANY LIMITED - RELATED PARTY**

Management fee payable	6.1	2,491	3,185
Punjab sales tax on remuneration of the Management Company	6.2	6,549	6,660
Federal excise duty on remuneration of the Management Company	6.3	41,987	41,987
Accounting and operational charges payable	6.4	1,387	764
Sales load payable		902	-
Selling and marketing expenses payable	6.5	6,464	918
		<u>59,780</u>	<u>53,514</u>

**6.1** The Management Company has charged remuneration at the rate of 1.25% (June 30, 2018: 1.25%) 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. 2.777 million (2017: Rs 2.834 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 41.987 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 0.198 (June 30, 2018: Re 0.141 ) 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 period.

**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. 5.547 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.

7	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	(Un-audited)	(Audited)
			December 31, 2018	June 30, 2018
			----- (Rupees in '000) -----	
	Auditors' remuneration payable		354	415
	Brokerage payable		12	22
	Rating fee payable		134	-
	Printing charges payable		148	150
	Withholding tax payable		1,200	119
	Provision for Sindh Workers' Welfare Fund	7.1	10,609	10,609
	Other payable		621	621
			<u>13,078</u>	<u>11,936</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 10.609 million (June 30, 2018: Rs 10.609 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 0.050 ( June 30, 2018: Re 0.036) per unit.

## 8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 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 1.10% which includes 0.15% 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 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	Half Year ended December 31, 2017
	-----Rupees in '000-----	
<b>ABL Asset Management Company Limited - Management Company</b>		
Remuneration for the period	17,356	18,493
Punjab sales tax on remuneration	2,777	2,834
Accounting and operational charges	1,387	1,477
Selling and marketing expenses	5,547	-
Sales load paid	87	40
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration for the period	1,419	1,488
Sindh sales tax on remuneration	186	194
Settlement charges	13	6
<b>Allied Bank Limited</b>		
Profit on saving account	3,932	2,970
Bank charges	3	30
<b>Murree Brewery Company Limited</b>		
Redemption of 32,698,819 (2017: Nil) units	334,963	-
<b>Coronet Foods (Private) Limited</b>		
Issue of 1,269,249 (2017: Nil) units	12,846	-
Redemption of Nil (2017: 28,474,250) units	-	285,617

	(Un-audited)	
	Half Year ended December 31, 2018	Half Year ended December 31, 2017
-----Rupees in '000-----		
<b>English Biscuit Manufacturers (Private) Limited</b>		
Issue of 3,100,035 (2017: Nil) units	31,374	-
Redemption of Nil (2017: 69,545,959) units	-	697,595
<b>ABL Financial Planning Fund - Conservative Allocation Plan</b>		
Issue of 160,511 (2017: 3,875,589) units	1,624	39,590
Redemption of 928,496 (2017: 16,750) units	9,420	172
<b>ABL Financial Planning Fund - Active Allocation Plan</b>		
Issue of 820,718 (2017: 17,496,006) units	8,307	177,723
Redemption of 3,384,579 (2017: 1,604,260) units	34,545	16,352
<b>ABL Financial Planning Fund - Strategic Allocation Plan</b>		
Issue of 214,767 (2017: 4,987,365) units	2,174	50,890
Redemption of 4,722,197 (2017: 105,963) units	47,948	1,086

