ABL Asset Management

GIPS Compliant Performance Report

For the Period

September, 2008 to March, 2021

ABL Asset Management

ABL Asset Management Company Limited (ABL AMC)
Equity Composite
For the Period from June 28, 2009 to March 31, 2021

Composite: ABL AMC Equity Composite
Creation Date: September 27, 2010
Reporting Currency: Pak Rupees

	Total Net Return (%)	Benchmark Return (%)	No. of Portfolios	Total Assets at end of period (mn)	Percentage of Firm's Assets (%)	Total assets of the Firm at the end of Period (mn)
3QFY21	27.67	25.68	11	10,385	13.60	76,538
FY20	(0.84)	8.60	10	7,369	12.22	60,285
FY19	(16.31)	(19.09)	<5	4,208	10.28	40,917
FY18	(16.21)	(10.00)	<5	6,495	15.41	42,144
FY17	33.05	23.24	5	9,715	22.67	42,849
FY16	9.92	0.37	<5	3,249	10.14	32,038
FY15	27.11	5.67	<5	2,256	7.67	29,422
FY14	32.90	25.96	<5	1,114	3.74	29,773
FY13	55.87	35.95	<5	783	3.51	22,293
FY12	26.30	2.90	<5	256	0.45	57,157
FY11	29.16	21.24	<5	642	3.70	17,355

Compliance Statement

ABL Asset Management Co Ltd claims compliance with the Global Investment Performance Standards (GIPS) and has prepared and presented this report in compliance with the GIPS standards. ABL AMC has not been independently verified.

Definition of the Firm

ABL Asset Management Company Limited ("ABL AMC" or the "Company" or the "Firm") is a wholly owned subsidiary of Allied Bank Limited (ABL). ABL AMC is licensed to undertake Asset Management and Investment Advisory services by Securities & Exchange Commission of Pakistan (SECP). The firm i.e. ABL AMC includes all Collective Investment Schemes (CISs) under its management and Separately Managed Accounts (SMAs).

Policies

ABL AMC's policies for valuing portfolios, calculating performance and preparing compliant presentations are available on request.

Composite Description

ABL AMC Equity Composite includes Equity Portfolio that aim to provide investors long-term capital appreciation by investing primarily in a mix of listed equities that offer prospects of capital gains and/or attractive dividend potential. The portfolios in this composite can also make temporary placements in fixed income and money market instruments, at the discretion of Fund Manager, in times of high volatility and/or bearish market outlook. List of portfolios is available on request.

Benchmark

The benchmark of ABL AMC Equity Composite is KSE-100 / 30 Index and returns of Benchmark are not net of withholding taxes. Prior to June 01, 2010 Benchmark for ABL Equity Fund was KSE-100 index. Calculation of benchmark is available on request.

Reason for change in benchmark

New portfolio(s) in the composite has been added having benchmark of KSE-30.

List of Composites

A list of all composite descriptions is available on request.

Fees

Returns are calculated net of management fees and other expenses (which mainly includes custodial fee, trustee expense, SECP Fee, WWF and other levies).

Fee Schedule

Management Fee is 1.50% - 2.00% of Net Assets with a discretionary 2.00% - 3.00% Front-end load. There is no Back-end load currently.

SMA

Management Fees: 0% - 0.35% of asset under management / average investment amount billed every month.

Performance Fee: 15% - 30% of outperformance over benchmark

Minimum Portfolio Size

The minimum portfolio size for inclusion in any composite is as follows:

For Collective Investment Schemes:	Rs.100 million
For Separately Managed Account:	Rs.50 million
For Voluntary Pension Scheme:	Rs.50 million

Internal Dispersion

Internal dispersion is calculated using the equal-weighted standard deviation of annual net returns of those portfolios that were included in the composite for the entire year.

Period	Internal Dispersion (%)
3QFY21	5.23
FY20	21.14
FY19	NA
FY18	NA
FY17	12.51
FY16	11.77
FY15	12.95

Ex-Post Standard Deviation

The three-year annualized ex-post standard deviation of the composite and Benchmark is as follows:

	Composite 3-Yr	Benchmark 3-Yr
Year	St Dev (%)	St Dev (%)
3QFY21	18.93	23.72
FY20	22.40	22.77
FY19	18.29	17.51
FY18	16.85	17.19
FY17	18.26	17.41
FY16	10.16	12.98
FY15	13.50	12.48
FY14	17.57	14.40
FY13	16.92	17.97
FY12	18.06	19.15

Key Assumptions

Following are the key assumptions used in portfolio valuation:

Financial Instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- amortized cost
- at fair value through other comprehensive income “(FVOCI)”
- at fair value through profit or loss (FVTPL) based on the business model of the entity

Revenue Recognition

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

Proprietary Assets in the Composite

Proprietary Assets in the composite contains investments of ABL Asset Management Company Limited, its Management and that of Allied Bank Limited (ABL AMC's parent company).

Liability for Income Tax

Under the income tax law in Pakistan, the CIS is regarded as a public company. The net income of the CIS is taxable, if the conditions stated under clause 99 of Part 1 of the Second Schedule of Income Tax Ordinance, 2001 are not met, at the tax rate applicable to a public company, which is presently as under:

(a) Dividend income is taxable at the applicable rates given in the Income Tax Ordinance, 2001 for public companies on gross basis.
(b) Capital gains arising on sale of securities, listed on Pakistan stock exchange at applicable tax rates in accordance with the Income Tax Ordinance, 2001.
(c) Return from all other sources/ instruments are taxable at the rate as applicable to a public company.

Liability for Income Tax, if ninety percent (90%) of the Fund's income is paid as dividend

Notwithstanding the tax rates and withholding tax the income of the CIS will be exempt from tax, if not less than ninety per cent (90%) of the income for the year is distributed amongst the Unit Holders as dividend. This includes only cash dividend as consequent to amendments in Income Tax Ordinance, 2001 through Finance Act, 2014, for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. The ninety per cent (90%) of the income shall be calculated after excluding capital gains and as reduced by such expenses as are chargeable to the CIS under the Regulations.

Withholding Tax

Under the provision of Clauses 47(B) of Part 4 of the Second Schedule to the Income Tax Ordinance, 2001, the CIS's income namely, dividend, profit on government securities, returns on deposits/ certificates of investment with banks/financial institutions, profits from money market placements, profit from Profit and Loss sharing accounts with Banks of the CIS will not be subject to any withholding tax until and unless we receive certificate of tax exemption from each exempted entity.

Significant Event

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 was passing 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 to 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 has been relocated on July 15, 2017 from the Province of Sindh to the Province of Punjab. Hence, due to the relocation, the Fund has not recorded provision in respect of SWWF since July 1, 2017.

2- During the current period, the Trust Act, 1882 has been repealed due to the promulgation of provincial trust acts as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration and annual renewal requirements under the relevant trust acts have been introduced. The Management Company in consultation with the MUFAP and the Trustee is currently deliberating upon the requirements of the newly enacted provincial trust acts and their implication on the Fund.

3- The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001. As a result of these amendments, companies are liable to withhold bonus shares at the rate of 5 percent. In accordance with the requirement of the Ordinance these shares shall only be released if the fund deposit tax is equivalent to 5% of the value of the bonus shares issued. The value of the tax is computed on the basis of the day-end price on the first day of book closure. In this regard, a constitution petition has been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs, which is pending adjudication. The petition is based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should not be applicable on bonus shares received by CISs. A stay order has been granted by the High Court of Sindh in favor of CIS's. During the year ended June 30, 2018, the Supreme Court of Pakistan passed a judgment on June 27, 2018, whereby the suits which are already pending or shall be filed in the future must only be continued/ entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities.
Accordingly, the CISs were required to pay a minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the year ended June 30, 2019. Subsequent to the year ending June 30, 2019, the CISs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019. In this regard, on July 15, 2019, the Sindh High Court

(SHC) issued notices to the relevant parties and ordered that no third-party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication and the Funds have included these shares in their portfolio, as the management is confident that the decision of the constitutional petition will be in favor of the CISs. Further, the Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on Pakistan Stock Exchange Limited issuing bonus shares to the shareholders, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund on or after July 1, 2018 were not withheld by the investee companies. The Equity Fund has included these shares in its portfolio, as the management believes that the decision of the constitutional petition will be in favor of the CISs.

Taxation of Unit Holders & Liability to Zakat

(a) Withholding Tax

Unless exempted from such taxation or applied at a reduced rate under any law or under avoidance of Double Taxation Agreement, profit distribution to Unit holders of the CIS will be subject to withholding tax as per the prevailing tax law.

(b) Capital Gains

Capital gains will be subject to capital gain tax (CGT) as per the prevailing tax law.

(c) Zakat levy

Units held by qualifying investors (Sahib-e-Nisab) as per Zakat and Ushr Ordinance, 1980 shall be subject to Zakat (levy) at the rate of 2.5% of the Par value of the Units or repurchase value of units whichever is lower as on valuation date in each Zakat year under Zakat and Ushr Ordinance, 1980, (XVII of 1980), except those exempted or have provided valid Zakat declaration form on the format prescribed in the Ordinance. Zakat will be deducted at source from the dividend amount or from the redemption proceeds whichever comes earlier.

ABL Asset Management Company Limited (ABL AMC)
Islamic Equity Composite
For the Period from June 12, 2013 to March 31, 2021

Composite:	ABL AMC Islamic Equity Composite
Creation Date:	September 27, 2013
Reporting Currency:	Pak Rupees

	Total Net Return (%)	Benchmark Return (%)	No. of Portfolios	Total Assets at end of period (mn)	Percentage of Firm's assets (%)	Total assets of the Firm at the end of Period (mn)
3QFY21	29.57	31.24	<5	4,929	6.50	76,538
FY20	0.16	12.42	<5	3,084	5.12	60,285
FY19	(16.31)	(23.84)	<5	2,727	6.66	40,917
FY18	(16.03)	(9.59)	<5	4,193	9.95	42,144
FY17	30.77	18.80	<5	6,378	14.88	42,849
FY16	5.75	15.53	<5	2,600	8.12	32,038
FY15	29.03	20.10	<5	2,646	8.99	29,422
FY14	24.67	29.89	<5	1,728	5.80	29,773
FY13*	(3.20)	(2.30)	<5	643	2.88	22,293

*Returns are from June 12, 2013 to June 30, 2013

Compliance Statement

ABL Asset Management Co Ltd claims compliance with the Global Investment Performance Standards (GIPS) and has prepared and presented this report in compliance with the GIPS standards. ABL AMC has not been independently verified.

Definition of the Firm

ABL Asset Management Company Limited ("ABL AMC" or the "Company" or the "Firm") is a wholly owned subsidiary of Allied Bank Limited (ABL). ABL AMC is licensed to undertake Asset Management and Investment Advisory services by Securities & Exchange Commission of Pakistan (SECP). The firm i.e. ABL AMC includes all Collective Investment Schemes (CISs) under its management and Separately Managed Accounts (SMAs).

Policies

ABL AMC's policies for valuing portfolios, calculating performance and preparing compliant presentations are available on request.

Composite Description

ABL AMC Islamic Equity Composite includes Islamic Equity Portfolio that aim to provide investors long-term capital appreciation by investing primarily in a mix of listed "Shariah Compliant" equities that offer prospects of capital gains and/or attractive dividend potential. The portfolios in this composite can also make temporary placements in Shariah Compliant Short term Government Securities, at the discretion of Fund Manager, in times of high volatility and/or bearish market outlook. The list of portfolios is available on request.

Benchmark

The benchmark of ABL AMC Islamic Equity Composite is KMI-30 Index and returns of Benchmark are not net of withholding taxes. Calculation of benchmark is available on request.

List of Composites

A list of all composite descriptions is available on request.

Fees

Returns are calculated net of management fees and other expenses (which mainly includes custodial fee, trustee expense, SECP Fee, WWF and other levies).

Fee Schedule

Management Fee is 0.5% - 2.00% of Net Assets with a discretionary up to 2.00% Front-end load. There is no Back-end load currently.

Minimum Portfolio Size

The minimum portfolio size for inclusion in any composite is as follows:
For Collective Investment Schemes: Rs.100 million
For Separately Managed Account: Rs.50 million
For Voluntary Pension Scheme: Rs.50 million

Internal Dispersion

Since the total portfolios in the composite are less than five therefore calculation of internal dispersion is not required.

Ex-Post Standard Deviation

The three-year annualized ex-post standard deviation of the composite and Benchmark is as follows:

	Composite 3-Yr	Benchmark 3-Yr
Year	St Dev (%)	St Dev (%)
3QFY21	19.86	28.72
FY20	26.70	28.28
FY19	17.81	20.15
FY18	16.72	18.86
FY17	17.63	18.24
FY16	11.23	13.67

Key Assumptions

Following are the key assumptions used in portfolio valuation:

Financial Instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- amortized cost
- at fair value through other comprehensive income "(FVOCI)"
- at fair value through profit or loss (FVTPL) based on the business model of the entity

Revenue Recognition

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

Proprietary Assets in the Composite

Proprietary Assets in the composite contains investments of ABL Asset Management Company Limited, its Management and that of Allied Bank Limited (ABL AMC's parent company).

Liability for Income Tax

Under the income tax law in Pakistan, the CIS is regarded as a public company. The net income of the CIS is taxable, if the conditions stated under clause 99 of Part 1 of the Second Schedule of Income Tax Ordinance, 2001 are not met, at the tax rate applicable to a public company, which is presently as under:

(a) Dividend income is taxable at the applicable rates given in the Income Tax Ordinance, 2001 for public companies on gross basis.

(b) Capital gains arising on sale of securities, listed on Pakistan stock exchange at applicable tax rates in accordance with the Income Tax Ordinance, 2001.

(c) Return from all other sources/ instruments are taxable at the rate as applicable to a public company.

Liability for Income Tax, if ninety percent (90%) of the Fund's income is paid as dividend

Notwithstanding the tax rates and withholding tax the income of the CIS will be exempt from tax, if not less than ninety per cent (90%) of the income for the year is distributed amongst the Unit Holders as dividend. This includes only cash dividend as consequent to amendments in

Income Tax Ordinance, 2001 through Finance Act, 2014, for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. The ninety per cent (90%) of the income shall be calculated after excluding capital gains and as reduced by such expenses as are chargeable to the CIS under the Regulations.

Withholding Tax

Under the provision of Clauses 47(B) of Part 4 of the Second Schedule to the Income Tax Ordinance, 2001, the CIS's income namely, dividend, profit on government securities, returns on deposits/ certificates of investment with banks/financial institutions, profits from money market placements, profit from Profit and Loss sharing accounts with Banks of the CIS will not be subject to any withholding tax until and unless we receive certificate of tax exemption from each exempted entity.

Significant Event

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 was passing 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 to 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 has been relocated on July 15, 2017 from the Province of Sindh to the Province of Punjab. Hence, due to the relocation, the Fund has not recorded provision in respect of SWWF since July 1, 2017.

2- During the current period, the Trust Act, 1882 has been repealed due to the promulgation of provincial trust acts as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration and annual renewal requirements under the relevant trust acts have been introduced. The Management Company in consultation with the MUFAP and the Trustee is currently deliberating upon the requirements of the newly enacted provincial trust acts and their implication on the Fund.

3- The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001. As a result of these amendments, companies are liable to withhold bonus shares at the rate of 5 percent. In accordance with the requirement of the Ordinance these shares shall only be released if the fund deposit tax is equivalent to 5% of the value of the bonus shares issued. The value of the tax is

computed on the basis of the day-end price on the first day of book closure. In this regard, a constitution petition has been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs, which is pending adjudication. The petition is based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should not be applicable on bonus shares received by CISs. A stay order has been granted by the High Court of Sindh in favor of CIS's. During the year ended June 30, 2018, the Supreme Court of Pakistan passed a judgment on June 27, 2018, whereby the suits which are already pending or shall be filed in the future must only be continued/ entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities.
Accordingly, the CISs were required to pay a minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the year ended June 30, 2019. Subsequent to the year ending June 30, 2019, the CISs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019. In this regard, on July 15, 2019, the Sindh High Court (SHC) issued notices to the relevant parties and ordered that no third-party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication and the Funds have included these shares in their portfolio, as the management is confident that the decision of the constitutional petition will be in favor of the CISs. Further, the Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on Pakistan Stock Exchange Limited issuing bonus shares to the shareholders, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund on or after July 1, 2018 were not withheld by the investee companies. The Equity Fund has included these shares in its portfolio, as the management believes that the decision of the constitutional petition will be in favor of the CISs.

Taxation of Unit Holders & Liability to Zakat

(a) Withholding Tax

Unless exempted from such taxation or applied at a reduced rate under any law or under avoidance of Double Taxation Agreement, profit distribution to Unit holders of the CIS will be subject to withholding tax as per the prevailing tax law.

(b) Capital Gains

Capital gains will be subject to capital gain tax (CGT) as per the prevailing tax law.

(c) Zakat levy

Units held by qualifying investors (Sahib-e-Nisab) as per Zakat and Ushr Ordinance, 1980 shall be subject to Zakat (levy) at the rate of 2.5% of the Par value of the Units or repurchase value of units whichever is lower as on valuation date in each Zakat year under Zakat and Ushr Ordinance, 1980, (XVII of 1980), except those exempted or have provided valid Zakat declaration form on the format prescribed in the Ordinance. Zakat will be deducted at source from the dividend amount or from the redemption proceeds whichever comes earlier.

ABL Asset Management

ABL Asset Management Company Limited (ABL AMC)
Fixed Income Composite
For the period from September 20, 2008 to March 31, 2021

Composite: ABL AMC Fixed Income Composite
Creation Date: September 27, 2010
Reporting Currency: Pak Rupees

	Total Net Return (%)	Benchmark Return (%)	No. of Portfolios	Net Assets at end of period (mn)	Percentage of Firm's Assets (%)	Net assets of the Firm at the end of Period (mn)
3QFY21	1.01	3.15	7	10,697	14.00	76,538
FY20	14.74	12.50	7	13,804	22.90	60,285
FY19	7.46	10.09	<5	4,588	11.21	40,917
FY18	4.85	6.32	<5	6,024	14.29	42,144
FY17	6.23	6.05	<5	7,750	18.09	42,849
FY16	7.80	11.28	<5	13,297	46.63	28,511
FY15	14.88	9.01	<5	11,139	37.86	29,422
FY14	8.61	9.82	<5	6,077	20.41	29,773
FY13	10.50	9.93	<5	4,316	19.36	22,293
FY12	11.90	12.38	<5	4,769	8.34	57,157
FY11	11.65	13.38	<5	4,879	28.11	17,355

Compliance Statement

ABL Asset Management Co Ltd claims compliance with the Global Investment Performance Standards (GIPS) and has prepared and presented this report in compliance with the GIPS standards. ABL AMC has not been independently verified.

Definition of the Firm

ABL Asset Management Company Limited ("ABL AMC" or the "Company" or the "Firm") is a wholly owned subsidiary of Allied Bank Limited (ABL). ABL AMC is licensed to undertake Asset Management and Investment Advisory services by Securities & Exchange Commission of Pakistan (SECP). The firm i.e. ABL AMC includes all Collective Investment Schemes (CISs) under its management and Separately Managed Accounts (SMAs).

Policies

ABL AMC's policies for valuing portfolios, calculating performance and preparing compliant presentations are available on request.

Composite Description

The fixed income composite, as per the SECP defined categorization of collective investment schemes, can invest in assets entailing a low to medium risk profile with a mid to long term duration. Asset classes consist of Corporate and Sovereign Debt Bonds, Bank Deposits, Treasury, investment grade counters. List of portfolios is available on request.

Benchmark

The benchmark of ABL AMC Fixed Income Composite is Average of 6 Months KIBOR/PKRV and the returns of benchmark are not net of withholding taxes. Calculation of benchmark is available on request.

List of Composites

A list of all composite descriptions is available on request.

Fees

Returns are calculated net of management fees and other expenses (which mainly includes custodial fee, trustee expense, SECP Fee, WWF and other levies).

Fee Schedule

Management Fee ranges 1.25% p.a. of Daily Net Assets for different CISs and Front-end load is 1.5%.

Minimum Portfolio Size

The minimum portfolio size for inclusion in any composite is as follows:

For Collective Investment Schemes:	Rs.100 million
For Separately Managed Account:	Rs.50 million
For Voluntary Pension Scheme:	Rs.50 million

Internal Dispersion

Internal dispersion is calculated using the equal-weighted standard deviation of annual net returns of those portfolios that were included in the composite for the entire year.

Period	Internal Dispersion (%)
3QFY21	N/A
FY20	1.86

Ex-Post Standard Deviation

The three-year annualized ex-post standard deviation of the composite and Benchmark is as follows:

Year	Composite 3-Yr St Dev (%)	Benchmark 3-Yr St Dev (%)
3QFY21	0.83	0.63
FY20	1.70	0.82
FY19	3.82	0.56
FY18	1.17	0.09
FY17	2.17	0.40
FY16	2.56	0.82
FY15	2.46	0.51
FY14	1.53	0.79
FY13	0.91	0.85
FY12	0.42	0.22

Key Assumptions

Following are the key assumptions used in portfolio valuation:

Financial Instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- amortized cost
- at fair value through other comprehensive income "(FVOCI)"
- at fair value through profit or loss (FVTPL) based on the business model of the entity

Revenue Recognition

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

Subjective Unobservable Inputs

ABL Asset Management uses subjective unobservable inputs for valuing some of its debt instruments like Term Finance Certificates. The criteria used for valuation is in accordance with the guidelines issued by Regulator through Circular 1 of 2009 (as amended from time to time) and unobservable inputs are disclosed through "Provisioning Policy" on the website of the Company.

Proprietary Assets in the Composite

Proprietary Assets in the composite contains investments of ABL Asset Management Company Limited, its Management and that of Allied Bank Limited (ABL AMC's parent company).

Liability for Income Tax

Under the income tax law in Pakistan, the CIS is regarded as a public company. The net income of the CIS is taxable, if the conditions stated under clause 99 of Part 1 of the Second Schedule of Income Tax Ordinance, 2001 are not met, at the tax rate applicable to a public company, which is presently as under:

(a) Dividend income is taxable at the applicable rates given in the Income Tax Ordinance, 2001 for public companies on gross basis.

(b) Capital gains arising on sale of securities, listed on Pakistan stock exchange at applicable tax rates in accordance with the Income Tax Ordinance, 2001.

(c) Return from all other sources/ instruments are taxable at the rate as applicable to a public company.

Liability for Income Tax, if ninety percent (90%) of the Fund's income is paid as dividend

Notwithstanding the tax rates and withholding tax the income of the CIS will be exempt from tax, if not less than ninety per cent (90%) of the income for the year is distributed amongst the Unit Holders as dividend. This includes only cash dividend as consequent to amendments in Income Tax Ordinance, 2001 through Finance Act, 2014, for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. The ninety per cent (90%) of the income shall be calculated after excluding capital gains and as reduced by such expenses as are chargeable to the CIS under the Regulations.