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

	(Un-audited)	(Audited)
	December 31, 2018	June 30, 2018
-----Rupees in '000-----		
<b>ABL Asset Management Company Limited - Management Company</b>		
Remuneration payable	2,491	3,185
Punjab sales tax on remuneration	6,549	6,660
Federal excise duty on remuneration	41,987	41,987
Accounting and operational charges payable	1,387	764
Selling and marketing charges payable	6,464	918
Sales load payable	902	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable	213	253
Sindh sales tax on remuneration	28	33
Security deposit	100	100
<b>Allied Bank Limited</b>		
Balances held	606,938	651,331
Profit receivable	1,241	786
<b>English Biscuit Manufacturers (Private) Limited</b>		
Outstanding 79,590,506 (June 30, 2018: 76,490,471) units	825,051	805,315
<b>Murree Brewery Company Limited *</b>		
Outstanding Nil (June 30, 2018: 31,425,206) units	-	330,854
<b>Coronet Foods (Private) Limited</b>		
Outstanding 32,586,796 (June 30, 2018: 31,317,546) units	337,801	329,721
<b>ABL Financial Planning Fund - Conservative Allocation Plan</b>		
Outstanding 2,600,700 (June 30, 2018: 3,368,685) units	26,959	35,467
<b>ABL Financial Planning Fund - Active Allocation Plan</b>		
Outstanding 14,909,782 (June 30, 2018: 17,473,643) units	154,558	183,968
<b>ABL Financial Planning Fund - Strategic Allocation Plan</b>		
Outstanding Nil (June 30, 2018: 4,507,430) units	-	47,456



\*Current period figure has not been presented as the person is not classified as a related party / connected person of the Fund as at December 31, 2018.

### 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)			
<b>Financial assets 'at fair value through profit or loss'</b>				
Government Securities - Market Treasury Bill	-	1,494,140	-	1,494,140
Term Finance Certificates - unlisted	-	318,473	-	318,473
Sukuk Certificates - listed	-	100,005	-	100,005
Sukuk Certificates - unlisted	-	60,000	-	60,000
	-	<b>1,972,618</b>	-	<b>1,972,618</b>

(Audited)			
As at June 30, 2018			
Level 1	Level 2	Level 3	Total
(Rupees in '000)			
<b>Financial assets 'at fair value through profit or loss' - net</b>			
Government Securities - Market Treasury Bill	-	2,199,160	-
Term Finance Certificates - unlisted	-	326,520	-
Sukuk Certificates - listed	-	100,200	-
Sukuk Certificates - unlisted	-	45,029	-
Term Deposit Receipt *	-	-	300,000
	<b>2,670,909</b>	<b>300,000</b>	<b>2,970,909</b>

\* The carrying value of these securities approximate their fair value since these are short term in nature and are placed with counterparties which have high credit rating.

#### 14 GENERAL

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

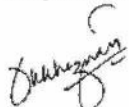
14.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for better presentation and disclosure. There have been no significant reclassifications during the period.

#### 15 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on February 06, 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



## 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، ٹرسٹی (سینٹرل ڈیپازٹری کمپنی 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۔

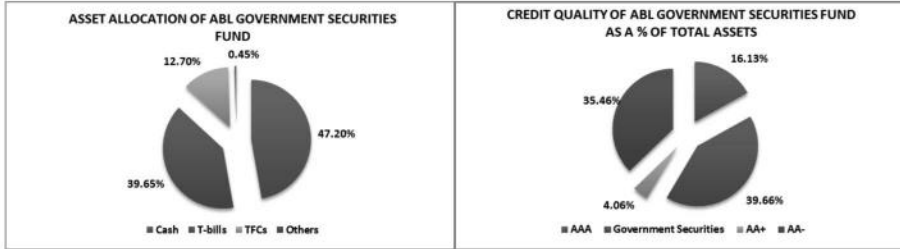
## برائے اور منجانب منتظمین:

علی خالد غزنوی  
سربراہ

منتظم  
06 فروری 2019



اس مدت کے دوران اے بی ایل (GSF) فنڈ کے ماتحت اثاثہ جات جون 2018 میں متوقع ادائیگیوں کی وجہ سے 3136.62 بلین روپے کم ہو کر 2195.11 بلین روپے تک %30.01 کم ہو گئے ہیں۔ پالیسی ریٹس میں متوقع اضافہ کے پیش نظر سرمایہ کاروں نے اپنی توجہ مختصر المیعاد فنڈز کی طرف کر لی۔ مدت کے اختتام پھر گورنمنٹ سیکورٹیز میں سرمایہ کاری %39.65 تک پہنچ گئی۔ TDR اور TFC میں زیادہ رجحان کی وجہ سے نقد اثاثہ جات بالترتیب مکمل پوٹ فولیو کے %12.7 اور %47.20 تک پہنچ گئے۔ دسمبر 2018 کے اختتام تک فنڈ کا WAM جون 2018 میں 328 سے 414 دن تک ہو گیا جس کی وجہ سے اوپر بیان کردہ اثاثہ جات کی تقسیم میں کمی کی تبدیلیاں ہیں۔