Withholding Tax

Under the provision of Clauses 47(B) of Part 4 of the Second Schedule to the Income Tax Ordinance, 2001, the CIS's income namely, dividend, profit on government securities, returns on deposits/ certificates of investment with banks/financial institutions, profits from money market placements, profit from Profit and Loss sharing accounts with Banks of the CIS will not be subject to any withholding tax until and unless we receive certificate of tax exemption from each exempted entity.

Significant Event

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 was passing 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 to 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 has been relocated on July 15, 2017 from the Province of Sindh to the Province of Punjab. Hence, due to the relocation, the Fund has not recorded provision in respect of SWWF since July 1, 2017.

2- During the current period, the Trust Act, 1882 has been repealed due to the promulgation of provincial trust acts as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration and annual renewal requirements under the relevant trust acts have been introduced. The Management Company in consultation with the MUFAP and the Trustee is currently deliberating upon the requirements of the newly enacted provincial trust acts and their implication on the Fund.

3- The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001. As a result of these amendments, companies are liable to withhold bonus shares at the rate of 5 percent. In accordance with the requirement of the Ordinance these shares shall only be released if the fund deposit tax is equivalent to 5% of the value of the bonus shares issued. The value of the tax is computed on the basis of the day-end price on the first day of book closure. In this regard, a constitution petition has been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs, which is pending adjudication. The petition is based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should not be applicable on bonus shares received by CISs. A stay order has been granted by the High Court of Sindh in favor of CIS's. During the year ended June 30, 2018, the Supreme Court of Pakistan passed a judgment on June 27, 2018, whereby the suits which are already pending or shall be filed in the future must only be continued/ entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities.
Accordingly, the CISs were required to pay a minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the year ended June 30, 2019. Subsequent to the year ending June 30, 2019, the CISs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019. In this regard, on July 15, 2019, the Sindh High Court

(SHC) issued notices to the relevant parties and ordered that no third-party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication and the Funds have included these shares in their portfolio, as the management is confident that the decision of the constitutional petition will be in favor of the CISs. Further, the Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on Pakistan Stock Exchange Limited issuing bonus shares to the shareholders, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund on or after July 1, 2018 were not withheld by the investee companies. The Equity Fund has included these shares in its portfolio, as the management believes that the decision of the constitutional petition will be in favor of the CISs.

Taxation of Unit Holders & Liability to Zakat

(a) Withholding Tax

Unless exempted from such taxation or applied at a reduced rate under any law or under avoidance of Double Taxation Agreement, profit distribution to Unit holders of the CIS will be subject to withholding taxes as per the prevailing tax law.

(b) Capital Gains

Capital gains will be subject to capital gain tax (CGT) as per the prevailing tax law.

(c) Zakat levy

Units held by qualifying investors (Sahib-e-Nisab) as per Zakat and Ushr Ordinance, 1980 shall be subject to Zakat (levy) at the rate of 2.5% of the Par value of the Units or repurchase value of units whichever is lower as on valuation date in each Zakat year under Zakat and Ushr Ordinance, 1980, (XVII of 1980), except those exempted or have provided valid Zakat declaration form on the format prescribed in the Ordinance. Zakat will be deducted at source from the dividend amount or from the redemption proceeds whichever comes earlier.

ABL Asset Management Company Limited (ABL AMC)
Money Market Composite
For the Period from July 30, 2010 to March 31, 2021

Composite:	ABL AMC Money Market Composite
Creation Date:	September 27, 2010
Reporting Currency:	Pak Rupees

	Total Net Return (%)	Benchmark Return (%)	No. of Portfolios	Total Assets at end of period (mn)	Percentage of Firm's assets (%)	Total assets of the Firm at the end of Period (mn)
3QFY21	5.09	0.72	<5	36,024	47.10	76,538
FY20	12.65	11.75	<5	27,027	44.83	60,285
FY19	9.02	8.72	<5	21,329	52.13	40,917
FY18	5.41	5.38	<5	13,290	31.53	42,144
FY17	8.55	5.39	<5	7,631	17.81	42,849
FY16	5.79	3.82	<5	2,603	8.12	32,038
FY15	9.37	6.06	<5	6,352	21.59	29,422
FY14	8.18	6.57	<5	15,396	51.71	29,773
FY13	9.11	6.61	<5	13,953	62.59	22,293
FY12	11.23	7.49	<5	16,385	28.67	57,157
FY11*	10.90	6.87	<5	10,651	61.37	17,355

*Returns are from July 30, 2010 to June 30, 2011

Compliance Statement

ABL Asset Management Co Ltd claims compliance with the Global Investment Performance Standards (GIPS) and has prepared and presented this report in compliance with the GIPS standards. ABL AMC has not been independently verified.

Definition of the Firm

ABL Asset Management Company Limited ("ABL AMC" or the "Company" or the "Firm") is a wholly owned subsidiary of Allied Bank Limited (ABL). ABL AMC is licensed to undertake Asset Management and Investment Advisory services by Securities & Exchange Commission of Pakistan (SECP). The firm i.e. ABL AMC includes all Collective Investment Schemes (CISs) under its management and Separately Managed Accounts (SMAs).

Policies

ABL AMC's policies for valuing portfolios, calculating performance and preparing compliant presentations are available on request.

Composite Description

The money market composite consists of low risk; highly liquid money market instruments according to the SECP defined categorization of CISs. Asset classes primarily entail short term money market and sovereign debt instruments and short term placement with AA and above rated Financial Institutions.

This composite offers stable yet competitive returns consistent with its low duration. List of portfolios is available on request.

Benchmark

The benchmark of ABL AMC Money Market composite is 70% Average of 3M PKRV rates and 30% 3M Average Deposit Rate of 3 AA rated banks. The returns of Benchmark are not net of withholding taxes. Calculation of benchmark is available on request.

List of Composites

A list of all composite descriptions is available on request.

Fees

Returns are calculated net of management fees and other expenses (which mainly includes custodial fee, trustee expense, SECP Fee, WWF and other levies).

Fee Schedule

Management Fee is 0.5% to 1.5% of average daily net assets and presently there is 0.75% to 3.00% Front-end.

Minimum Portfolio Size

The minimum portfolio size for inclusion in any composite is as follows:

For Collective Investment Schemes: Rs.100 million
For Separately Managed Account: Rs.50 million
For Voluntary Pension Scheme: Rs.50 million

Internal Dispersion

Since the total portfolios in the composite are less than five therefore calculation of internal dispersion is not required.

Ex-Post Standard Deviation

The three-year annualized ex-post standard deviation of the composite and Benchmark is as follows:

Year	Composite 3-Yr St Dev (%)	Benchmark 3-Yr St Dev (%)
3QFY21	0.80	0.72
FY20	0.92	0.80
FY19	1.39	0.51
FY18	1.35	0.10
FY17	1.42	0.38
FY16	0.91	0.67
FY15	0.77	0.30
FY14	0.92	0.29

Key Assumptions

Following are the key assumptions used in portfolio valuation:

Financial Instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- amortized cost
- at fair value through other comprehensive income "(FVOCI)"
- at fair value through profit or loss (FVTPL) based on the business model of the entity

Revenue Recognition

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

Proprietary Assets in the Composite

Proprietary Assets in the composite contains investments of ABL Asset Management Company Limited, its Management and that of Allied Bank Limited (ABL AMC's parent company).

Liability for Income Tax

Under the income tax law in Pakistan, the CIS is regarded as a public company. The net income of the CIS is taxable, if the conditions stated under clause 99 of Part 1 of the Second Schedule of Income Tax Ordinance, 2001 are not met, at the tax rate applicable to a public company, which is presently as under:

(a) Dividend income is taxable at the applicable rates given in the Income Tax Ordinance, 2001 for public companies on gross basis.
(b) Capital gains arising on sale of securities, listed on Pakistan stock exchange at applicable tax rates in accordance with the Income Tax Ordinance, 2001.
(c) Return from all other sources/ instruments are taxable at the rate as applicable to a public company.

Liability for Income Tax, if ninety percent (90%) of the Fund's income is paid as dividend

Notwithstanding the tax rates and withholding tax the income of the CIS will be exempt from tax, if not less than ninety per cent (90%) of the income for the year is distributed amongst the Unit Holders as dividend. This includes only cash dividend as consequent to amendments in

Income Tax Ordinance, 2001 through Finance Act, 2014, for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. The ninety per cent (90%) of the income shall be calculated after excluding capital gains and as reduced by such expenses as are chargeable to the CIS under the Regulations.

Withholding Tax

Under the provision of Clauses 47(B) of Part 4 of the Second Schedule to the Income Tax Ordinance, 2001, the CIS's income namely, dividend, profit on government securities, returns on deposits/ certificates of investment with banks/financial institutions, profits from money market placements, profit from Profit and Loss sharing accounts with Banks of the CIS will not be subject to any withholding tax until and unless we receive certificate of tax exemption from each exempted entity.

Significant Event

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 was passing 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 to 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 has been relocated on July 15, 2017 from the Province of Sindh to the Province of Punjab. Hence, due to the relocation, the Fund has not recorded provision in respect of SWWF since July 1, 2017.

2- During the current period, the Trust Act, 1882 has been repealed due to the promulgation of provincial trust acts as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration and annual renewal requirements under the relevant trust acts have been introduced. The Management Company in consultation with the MUFAP and the Trustee is currently deliberating upon the requirements of the newly enacted provincial trust acts and their implication on the Fund.

3- The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001. As a result of these amendments, companies are liable to withhold bonus shares at the rate of 5 percent. In accordance with the requirement of the Ordinance these shares shall only be released if the fund deposit tax is equivalent to 5% of the value of the bonus shares issued. The value of the tax is

computed on the basis of the day-end price on the first day of book closure. In this regard, a constitution petition has been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs, which is pending adjudication. The petition is based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should not be applicable on bonus shares received by CISs. A stay order has been granted by the High Court of Sindh in favor of CIS's. During the year ended June 30, 2018, the Supreme Court of Pakistan passed a judgment on June 27, 2018, whereby the suits which are already pending or shall be filed in the future must only be continued/ entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities.
Accordingly, the CISs were required to pay a minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the year ended June 30, 2019. Subsequent to the year ending June 30, 2019, the CISs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019. In this regard, on July 15, 2019, the Sindh High Court (SHC) issued notices to the relevant parties and ordered that no third-party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication and the Funds have included these shares in their portfolio, as the management is confident that the decision of the constitutional petition will be in favor of the CISs. Further, the Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on Pakistan Stock Exchange Limited issuing bonus shares to the shareholders, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund on or after July 1, 2018 were not withheld by the investee companies. The Equity Fund has included these shares in its portfolio, as the management believes that the decision of the constitutional petition will be in favor of the CISs.

Taxation of Unit Holders & Liability to Zakat

(a) Withholding Tax

Unless exempted from such taxation or applied at a reduced rate under any law or under avoidance of Double Taxation Agreement, profit distribution to Unit holders of the CIS will be subject to withholding tax as per the prevailing tax law.

(b) Capital Gains

Capital gains will be subject to capital gain tax (CGT) as per the prevailing tax law.

(c) Zakat levy

Units held by qualifying investors (Sahib-e-Nisab) as per Zakat and Ushr Ordinance, 1980 shall be subject to Zakat (levy) at the rate of 2.5% of the Par value of the Units or repurchase value of units whichever is lower as on valuation date in each Zakat year under Zakat and Ushr Ordinance, 1980, (XVII of 1980), except those exempted or have provided valid Zakat declaration form on the format prescribed in the Ordinance. Zakat will be deducted at source from the dividend amount or from the redemption proceeds whichever comes earlier.