## مستقبل کا خاکہ :-

بقیہ مالی سال 2019 میں شرح سود میں اضافہ کی وجہ سے کسی بہتر تبدیلی کی توقع نہیں ہے کیونکہ حقیقتاً ریٹس میں پہلی ہی 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 گئے۔ اسکے 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۔

ہماری حکمت عملی یہ ہوگی کہ بینک ڈیپازیشن اور TDR کے ذریعے کاروباری منافع کے اضافے کو زیادہ سے زیادہ جاری رکھا جائے۔ فنڈ 6 ماہ کے T-Bill میں حصہ لے گا تا کہ نسبتاً زیادہ منافع کمایا جاسکے اور 3 ماہ کے T-Bill کے مقابلے میں بہتر کاروباری فائدہ حاصل کیا جاسکے۔

## محاسب کار :-

میرز فرگوسن اینڈ کمپنی کو اے بی ایل گورنمنٹ سیکورٹیز فنڈ (ABL-GSF) کا برائے مالی سال 30 جون 2019 تک محاسب کار مقرر کیا گیا۔

## فنڈ کے استحکام کی درجہ بندی :-

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

## انتظامی معیار کی درجہ بندی :

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



1.1% اضافہ ہوا تھا۔ روایتی اور اسلامی ایکویٹی سمیت ایکویٹی فنڈ نے 12.2% اور 18.3% کمی کی ہے۔ بہر حال انڈسٹری نے گزشتہ سال کی اسی مدت کے مقابلے میں دسمبر 2018 تک 1.5% YoY کے 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 بالترتیب 121 ارب روپے اور 85 ارب روپے پر بند ہوئے۔

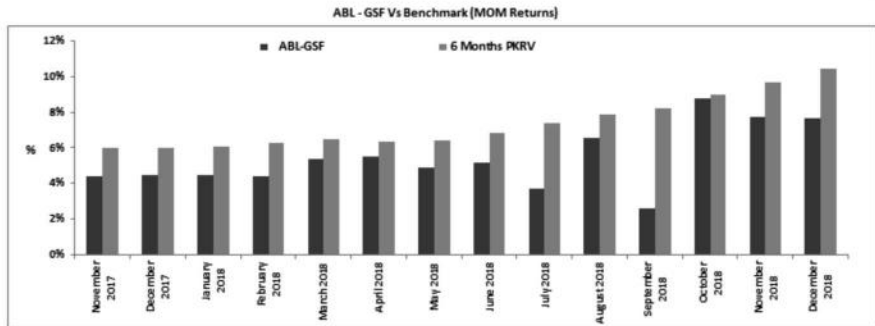
بنیادی طور پر یہ کمی مارکیٹ کی خراب کارکردگی سے اخذ کی جاسکتی ہے۔ H1FY19 میں 11.5% سے 100KSE انڈیکس منفی ہوا اور اس کی وجہ مارکیٹ کی غیر یقینی صورتحال ہے جس سے سرمایہ کاروں میں منفی جذبات پروان چڑھے۔ فلپ کی طرف (جارجانہ آمدنی اور کرنسی مارکیٹ کے فنڈز پر مشتمل) مقرر شدہ آمدنی والے زمرے میں H1FY19 میں 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% اضافہ ہوا جبکہ اسکی حد 47 ارب روپے تک تھی۔

### کرنسی مارکیٹ کا جائزہ:

بڑھتی ہوئی مہنگائی اور زرمبادلہ کے 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 لئے اسٹیٹ بینک آف پاکستان نے گزشتہ بارہ ماہ کے دوران ڈسکاونٹ 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 13.15% 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 برنس پوائنٹس سے 3.98 برنس پوائنٹس کا اضافہ ہوا۔