ABL Asset Management

ABL Asset Management Company Limited (ABL AMC)
Islamic Income Composite (formerly Islamic Money Market Composite)
For the Period from July 30, 2010 to March 31, 2021

Composite: ABL AMC Islamic Income Composite
Creation Date: September 27, 2010
Reporting Currency: Pak Rupees

	Total Net Return (%)	Benchmark Return (%)	No. of Portfolios	Total Assets at end of period (mn)	Percentage of Firm's assets (%)	Total assets of the Firm at the end of Period (mn)
3QFY21	4.34	2.71	<5	4,815	6.3	76,538
FY20	11.28	11.11	<5	6,211	10.30	60,285
FY19	9.02	5.62	<5	3,787	9.25	40,917
FY18	4.35	1.66	<5	5,068	12.03	42,144
FY17	5.68	2.22	<5	3,968	9.26	42,849
FY16	5.83	5.11	<5	3,276	10.23	32,038
FY15	8.69	6.61	<5	1,832	6.23	29,422
FY14	8.88	6.78	<5	1,270	4.27	29,773
FY13	9.22	6.63	<5	1,172	5.26	22,293
FY12	10.98	7.46	<5	1,060	1.85	57,157
FY11*	9.32	6.70	<5	817	4.71	17,355

*Returns are from July 30, 2010 to June 30, 2011

Compliance Statement

ABL Asset Management Co Ltd claims compliance with the Global Investment Performance Standards (GIPS) and has prepared and presented this report in compliance with the GIPS standards. ABL AMC has not been independently verified.

Definition of the Firm

ABL Asset Management Company Limited ("ABL AMC" or the "Company" or the "Firm") is a wholly owned subsidiary of Allied Bank Limited (ABL). ABL AMC is licensed to undertake Asset Management and Investment Advisory services by Securities & Exchange Commission of Pakistan (SECP). The firm i.e. ABL AMC includes all Collective Investment Schemes (CISs) under its management and Separately Managed Accounts (SMAs).

Policies

ABL AMC's policies for valuing portfolios, calculating performance and preparing compliant presentations are available on request.

Change in Name of Composite

The Islamic Money Market Composite has been redefined as Islamic Income Composite effective from October 1, 2011. Category of one and only portfolio in the composite was changed from low duration Islamic money market fund to high duration Islamic income fund.

Composite Description

The Islamic Income Composite entails low to high duration Shariah (Islamic Law) compliant assets. Asset classes consist of Government and Corporate Sukuks, Spread Transactions as approved by the Shariah Advisor in eligible securities as declared by the Stock Exchanges and the SECP, Shariah compliant Money Market instruments, Placements with A and above rated Islamic Financial Institutions (or Islamic windows of conventional banks) and placement of funds under Mudarabah, Murabaha, Musharakahs, Istisna'a and Ijarah arrangements with Banks, NBFCs, Mudarabahs and DFIs. List of portfolios is available on request.

Benchmark

Benchmark for redefined ABL AMC Islamic Income Composite is Average 6 Months Deposit rates of any three A Rated Islamic Banks and the returns of Benchmark are not net of withholding taxes. Calculation of benchmark is available on request.

Reason for Change in Benchmark

The Benchmark was changed to reflect redefinition of the composite as at October 1, 2011 (redefinition reasons disclosed above).

List of Composites

A list of all composite descriptions is available on request.

Fees

Returns are calculated net of management fees and other expenses (which mainly includes custodial fee, trustee expense, SECP Fee, WWF and other levies).

Fee Schedule

Management Fee is 1.00%- 1.50% of Net Assets and presently Front-end load of 1.5%- 3.00% and no Back-end load.

Minimum Portfolio Size

The minimum portfolio size for inclusion in any composite is as follows:

For Collective Investment Schemes:	Rs.100 million
For Separately Managed Account:	Rs.50 million
For Voluntary Pension Scheme:	Rs.50 million

Internal Dispersion

Since the total portfolios in the composite are less than five therefore calculation of internal dispersion is not required.

Ex-Post Standard Deviation

The three-year annualized ex-post standard deviation of the composite and Benchmark is as follows:

Year	Composite 3-Yr St Dev (%)	Benchmark 3-Yr St Dev
3QFY21	0.89	1.03
FY20	1.03	1.16
FY19	1.39	0.66
FY18	0.37	0.33
FY17	0.55	0.34
FY16	0.80	0.42
FY15	0.64	0.08
FY14	0.82	0.28

Key Assumptions

Following are the key assumptions used in portfolio valuation:

Financial Instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- amortized cost
- at fair value through other comprehensive income "(FVOCI)"
- at fair value through profit or loss (FVTPL) based on the business model of the entity

Revenue Recognition

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

Proprietary Assets in the Composite

Proprietary Assets in the composite contains investments of ABL Asset Management Company Limited, its Management and that of Allied Bank Limited (ABL AMC's parent company).

Liability for Income Tax

Under the income tax law in Pakistan, the CIS is regarded as a public company. The net income of the CIS is taxable, if the conditions stated under clause 99 of Part 1 of the Second Schedule of Income Tax Ordinance, 2001 are not met, at the tax rate applicable to a public company, which is presently as under:

Dividend income is taxable at the applicable rates given in the Income Tax Ordinance, 2001 for public companies on gross basis.

(a) Capital gains arising on sale of securities, listed on Pakistan stock exchange at applicable tax rates in accordance with the Income Tax Ordinance, 2001.

(b) Return from all other sources/ instruments are taxable at the rate as applicable to a public company.

Liability for Income Tax, if ninety percent (90%) of the Fund's income is paid as dividend

Notwithstanding the tax rates and withholding tax the income of the CIS will be exempt from tax, if not less than ninety per cent (90%) of the income for the year is distributed amongst the Unit Holders as dividend. This includes only cash dividend as consequent to amendments in Income Tax Ordinance, 2001 through Finance Act, 2014, for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. The ninety per cent (90%) of the income shall be calculated after excluding capital gains and as reduced by such expenses as are chargeable to the CIS under the Regulations.

Withholding Tax

Under the provision of Clauses 47(B) of Part 4 of the Second Schedule to the Income Tax Ordinance, 2001, the CIS's income namely, dividend, profit on government securities, returns on deposits/ certificates of investment with banks/financial institutions, profits from money market placements, profit from Profit and Loss sharing accounts with Banks of the CIS will not be subject to any withholding tax until and unless we receive certificate of tax exemption from each exempted entity.

Significant Event

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 was passing 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 to 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 has been relocated on July 15, 2017 from the Province of Sindh to the Province of Punjab. Hence, due to the relocation, the Fund has not recorded provision in respect of SWWF since July 1, 2017.

2- During the current period, the Trust Act, 1882 has been repealed due to the promulgation of provincial trust acts as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration and annual renewal requirements under the relevant trust acts have been introduced. The Management Company in consultation with the MUFAP and the Trustee is currently deliberating upon the requirements of the newly enacted provincial trust acts and their implication on the Fund.

3- The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001. As a result of these amendments, companies are liable to withhold bonus shares at the rate of 5 percent. In accordance with the requirement of the Ordinance these shares shall only be released if the fund deposit tax is equivalent to 5% of the value of the bonus shares issued. The value of the tax is computed on the basis of the day-end price on the first day of book closure. In this regard, a constitution petition has been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs, which is pending adjudication. The petition is based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should not be applicable on bonus shares received by CISs. A stay order has been granted by the High Court of Sindh in favor of CIS's. During the year ended June 30, 2018, the Supreme Court of Pakistan passed a judgment on June 27, 2018, whereby the suits which are already pending or shall be filed in the future must only be continued/ entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities.
Accordingly, the CISs were required to pay a minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the year ended June 30, 2019. Subsequent to the year ending June 30, 2019, the CISs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019. In this regard, on July 15, 2019, the Sindh High Court (SHC) issued notices to the relevant parties and ordered that no third-party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication and the Funds have included these shares in their portfolio, as the management is confident that the decision of the constitutional petition will be in favor of the CISs. Further, the Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on Pakistan Stock Exchange Limited issuing bonus shares to the shareholders, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund on or after July 1, 2018 were not withheld by the investee companies. The Equity Fund has included these shares in its portfolio, as the management believes that the decision of the constitutional petition will be in favor of the CISs.

Taxation of Unit Holders & Liability to Zakat

(a) Withholding Tax

Unless exempted from such taxation or applied at a reduced rate under any law or under avoidance of Double Taxation Agreement, profit distribution to Unit holders of the CIS will be subject to withholding tax as per the prevailing tax law.

(b) Capital Gains

Capital gains will be subject to capital gain tax (CGT) as per the prevailing tax law.

(c) Zakat levy

Units held by qualifying investors (Sahib-e-Nisab) as per Zakat and Ushr Ordinance, 1980 shall be subject to Zakat (levy) at the rate of 2.5% of the Par value of the Units or repurchase value of units whichever is lower as on valuation date in each Zakat year under Zakat and Ushr Ordinance, 1980, (XVII of 1980), except those exempted or have provided valid Zakat declaration form on the format prescribed in the Ordinance. Zakat will be deducted at source from the dividend amount or from the redemption proceeds whichever comes earlier.

ABL Asset Management Company Limited (ABL AMC)
Islamic Liquid Composite
For the Period from August 20, 2014 to March 31, 2021

Composite:	ABL AMC Islamic Liquid Composite
Creation Date:	August 20, 2014
Reporting Currency:	Pak Rupees

	Total Net Return (%)	Benchmark Return (%)	No. of Portfolios	Total Assets at end of period (mn)	Percentage of Firm's assets (%)	Total assets of the Firm at the end of Period (mn)
3QFY21	1.35	2.65	<5	70	0.10	76,538
FY20	6.41	7.72	<5	65	0.11	60,285

Compliance Statement

ABL Asset Management Co Ltd claims compliance with the Global Investment Performance Standards (GIPS) and has prepared and presented this report in compliance with the GIPS standards. ABL AMC has not been independently verified.

Definition of the Firm

ABL Asset Management Company Limited ("ABL AMC" or the "Company" or the "Firm") is a wholly owned subsidiary of Allied Bank Limited (ABL). ABL AMC is licensed to undertake Asset Management and Investment Advisory services by Securities & Exchange Commission of Pakistan (SECP). The firm i.e. ABL AMC includes all Collective Investment Schemes (CISs) under its management and Separately Managed Accounts (SMAs).

Policies

ABL AMC's policies for valuing portfolios, calculating performance and preparing compliant presentations are available on request.

Composite Description

The objective of the Fund is to provide regular income along with capital preservation. The Fund shall invest primarily in short term Shariah Compliant money market securities with the average time to maturity of the fund not exceeding one year.

Benchmark

Benchmark for redefined ABL AMC Islamic Liquid Composite is Average 6 Months Deposit rates of any three A Rated Islamic Banks and the returns of Benchmark are not net of withholding taxes. Calculation of benchmark is available on request.

List of Composites

A list of all composite descriptions is available on request.

Fees

Returns are calculated net of management fees and other expenses (which mainly includes custodial fee, trustee expense, SECP Fee, WWF and other levies).

Fee Schedule

Management Fee: 1.50% of Net Assets.
Front-end load: Maximum of 3 % on all Contributions, unless exempt under the MM Offering Document
Back-end load.: Nill

Minimum Portfolio Size
The minimum portfolio size for inclusion in any composite is as follows:
For Collective Investment Schemes: Rs.100 million
For Separately Managed Account: Rs.50 million
For Voluntary Pension Scheme: Rs.50 million

Internal Dispersion
Since the total portfolios in the composite are less than five therefore calculation of internal dispersion is not required.

Ex-Post Standard Deviation

The three-year annualized ex-post standard deviation of the composite and Benchmark is as follows:

	Composite 3-Yr	Benchmark 3-Yr
Year	St Dev (%)	St Dev
3QFY21	1.35	1.09
FY20	1.27	1.17

Key Assumptions

Following are the key assumptions used in portfolio valuation:

Financial Instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- amortized cost
- at fair value through other comprehensive income "(FVOCI)"
- at fair value through profit or loss (FVTPL) based on the business model of the entity

Revenue Recognition

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

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Proprietary Assets in the Composite

Proprietary Assets in the composite contains investments of ABL Asset Management Company Limited, its Management and that of Allied Bank Limited (ABL AMC's parent company).

Liability for Income Tax

Under the income tax law in Pakistan, the CIS is regarded as a public company. The net income of the CIS is taxable, if the conditions stated under clause 99 of Part 1 of the Second Schedule of Income Tax Ordinance, 2001 are not met, at the tax rate applicable to a public company, which is presently as under:

(c) Dividend income is taxable at the applicable rates given in the Income Tax Ordinance, 2001 for public companies on gross basis.
(d) Capital gains arising on sale of securities, listed on Pakistan stock exchange at applicable tax rates in accordance with the Income Tax Ordinance, 2001.
(e) Return from all other sources/ instruments are taxable at the rate as applicable to a public company.

Liability for Income Tax, if ninety percent (90%) of the Fund's income is paid as dividend

Notwithstanding the tax rates and withholding tax the income of the CIS will be exempt from tax, if not less than ninety per cent (90%) of the income for the year is distributed amongst the Unit Holders as dividend. This includes only cash dividend as consequent to amendments in Income Tax Ordinance, 2001 through Finance Act, 2014, for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. The ninety per cent (90%) of the income shall be calculated after excluding capital gains and as reduced by such expenses as are chargeable to the CIS under the Regulations.

Withholding Tax

Under the provision of Clauses 47(B) of Part 4 of the Second Schedule to the Income Tax Ordinance, 2001, the CIS's income namely, dividend, profit on government securities, returns on deposits/ certificates of investment with banks/financial institutions, profits from money market placements, profit from Profit and Loss sharing accounts with Banks of the CIS will not be subject to any withholding tax until and unless we receive certificate of tax exemption from each exempted entity.

Significant Event

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 was passing 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 to 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 has been relocated on July 15, 2017 from the Province of Sindh to the Province of Punjab. Hence, due to the relocation, the Fund has not recorded provision in respect of SWWF since July 1, 2017.

2- During the current period, the Trust Act, 1882 has been repealed due to the promulgation of provincial trust acts as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration and annual renewal requirements under the relevant trust acts have been introduced. The Management Company in consultation with the MUFAP and the Trustee is currently deliberating upon the requirements of the newly enacted provincial trust acts and their implication on the Fund.

3- The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001. As a result of these amendments, companies are liable to withhold bonus shares at the rate of 5 percent. In accordance with the requirement of the Ordinance these shares shall only be released if the fund deposit tax is equivalent to 5% of the value of the bonus shares issued. The value of the tax is computed on the basis of the day-end price on the first day of book closure. In this regard, a constitution petition has been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs, which is pending adjudication. The petition is based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should not be applicable on bonus shares received by CISs. A stay order has been granted by the High Court of Sindh in favor of CIS's. During the year ended June 30, 2018, the Supreme Court of Pakistan passed a judgment on June 27, 2018, whereby the suits which are already pending or shall be filed in the future must only be continued/ entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs were required to pay a minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the year ended June 30, 2019. Subsequent to the year ending June 30, 2019, the CISs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019. In this regard, on July 15, 2019, the Sindh High Court (SHC) issued notices to the relevant parties and ordered that no third-party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication and the Funds have included these shares in their portfolio, as the management is confident that the decision of the constitutional petition will be in favor of the CISs. Further, the Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on Pakistan Stock Exchange Limited issuing bonus shares to the shareholders, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund on or after July 1, 2018 were not withheld by the investee companies. The Equity Fund has included these shares in its portfolio, as the management believes that the decision of the constitutional petition will be in favor of the CISs.

Taxation of Unit Holders & Liability to Zakat

(a) Withholding Tax

Unless exempted from such taxation or applied at a reduced rate under any law or under avoidance of Double Taxation Agreement, profit distribution to Unit holders of the CIS will be subject to withholding tax as per the prevailing tax law.

(b) Capital Gains

Capital gains will be subject to capital gain tax (CGT) as per the prevailing tax law.

(c) Zakat levy

Units held by qualifying investors (Sahib-e-Nisab) as per Zakat and Ushr Ordinance, 1980 shall be subject to Zakat (levy) at the rate of 2.5% of the Par value of the Units or repurchase value of units whichever is lower as on valuation date in each Zakat year under Zakat and Ushr Ordinance, 1980, (XVII of 1980), except those exempted or have provided valid Zakat declaration form on the format prescribed in the Ordinance. Zakat will be deducted at source from the dividend amount or from the redemption proceeds whichever comes earlier.

ABL Asset Management

ABL Asset Management Company Limited (ABL AMC)
ABL Conservative Composite
For the Period from December 31, 2015 to March 31, 2021

Composite: ABL AMC Conservative Composite
Creation Date: December 31, 2015
Reporting Currency: Pak Rupees

	Total Net Return (%)	Benchmark Return (%)	No. of Portfolios	Total Assets at end of period (mn)	Percentage of Firm's assets (%)	Total assets of the Firm at the end of Period (mn)
3QFY21	7.25	13.08	<5	198	0.30	76,538
FY20	11.40	21.93	<5	188	0.31	60,285
FY19	2.02	5.08	<5	190	0.46	40,917
FY18	0.01	3.52	<5	264	0.63	42,144
FY17	10.35	9.44	<5	299	0.70	42,849
FY16*	4.41	2.36	<5	507	1.78	28,511

*Returns are from December 31, 2015 to June 30, 2016

Compliance Statement

ABL Asset Management Co Ltd claims compliance with the Global Investment Performance Standards (GIPS) and has prepared and presented this report in compliance with the GIPS standards. ABL AMC has not been independently verified.

Definition of the Firm

ABL Asset Management Company Limited ("ABL AMC" or the "Company" or the "Firm") is a wholly owned subsidiary of Allied Bank Limited (ABL). ABL AMC is licensed to undertake Asset Management and Investment Advisory services by Securities & Exchange Commission of Pakistan (SECP). The firm i.e. ABL AMC includes all Collective Investment Schemes (CISs) under its management and Separately Managed Accounts (SMAs).

Policies

ABL AMC's policies for valuing portfolios, calculating performance and preparing compliant presentations are available on request.

Composite Description

ABL AMC Conservative Composite includes Allocation Plans under the "ABL Financial Planning Fund" and primarily aims to provide stable returns with some capital appreciation through a pre-determined mix of investments in equity and income funds. The portfolios in this composite can invest in various CISs managed by different AMCs. The list of portfolios is available on request.

Benchmark

The benchmark of ABL AMC Conservative Composite is weighted average return of KSE-30 Index and average 6 month deposit rate of three Banks and returns of Benchmark are not net of withholding taxes. Calculation of benchmark is available on request.

List of Composites

A list of all composite descriptions is available on request.

Fees

Returns are calculated net of management fees and other expenses (which mainly includes custodial fee, trustee expense, SECP Fee, WWF and other levies).

Fee Schedule

Management Fee is NIL (up to 1.50% p.a. on the value of underlying Funds not managed by ABLAMC). Front-end load is up to 2% while Back-end is contingent.

Minimum Portfolio Size

The minimum portfolio size for inclusion in any composite is as follows:
For Collective Investment Schemes: Rs.100 million
For Separately Managed Account: Rs.50 million
For Voluntary Pension Scheme: Rs.50 million

Internal Dispersion

Since the total portfolios in the composite are less than five therefore calculation of internal dispersion is not required.

Ex-Post Standard Deviation

The three-year annualized ex-post standard deviation of the composite and Benchmark is as follows:

	Composite 3-Yr	Benchmark 3-Yr
Year	St Dev (%)	St Dev (%)
3QFY21	3.34	15.95
FY20	4.84	15.63
FY19	3.45	3.35

Key Assumptions

Following are the key assumptions used in portfolio valuation:

Financial Instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- amortized cost
- at fair value through other comprehensive income "(FVOCI)"
- at fair value through profit or loss (FVTPL) based on the business model of the entity

Revenue Recognition

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

Proprietary Assets in the Composite

Proprietary Assets in the composite contains investments of ABL Asset Management Company Limited, its Management and that of Allied Bank Limited (ABL AMC's parent company).

Liability for Income Tax

Under the income tax law in Pakistan, the CIS is regarded as a public company. The net income of the CIS is taxable, if the conditions stated under clause 99 of Part 1 of the Second Schedule of Income Tax Ordinance, 2001 are not met, at the tax rate applicable to a public company, which is presently as under:

(d) Dividend income is taxable at the applicable rates given in the Income Tax Ordinance, 2001 for public companies on gross basis.
(e) Capital gains arising on sale of securities, listed on Pakistan stock exchange at applicable tax rates in accordance with the Income Tax Ordinance, 2001.
(f) Return from all other sources/ instruments are taxable at the rate as applicable to a public company.

Liability for Income Tax, if ninety percent (90%) of the Fund's income is paid as dividend

Notwithstanding the tax rates and withholding tax the income of the CIS will be exempt from tax, if not less than ninety per cent (90%) of the income for the year is distributed amongst the Unit Holders as dividend. This includes only cash dividend as consequent to amendments in Income Tax Ordinance, 2001 through Finance Act, 2014, for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. The ninety per cent (90%) of the income shall be calculated after excluding capital gains and as reduced by such expenses as are chargeable to the CIS under the Regulations.

Withholding Tax

Under the provision of Clauses 47(B) of Part 4 of the Second Schedule to the Income Tax Ordinance, 2001, the CIS's income namely, dividend, profit on government securities, returns on deposits/ certificates of investment with banks/financial institutions, profits from money market placements, profit from Profit and Loss sharing accounts with Banks of the CIS will not be subject to any withholding tax until and unless we receive certificate of tax exemption from each exempted entity.

Significant Event

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 was passing 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 to 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 has been relocated on July 15, 2017 from the Province of Sindh to the Province of Punjab. Hence, due to the relocation, the Fund has not recorded provision in respect of SWWF since July 1, 2017.

2- During the current period, the Trust Act, 1882 has been repealed due to the promulgation of provincial trust acts as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration and annual renewal requirements under the relevant trust acts have been introduced. The Management Company in consultation with the MUFAP and the Trustee is currently deliberating upon the requirements of the newly enacted provincial trust acts and their implication on the Fund.

3- The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001. As a result of these amendments, companies are liable to withhold bonus shares at the rate of 5 percent. In accordance with the requirement of the Ordinance these shares shall only be released if the fund deposit tax is equivalent to 5% of the value of the bonus shares issued. The value of the tax is computed on the basis of the day-end price on the first day of book closure. In this regard, a constitution petition has been filed by Collective Investment Schemes (CISs) through their

Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs, which is pending adjudication. The petition is based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should not be applicable on bonus shares received by CISs. A stay order has been granted by the High Court of Sindh in favor of CIS's. During the year ended June 30, 2018, the Supreme Court of Pakistan passed a judgment on June 27, 2018, whereby the suits which are already pending or shall be filed in the future must only be continued/ entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities.
Accordingly, the CISs were required to pay a minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the year ended June 30, 2019. Subsequent to the year ending June 30, 2019, the CISs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019. In this regard, on July 15, 2019, the Sindh High Court (SHC) issued notices to the relevant parties and ordered that no third-party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication and the Funds have included these shares in their portfolio, as the management is confident that the decision of the constitutional petition will be in favor of the CISs. Further, the Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on Pakistan Stock Exchange Limited issuing bonus shares to the shareholders, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund on or after July 1, 2018 were not withheld by the investee companies. The Equity Fund has included these shares in its portfolio, as the management believes that the decision of the constitutional petition will be in favor of the CISs.