### فنڈ کی کارکردگی:

اے بی ایل (GSF) فنڈ نے 245 برنس پوائنٹس کی کم کارکردگی ظاہر کرتے ہوئے مقرر کردہ معیار 8.71% کے مقابلے میں H1FY19 میں 6.26% کا منافع ظاہر کیا ہے۔ فنڈ کا منافع دباؤ کا شکار رہا کیونکہ پالیسی ریٹ میں تیز اضافہ ہوا کارپوریٹ ڈیٹ پورٹ فولیو کی نہایت آہستہ تبدیلی کی وجہ سے۔ لمبی مدت کے انسٹرومنٹ میں کاروباری مواقع کی کمی نے بھی فنڈ کو تجارتی منافع پیدا کرنے سے روک رکھا۔



## آگاہی منجانب منتظمین کمپنی

اے بی ایل گورنمنٹ سیکورٹی فنڈ (ABL-GSF) کی انتظامی کمپنی ABL ایسٹ مینجمنٹ کمپنی لمیٹیڈ کے بورڈ آف ڈائریکٹرز اے بی ایل گورنمنٹ سیکورٹی فنڈ کے جامع مالیاتی (غیر مجاہسی) 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 این نئے دور کا آغاز ہوا۔ 25 جولائی 2018 کے عام انتخابات کے بعد اقتدار اور جمہوری عمل کے تسلسل کی کامیاب منتقلی نے سیاسی شو کو کم کر دیا ہے لیکن معاشی محاذ پر چیلنج ابھی موجود ہیں۔

اگرچہ نئی 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 جو کہ 3.75% تھی 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 14% کمی کی گئی۔ اسٹیٹ بینک آف پاکستان نے اس طرح کا مؤقف اپنایا ہے۔ جس سے پالیسی ریٹ میں 350bps 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 (CAD) کا خسارہ مالی سال 1HFY18 کے دوران 4.4 تک 7.9 امریکی ارب ڈالر تک کم ہوا جبکہ 1HFY18 میں یہ خسارہ 8.4 ارب امریکی ڈالر تھا۔ بیرون ملک کارکنوں کی ترسیلات زر 10% YoY امریکی ڈالرز جن کی اشد ضرورت بھی تھی۔ سعودی عرب سے 2 ارب ڈالر موصول ہونے کے باوجود زرمبادلہ 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 ادھار تیل کی وجہ سے مزید کم ہو جائیگا۔ مزید یہ کہ بین الاقوامی طور پر اشیاء کی گرتی ہوئی 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 کی کمی ہے۔ مالیاتی خسارے کو کم کرنے کیلئے حکومت ایک منی بجٹ میں جو جنوری 2019 میں متوقع ہے۔ 200 ارب کے محصولات بھی لگائے گی۔ اور IMF سے بھی معاملات طے ہونے کی توقع اسی ماہ میں ہے۔ آگے تیل کی بین الاقوامی (عالمی) گرتی ہوئی قیمتیں، محدود درآمدات، ترسیلات زر اور برآمدات میں اضافہ معیشت کو لاحق خطرات کا مقابلہ کریں گی حکومت درآمدات / محصولات اور ڈیپوٹیز میں اضافہ کر کے اور برآمدی صنعت کو چھوٹ دے کر برآمدات میں اضافے کے لئے کوشاں ہے۔ یہ بھی امید ہے کہ پاکستان IMF کے پروگرام میں 19-2018 کے مالی سال کی دوسری ششماہی میں شامل ہو جائیگا جس سے زرمبادلہ کم ہوتے ہوئے ذخائر میں مدد ملے گی۔ اور دوسرے قرض فراہم کرنے والوں کے اعتماد میں اضافہ ہوگا۔

## مشترکہ فنڈ کی صنعت کا جانزہ:

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





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