Taxation of Unit Holders & Liability to Zakat

(a) Withholding Tax

Unless exempted from such taxation or applied at a reduced rate under any law or under avoidance of Double Taxation Agreement, profit distribution to Unit holders of the CIS will be subject to withholding tax as per the prevailing tax law.

(b) Capital Gains

Capital gains will be subject to capital gain tax (CGT) as per the prevailing tax law.

(c) Zakat levy

Units held by qualifying investors (Sahib-e-Nisab) as per Zakat and Ushr Ordinance, 1980 shall be subject to Zakat (levy) at the rate of 2.5% of the Par value of the Units or repurchase value of units whichever is lower as on valuation date in each Zakat year under Zakat and Ushr Ordinance, 1980, (XVII of 1980), except those exempted or have provided valid Zakat declaration form on the format prescribed in the Ordinance. Zakat will be deducted at source from the dividend amount or from the redemption proceeds whichever comes earlier.

ABL Asset Management

ABL Asset Management Company Limited (ABL AMC)
ABL Active Composite
For the Period from December 31, 2015 to March 31, 2021

Composite:	ABL AMC Active Composite
Creation Date:	December 31, 2015
Reporting Currency:	Pak Rupees

	Total Net Return (%)	Benchmark Return (%)	No. of Portfolios	Total Assets at end of period (mn)	Percentage of Firm's assets (%)	Total assets of the Firm at the end of Period (Mn)
3QFY21	-13.14	23.35	<5	157	0.20	76,538
FY20	(5.52)	10.28	<5	177	0.29	60,285
FY19	(6.71)	(4.71)	<5	356	0.87	40,917
FY18	(11.47)	(5.21)	<5	600	1.42	42,144
FY17	19.28	13.71	<5	934	2.18	42,849
FY16*	5.29	5.96	<5	412	1.44	28,511

*Returns are from December 31, 2015 to June 30, 2016

Compliance Statement

ABL Asset Management Co Ltd claims compliance with the Global Investment Performance Standards (GIPS) and has prepared and presented this report in compliance with the GIPS standards. ABL AMC has not been independently verified.

Definition of the Firm

ABL Asset Management Company Limited ("ABL AMC" or the "Company" or the "Firm") is a wholly owned subsidiary of Allied Bank Limited (ABL). ABL AMC is licensed to undertake Asset Management and Investment Advisory services by Securities & Exchange Commission of Pakistan (SECP). The firm i.e. ABL AMC includes all Collective Investment Schemes (CISs) under its management and Separately Managed Accounts (SMAs).

Policies

ABL AMC's policies for valuing portfolios, calculating performance and preparing compliant presentations are available on request.

Composite Description

ABL AMC Active Composite includes Allocation Plans under the "ABL Financial Planning Fund" and primarily aims to earn potentially high return through active asset allocation through a pre-determined mix of investments in equity and income funds. The portfolios in this composite can invest in various CISs managed by different AMCs. The list of portfolios is available on request.

Benchmark

The benchmark of ABL AMC Active Composite is weighted average return of KSE-30 Index and average 6 month deposit rate of three Banks and returns of Benchmark are not net of withholding taxes. Calculation of benchmark is available on request.

List of Composites

A list of all composite descriptions is available on request.

Fees

Returns are calculated net of management fees and other expenses (which mainly includes custodial fee, trustee expense, SECP Fee, WWF and other levies).

Fee Schedule

Management Fee is NIL (up to 1.50% p.a. on the value of underlying Funds not managed by ABLAMC). Front-end load is up to 2% while Back-end is contingent.

Minimum Portfolio Size

The minimum portfolio size for inclusion in any composite is as follows:
For Collective Investment Schemes: Rs.100 million
For Separately Managed Account: Rs.50 million
For Voluntary Pension Scheme: Rs.50 million

Internal Dispersion

Since the total portfolios in the composite are less than five therefore calculation of internal dispersion is not required.

Ex-Post Standard Deviation

The three-year annualized ex-post standard deviation of the composite and Benchmark is as follows:

	Composite 3-Yr	Benchmark 3-Yr
Year	St Dev (%)	St Dev (%)
3QFY21	12.09	41.95
FY20	20.07	41.79
FY19	12.49	11.54

Key Assumptions

Following are the key assumptions used in portfolio valuation:

Financial Instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- amortized cost
- at fair value through other comprehensive income "(FVOCI)"
- at fair value through profit or loss (FVTPL) based on the business model of the entity

Revenue Recognition

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

Proprietary Assets in the Composite

Proprietary Assets in the composite contains investments of ABL Asset Management Company Limited, its Management and that of Allied Bank Limited (ABL AMC's parent company).

Liability for Income Tax

Under the income tax law in Pakistan, the CIS is regarded as a public company. The net income of the CIS is taxable, if the conditions stated under clause 99 of Part 1 of the Second Schedule of Income Tax Ordinance, 2001 are not met, at the tax rate applicable to a public company, which is presently as under:

(g) Dividend income is taxable at the applicable rates given in the Income Tax Ordinance, 2001 for public companies on gross basis.
(h) Capital gains arising on sale of securities, listed on Pakistan stock exchange at applicable tax rates in accordance with the Income Tax Ordinance, 2001.
(i) Return from all other sources/ instruments are taxable at the rate as applicable to a public company.

Liability for Income Tax, if ninety percent (90%) of the Fund's income is paid as dividend

Notwithstanding the tax rates and withholding tax the income of the CIS will be exempt from tax, if not less than ninety per cent (90%) of the income for the year is distributed amongst the Unit Holders as dividend. This includes only cash dividend as consequent to amendments in

Income Tax Ordinance, 2001 through Finance Act, 2014, for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. The ninety per cent (90%) of the income shall be calculated after excluding capital gains and as reduced by such expenses as are chargeable to the CIS under the Regulations.

Withholding Tax

Under the provision of Clauses 47(B) of Part 4 of the Second Schedule to the Income Tax Ordinance, 2001, the CIS's income namely, dividend, profit on government securities, returns on deposits/ certificates of investment with banks/financial institutions, profits from money market placements, profit from Profit and Loss sharing accounts with Banks of the CIS will not be subject to any withholding tax until and unless we receive certificate of tax exemption from each exempted entity.

Significant Event

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 was passing 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 to 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 has been relocated on July 15, 2017 from the Province of Sindh to the Province of Punjab. Hence, due to the relocation, the Fund has not recorded provision in respect of SWWF since July 1, 2017.

2- During the current period, the Trust Act, 1882 has been repealed due to the promulgation of provincial trust acts as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration and annual renewal requirements under the relevant trust acts have been introduced. The Management Company in consultation with the MUFAP and the Trustee is currently deliberating upon the requirements of the newly enacted provincial trust acts and their implication on the Fund.

3- The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001. As a result of these amendments, companies are liable to withhold bonus shares at the rate of 5 percent. In accordance with the requirement of the Ordinance these shares shall only be released if the fund deposit tax is equivalent to 5% of the value of the bonus shares issued. The value of the tax is computed on the basis of the day-end price on the first day of book closure. In this regard, a

constitution petition has been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs, which is pending adjudication. The petition is based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should not be applicable on bonus shares received by CISs. A stay order has been granted by the High Court of Sindh in favor of CIS's. During the year ended June 30, 2018, the Supreme Court of Pakistan passed a judgment on June 27, 2018, whereby the suits which are already pending or shall be filed in the future must only be continued/ entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities.
Accordingly, the CISs were required to pay a minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the year ended June 30, 2019. Subsequent to the year ending June 30, 2019, the CISs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019. In this regard, on July 15, 2019, the Sindh High Court (SHC) issued notices to the relevant parties and ordered that no third-party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication and the Funds have included these shares in their portfolio, as the management is confident that the decision of the constitutional petition will be in favor of the CISs. Further, the Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on Pakistan Stock Exchange Limited issuing bonus shares to the shareholders, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund on or after July 1, 2018 were not withheld by the investee companies. The Equity Fund has included these shares in its portfolio, as the management believes that the decision of the constitutional petition will be in favor of the CISs.

Taxation of Unit Holders & Liability to Zakat

(a) Withholding Tax

Unless exempted from such taxation or applied at a reduced rate under any law or under avoidance of Double Taxation Agreement, profit distribution to Unit holders of the CIS will be subject to withholding tax as per the prevailing tax law.

(b) Capital Gains

Capital gains will be subject to capital gain tax (CGT) as per the prevailing tax law.

(c) Zakat levy

Units held by qualifying investors (Sahib-e-Nisab) as per Zakat and Ushr Ordinance, 1980 shall be subject to Zakat (levy) at the rate of 2.5% of the Par value of the Units or repurchase value of units whichever is lower as on valuation date in each Zakat year under Zakat and Ushr Ordinance, 1980, (XVII of 1980), except those exempted or have provided valid Zakat declaration form on the format prescribed in the Ordinance. Zakat will be deducted at source from the dividend amount or from the redemption proceeds whichever comes earlier.

ABL Asset Management

ABL Asset Management Company Limited (ABL AMC)
ABL Multi Assets Composite
For the Period from May 1, 2013 to March 31, 2021

Composite: ABL Multi Assets Composite
Creation Date: May 1, 2013
Reporting Currency: Pak Rupees

	Total Net Return (%)	Benchmark Return (%)	No. of Portfolios	Total Assets at end of period (mn)	Percentage of Firm's Assets (%)	Total assets of the Firm at the end of Period (mn)
3QFY21	-22.68	15.50	8	2,588	3.40	76,538
FY20	3.68	13.28	9	1,840	3.05	60,285
FY19	(3.14)	(4.03)	14	3,188	7.79	40,917
FY18	(2.08)	2.35	17	2,830	6.72	42,144
FY17	13.43	9.37	13	2,898	6.76	42,849
FY16	8.52	8.02	10	2,117	7.43	28,511
FY15	20.01	11.35	5	1,369	5.11	26,795
FY14	15.04	13.41	<5	1,018	3.68	27,666
FY13*	5.09	1.98	<5	54	0.25	21,231

*Returns are from May 1, 2013 to June 30, 2013

Compliance Statement

ABL Asset Management Co Ltd claims compliance with the Global Investment Performance Standards (GIPS) and has prepared and presented this report in compliance with the GIPS standards. ABL AMC has not been independently verified.

Definition of the Firm

ABL Asset Management Company Limited ("ABL AMC" or the "Company" or the "Firm") is a wholly owned subsidiary of Allied Bank Limited (ABL). ABL AMC is licensed to undertake Asset Management and Investment Advisory services by Securities & Exchange Commission of Pakistan (SECP). The firm i.e. ABL AMC includes all Collective Investment Schemes (CISs) under its management and Separately Managed Accounts (SMAs).

Policies

ABL AMC's policies for valuing portfolios, calculating performance and preparing compliant presentations are available on request.

Composite Description

ABL AMC Multi Assets Composite includes different portfolios and allocation plans under the "ABL Financial Planning Fund" which primarily aims to earn competitive return by investing in various asset classes/instruments based on the market outlook. The portfolios in this composite can also invest in various CISs managed by different AMCs. The list of portfolios is available on request.

Benchmark

Mainly weighted average daily return of KSE-100 / KSE 30 Index and 3M / 6M average deposit rates of three A rated (and above) scheduled banks based on the actual proportion of investments of composite portfolios in Equity, Fixed Income, Money Market categories, etc. The returns of Benchmark are not net of withholding taxes.

List of Composites

A list of all composite descriptions is available on request.

Fees

Returns are calculated net of management fees and other expenses (which mainly includes custodial fee, trustee expense, SECP Fee, WWF and other levies).

Fee Schedule

Management Fee is up to 1.50% p.a. Front-end load is up to 2% while Back-end is contingent.

SMA

Management Fee: 0% - 0.75% of assets under management
Performance Fee: 7% - 33% of outperformance over benchmark/hurdle rate.

Minimum Portfolio Size

The minimum portfolio size for inclusion in any composite is as follows:
For Collective Investment Schemes: Rs.100 million
For Separately Managed Account: Rs.50 million
For Voluntary Pension Scheme: Rs.50 million

Internal Dispersion

Internal dispersion is calculated using the equal-weighted standard deviation of annual net returns of those portfolios that were included in the composite for the entire year.

Period	Internal Dispersion (%)
3QFY21	4.05
FY20	8.20
FY19	7.66
FY18	13.21
FY17	7.69
FY16	5.88
FY15	7.49

Ex-Post Standard Deviation

The three-year annualized ex-post standard deviation of the composite and Benchmark is as follows:

Year	Composite 3-Yr St Dev (%)	Benchmark 3-Yr St Dev (%)
3QFY21	7.00	14.05
FY20	12.92	12.15
FY19	6.59	4.98
FY18	6.48	4.51
FY17	6.58	4.49
FY16	5.38	5.28

Key Assumptions

Following are the key assumptions used in portfolio valuation:

Financial Instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- amortized cost
- at fair value through other comprehensive income "(FVOCI)"
- at fair value through profit or loss (FVTPL) based on the business model of the entity

Revenue Recognition

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

Proprietary Assets in the Composite

Proprietary Assets in the composite contains investments of ABL Asset Management Company Limited, its Management and that of Allied Bank Limited (ABL AMC's parent company).

Liability for Income Tax

Under the income tax law in Pakistan, the CIS is regarded as a public company. The net income of the CIS is taxable, if the conditions stated under clause 99 of Part 1 of the Second Schedule of Income Tax Ordinance, 2001 are not met, at the tax rate applicable to a public company, which is presently as under:

(j) Dividend income is taxable at the applicable rates given in the Income Tax Ordinance, 2001 for public companies on gross basis.

(k) Capital gains arising on sale of securities, listed on Pakistan stock exchange at applicable tax rates in accordance with the Income Tax Ordinance, 2001.

(l) Return from all other sources/ instruments are taxable at the rate as applicable to a public company.

Liability for Income Tax, if ninety percent (90%) of the Fund's income is paid as dividend

Notwithstanding the tax rates and withholding tax the income of the CIS will be exempt from tax, if not less than ninety per cent (90%) of the income for the year is distributed amongst the Unit Holders as dividend. This includes only cash dividend as consequent to amendments in Income Tax Ordinance, 2001 through Finance Act, 2014, for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. The ninety per cent (90%) of the income shall be calculated after excluding capital gains and as reduced by such expenses as are chargeable to the CIS under the Regulations.

Withholding Tax

Under the provision of Clauses 47(B) of Part 4 of the Second Schedule to the Income Tax Ordinance, 2001, the CIS's income namely, dividend, profit on government securities, returns on deposits/ certificates of investment with banks/financial institutions, profits from money market placements, profit from Profit and Loss sharing accounts with Banks of the CIS will not be subject to any withholding tax until and unless we receive certificate of tax exemption from each exempted entity.

Significant Event

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 was passing 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 to 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 has been relocated on July 15, 2017 from the Province of Sindh to the Province of Punjab. Hence, due to the relocation, the Fund has not recorded provision in respect of SWWF since July 1, 2017.

2- During the current period, the Trust Act, 1882 has been repealed due to the promulgation of provincial trust acts as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration and annual renewal requirements under the relevant trust acts have been introduced. The Management Company in consultation with the MUFAP and the Trustee is currently deliberating upon the requirements of the newly enacted provincial trust acts and their implication on the Fund.

3- The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001. As a result of these amendments, companies are liable to withhold bonus shares at the rate of 5 percent. In accordance with the requirement of the Ordinance these shares shall only be released if the fund deposit tax is equivalent to 5% of the value of the bonus shares issued. The value of the tax is computed on the basis of the day-end price on the first day of book closure. In this regard, a constitution petition has been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs, which is pending adjudication. The petition is based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should not be applicable on bonus shares received by CISs. A stay order has been granted by the High Court of Sindh in favor of CIS's. During the year ended June 30, 2018, the Supreme Court of Pakistan passed a judgment on June 27, 2018, whereby the suits which are already pending or shall be filed in the future must only be continued/ entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities.
Accordingly, the CISs were required to pay a minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the year ended June 30, 2019. Subsequent to the year ending June 30, 2019, the CISs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019. In this regard, on July 15, 2019, the Sindh High Court (SHC) issued notices to the relevant parties and ordered that no third-party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication and the Funds have included these shares in their portfolio, as the management is confident that the decision of the constitutional petition will be in favor of the CISs. Further, the Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on Pakistan Stock Exchange Limited issuing bonus shares to the shareholders, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund on or after July 1, 2018 were not withheld by the investee companies. The Equity Fund has included these shares in its portfolio, as the management believes that the decision of the constitutional petition will be in favor of the CISs.

Taxation of Unit Holders & Liability to Zakat

(a) Withholding Tax

Unless exempted from such taxation or applied at a reduced rate under any law or under avoidance of Double Taxation Agreement, profit distribution to Unit holders of the CIS will be subject to withholding tax as per the prevailing tax law.

(b) Capital Gains

Capital gains will be subject to capital gain tax (CGT) as per the prevailing tax law.

(c) Zakat levy

Units held by qualifying investors (Sahib-e-Nisab) as per Zakat and Ushr Ordinance, 1980 shall be subject to Zakat (levy) at the rate of 2.5% of the Par value of the Units or repurchase value of units whichever is lower as on valuation date in each Zakat year under Zakat and Ushr Ordinance, 1980, (XVII of 1980), except those exempted or have provided valid Zakat declaration form on the format prescribed in the Ordinance. Zakat will be deducted at source from the dividend amount or from the redemption proceeds whichever comes earlier.

ABL Asset Management Company Limited (ABL AMC)
ABL Islamic Conservative Composite
For the Period from December 22, 2015 to March 31, 2021

Composite: ABL Islamic Conservative Composite
Creation Date: December 22, 2015
Reporting Currency: Pak Rupees

	Total Net Return (%)	Benchmark Return (%)	No. of Portfolios	Total Assets at end of period (mn)	Percentage of Firm's assets (%)	Total assets of the Firm at the end of Period (mn)
3QFY21	7.25	15.5	<5	63	0.10	76,538
FY20	(0.27)	(0.13)	<5	65	0.11	60,285
FY19				Not Qualified		
FY18	(0.67)	0.45	<5	152	0.36	42,144
FY17	10.08	6.46	<5	358	0.84	42,849
FY16*	3.52	5.92	<5	383	1.34	28,511

*Returns are from December 22, 2015 to June 30, 2016

Compliance Statement

ABL Asset Management Co Ltd claims compliance with the Global Investment Performance Standards (GIPS) and has prepared and presented this report in compliance with the GIPS standards. ABL AMC has not been independently verified.

Definition of the Firm

ABL Asset Management Company Limited ("ABL AMC" or the "Company" or the "Firm") is a wholly owned subsidiary of Allied Bank Limited (ABL). ABL AMC is licensed to undertake Asset Management and Investment Advisory services by Securities & Exchange Commission of Pakistan (SECP). The firm i.e. ABL AMC includes all Collective Investment Schemes (CISs) under its management and Separately Managed Accounts (SMAs).

Policies

ABL AMC's policies for valuing portfolios, calculating performance and preparing compliant presentations are available on request.

Composite Description

ABL AMC Islamic Conservative Composite includes Allocation Plans under the "ABL Islamic Financial Planning Fund" and primarily aims to provide stable returns with some capital appreciation through a pre-determined mix of investments in shariah compliant equity and income funds. The portfolios in this composite can invest in various shariah compliant CISs managed by different AMCs. The composite currently comprises of only one portfolio.

Benchmark

The benchmark of ABL AMC Islamic Conservative Composite is weighted average return of KMI-30 Index and average 6 month deposit rate of three Islamic Banks and returns of Benchmark are not net of withholding taxes. Calculation of benchmark is available on request.

List of Composites

A list of all composite descriptions is available on request.

Fees

Returns are calculated net of management fees and other expenses (which mainly includes custodial fee, trustee expense, SECP Fee, WWF and other levies).

Fee Schedule

Management Fee is NIL (up to 1.50% p.a. on the value of underlying Funds not managed by ABLAMC). Front-end load is up to 2% while Back-end is contingent.

Minimum Portfolio Size

The minimum portfolio size for inclusion in any composite is as follows:
For Collective Investment Schemes: Rs.100 million
For Separately Managed Account: Rs.50 million
For Voluntary Pension Scheme: Rs.50 million

Internal Dispersion

Since the number of Portfolios in the composite is less than five, therefore calculation of internal dispersion is not required.

Ex-Post Standard Deviation

The three-year annualized ex-post standard deviation of the composite and Benchmark is as follows:

Year	Composite 3-Yr St Dev (%)	Benchmark 3-Yr St Dev (%)
3QFY21	2.20	7.30
FY20	3.65	3.88
FY19	NA	NA

Key Assumptions

Following are the key assumptions used in portfolio valuation:

Financial Instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- amortized cost
- at fair value through other comprehensive income "(FVOCI)"
- at fair value through profit or loss (FVTPL) based on the business model of the entity

Revenue Recognition

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

Proprietary Assets in the Composite

Proprietary Assets in the composite contains investments of ABL Asset Management Company Limited, its Management and that of Allied Bank Limited (ABL AMC's parent company).

Liability for Income Tax

Under the income tax law in Pakistan, the CIS is regarded as a public company. The net income of the CIS is taxable, if the conditions stated under clause 99 of Part 1 of the Second Schedule of Income Tax Ordinance, 2001 are not met, at the tax rate applicable to a public company, which is presently as under:

(m) Dividend income is taxable at the applicable rates given in the Income Tax Ordinance, 2001 for public companies on gross basis.

(n) Capital gains arising on sale of securities, listed on Pakistan stock exchange at applicable tax rates in accordance with the Income Tax Ordinance, 2001.

(o) Return from all other sources/ instruments are taxable at the rate as applicable to a public company.

Liability for Income Tax, if ninety percent (90%) of the Fund's income is paid as dividend

Notwithstanding the tax rates and withholding tax the income of the CIS will be exempt from tax, if not less than ninety per cent (90%) of the income for the year is distributed amongst the Unit Holders as dividend. This includes only cash dividend as consequent to amendments in Income Tax Ordinance, 2001 through Finance Act, 2014, for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. The ninety per cent (90%) of the income shall be calculated after excluding capital gains and as reduced by such expenses as are chargeable to the CIS under the Regulations.

Withholding Tax

Under the provision of Clauses 47(B) of Part 4 of the Second Schedule to the Income Tax Ordinance, 2001, the CIS's income namely, dividend, profit on government securities, returns on deposits/ certificates of investment with banks/financial institutions, profits from money market placements, profit from Profit and Loss sharing accounts with Banks of the CIS will not be subject to any withholding tax until and unless we receive certificate of tax exemption from each exempted entity.

Significant Event

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 was passing 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 to 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 has been relocated on July 15, 2017 from the Province of Sindh to the Province of Punjab. Hence, due to the relocation, the Fund has not recorded provision in respect of SWWF since July 1, 2017.

2- During the current period, the Trust Act, 1882 has been repealed due to the promulgation of provincial trust acts as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration and annual renewal requirements under the relevant trust acts have been introduced. The Management Company in consultation with the MUFAP and the Trustee is currently deliberating upon the requirements of the newly enacted provincial trust acts and their implication on the Fund.

3- The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001. As a result of these amendments, companies are liable to withhold bonus shares at the rate of 5 percent. In accordance with the requirement of the Ordinance these shares shall only be released if the fund deposit tax is equivalent to 5% of the value of the bonus shares issued. The value of the tax is computed on the basis of the day-end price on the first day of book closure. In this regard, a constitution petition has been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs, which is pending adjudication. The petition is based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should not be applicable on bonus shares received by CISs. A stay order has been granted by the High Court of Sindh in favor of CIS's. During the year ended June 30, 2018, the Supreme Court of Pakistan passed a judgment on June 27, 2018, whereby the suits which are already pending or shall be filed in the future must only be continued/ entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities.
Accordingly, the CISs were required to pay a minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the year ended June 30, 2019. Subsequent to the year ending June 30, 2019, the CISs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019. In this regard, on July 15, 2019, the Sindh High Court (SHC) issued notices to the relevant parties and ordered that no third-party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication and the Funds have included these shares in their portfolio, as the management is confident that the decision of the constitutional petition will be in favor of the CISs. Further, the Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on Pakistan Stock Exchange Limited issuing bonus shares to the shareholders, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund on or after July 1, 2018 were not withheld by the investee companies. The Equity Fund has included these shares in its portfolio, as the management believes that the decision of the constitutional petition will be in favor of the CISs.

Taxation of Unit Holders & Liability to Zakat

(a) Withholding Tax

Unless exempted from such taxation or applied at a reduced rate under any law or under avoidance of Double Taxation Agreement, profit distribution to Unit holders of the CIS will be subject to withholding tax as per the prevailing tax law.

(b) Capital Gains

Capital gains will be subject to capital gain tax (CGT) as per the prevailing tax law.

(c) Zakat levy

Units held by qualifying investors (Sahib-e-Nisab) as per Zakat and Ushr Ordinance, 1980 shall be subject to Zakat (levy) at the rate of 2.5% of the Par value of the Units or repurchase value of units whichever is lower as on valuation date in each Zakat year under Zakat and Ushr Ordinance, 1980, (XVII of 1980), except those exempted or have provided valid Zakat declaration form on the format prescribed in the Ordinance. Zakat will be deducted at source from the dividend amount or from the redemption proceeds whichever comes earlier.

ABL Asset Management Company Limited (ABL AMC)
ABL Islamic Active Composite
For the Period from December 22, 2015 to March 31, 2021

Composite: ABL Islamic Active Composite
Creation Date: December 22, 2015
Reporting Currency: Pak Rupees

	Total Net Return (%)	Benchmark Return (%)	No. of Portfolios	Total Assets at end of period (mn)	Percentage of Firm's assets (%)	Total assets of the Firm at the end of Period (mn)
3QFY21	25.94	36.38	<5	444	0.60	76,538
FY20	(2.57)	(1.88)	<5	430	0.71	60,285
FY19	(7.58)	(12.51)	<5	571	1.40	40,917
FY18	(10.92)	(6.03)	<5	1,184	2.81	42,144
FY17	18.26	9.97	<5	1,752	4.09	42,849
FY16*	3.53	8.92	<5	865	3.03	28,511

*Returns are from December 22, 2015 to June 30, 2016

Compliance Statement

ABL Asset Management Co Ltd claims compliance with the Global Investment Performance Standards (GIPS) and has prepared and presented this report in compliance with the GIPS standards. ABL AMC has not been independently verified.

Definition of the Firm

ABL Asset Management Company Limited ("ABL AMC" or the "Company" or the "Firm") is a wholly owned subsidiary of Allied Bank Limited (ABL). ABL AMC is licensed to undertake Asset Management and Investment Advisory services by Securities & Exchange Commission of Pakistan (SECP). The firm i.e. ABL AMC includes all Collective Investment Schemes (CISs) under its management and Separately Managed Accounts (SMAs).

Policies

ABL AMC's policies for valuing portfolios, calculating performance and preparing compliant presentations are available on request.

Composite Description

ABL AMC Islamic Active Composite includes Allocation Plans under the "ABL Islamic Financial Planning Fund" and primarily aims to earn a potentially high return through active asset allocation between Islamic Equity scheme(s) and Islamic Income scheme(s) based on the Fund Manager's outlook on the asset classes. The portfolios in this composite can invest in various shariah compliant CISs managed by different AMCs. The list of portfolios is available on request.

Benchmark

The benchmark of ABL AMC Islamic Active Composite is weighted average return of KMI-30 Index and average 6 months deposit rate of three Islamic Banks and returns of Benchmark are not net of withholding taxes. Calculation of benchmark is available on request.

List of Composites

A list of all composite descriptions is available on request.

Fees

Returns are calculated net of management fees and other expenses (which mainly includes custodial fee, trustee expense, SECP Fee, WWF and other levies).

Fee Schedule

Management Fee is NIL (up to 1.50% p.a. on the value of underlying Funds not managed by ABLAMC). Front-end load is up to 2% while Back-end is contingent.

Minimum Portfolio Size

The minimum portfolio size for inclusion in any composite is as follows:
For Collective Investment Schemes: Rs.100 million
For Separately Managed Account: Rs.50 million
For Voluntary Pension Scheme: Rs.50 million

Internal Dispersion

Since the number of Portfolios in the composite is less than five, therefore calculation of internal dispersion is not required.

Ex-Post Standard Deviation

The three-year annualized ex-post standard deviation of the composite and Benchmark is as follows:

Year	Composite 3-Yr St Dev (%)	Benchmark 3-Yr St Dev (%)
3QFY21	12.09	23.56
FY20	21.63	21.48
FY19	12.34	14.78

Key Assumptions

Following are the key assumptions used in portfolio valuation:

Financial Instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- amortized cost
- at fair value through other comprehensive income “(FVOCI)”
- at fair value through profit or loss (FVTPL) based on the business model of the entity

Revenue Recognition

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

Proprietary Assets in the Composite

Proprietary Assets in the composite contains investments of ABL Asset Management Company Limited, its Management and that of Allied Bank Limited (ABL AMC’s parent company).

Liability for Income Tax

Under the income tax law in Pakistan, the CIS is regarded as a public company. The net income of the CIS is taxable, if the conditions stated under clause 99 of Part 1 of the Second Schedule of Income Tax Ordinance, 2001 are not met, at the tax rate applicable to a public company, which is presently as under:

(p) Dividend income is taxable at the applicable rates given in the Income Tax Ordinance, 2001 for public companies on gross basis.

(q) Capital gains arising on sale of securities, listed on Pakistan stock exchange at applicable tax rates in accordance with the Income Tax Ordinance, 2001.

(r) Return from all other sources/ instruments are taxable at the rate as applicable to a public company.

Liability for Income Tax, if ninety percent (90%) of the Fund's income is paid as dividend

Notwithstanding the tax rates and withholding tax the income of the CIS will be exempt from tax, if not less than ninety per cent (90%) of the income for the year is distributed amongst the Unit Holders as dividend. This includes only cash dividend as consequent to amendments in Income Tax Ordinance, 2001 through Finance Act, 2014, for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. The ninety per cent (90%) of the income shall be calculated after excluding capital gains and as reduced by such expenses as are chargeable to the CIS under the Regulations.

Withholding Tax

Under the provision of Clauses 47(B) of Part 4 of the Second Schedule to the Income Tax Ordinance, 2001, the CIS's income namely, dividend, profit on government securities, returns on deposits/ certificates of investment with banks/financial institutions, profits from money market placements, profit from Profit and Loss sharing accounts with Banks of the CIS will not be subject to any withholding tax until and unless we receive certificate of tax exemption from each exempted entity.

Significant Event

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 was passing 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 to 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 has been relocated on July 15, 2017 from the Province of Sindh to the Province of Punjab. Hence, due to the relocation, the Fund has not recorded provision in respect of SWWF since July 1, 2017.

2- During the current period, the Trust Act, 1882 has been repealed due to the promulgation of provincial trust acts as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration and annual renewal requirements under the relevant trust acts have been introduced. The Management Company in consultation with the MUFAP and the Trustee is currently deliberating upon the requirements of the newly enacted provincial trust acts and their implication on the Fund.

3- The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001. As a result of these amendments, companies are liable to withhold bonus shares at the rate of 5 percent. In accordance with the requirement of the Ordinance these shares shall only be released if the fund deposit tax is equivalent to 5% of the value of the bonus shares issued. The value of the tax is computed on the basis of the day-end price on the first day of book closure. In this regard, a constitution petition has been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs, which is pending adjudication. The petition is based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should not be applicable on bonus shares received by CISs. A stay order has been granted by the High Court of Sindh in favor of CIS's. During the year ended June 30, 2018, the Supreme Court of Pakistan passed a judgment on June 27, 2018, whereby the suits which are already pending or shall be filed in the future must only be continued/ entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities.
Accordingly, the CISs were required to pay a minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the year ended June 30, 2019. Subsequent to the year ending June 30, 2019, the CISs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019. In this regard, on July 15, 2019, the Sindh High Court (SHC) issued notices to the relevant parties and ordered that no third-party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication and the Funds have included these shares in their portfolio, as the management is confident that the decision of the constitutional petition will be in favor of the CISs. Further, the Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on Pakistan Stock Exchange Limited issuing bonus shares to the shareholders, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund on or after July 1, 2018 were not withheld by the investee companies. The Equity Fund has included these shares in its portfolio, as the management believes that the decision of the constitutional petition will be in favor of the CISs.

Taxation of Unit Holders & Liability to Zakat

(a) Withholding Tax

Unless exempted from such taxation or applied at a reduced rate under any law or under avoidance of Double Taxation Agreement, profit distribution to Unit holders of the CIS will be subject to withholding tax as per the prevailing tax law.

(b) Capital Gains

Capital gains will be subject to capital gain tax (CGT) as per the prevailing tax law.

(c) Zakat levy

Units held by qualifying investors (Sahib-e-Nisab) as per Zakat and Ushr Ordinance, 1980 shall be subject to Zakat (levy) at the rate of 2.5% of the Par value of the Units or repurchase value of units whichever is lower as on valuation date in each Zakat year under Zakat and Ushr Ordinance, 1980, (XVII of 1980), except those exempted or have provided valid Zakat declaration form on the format prescribed in the Ordinance. Zakat will be deducted at source from the dividend amount or from the redemption proceeds whichever comes earlier.

ABL Asset Management Company Limited (ABL AMC)
ABL Islamic Multi Assets Composite
For the Period from July 1, 2016 to March 31, 2021

Composite:	ABL Islamic Multi Assets Composite
Creation Date:	July 1, 2016
Reporting Currency:	Pak Rupees

	Total Net Return (%)	Benchmark Return (%)	No. of Portfolios	Total Assets at end of period (mn)	Percentage of Firm's assets (%)	Total assets of the Firm at the end of Period (mn)
3QFY21	7.57	5.25	<5	2,838	3.7	76,538
FY20	5.69	9.63	<5	2,336	3.88	60,285
FY19	(1.23)	(5.64)	6	1,635	4.00	40,917
FY18	(4.86)	(2.58)	5	3,560	8.45	42,144
FY17*	9.75	4.21	<5	3,358	7.84	42,849

*Returns are from July 1, 2016 to June 30, 2017

Compliance Statement

ABL Asset Management Co Ltd claims compliance with the Global Investment Performance Standards (GIPS) and has prepared and presented this report in compliance with the GIPS standards. ABL AMC has not been independently verified.

Definition of the Firm

ABL Asset Management Company Limited ("ABL AMC" or the "Company" or the "Firm") is a wholly owned subsidiary of Allied Bank Limited (ABL). ABL AMC is licensed to undertake Asset Management and Investment Advisory services by Securities & Exchange Commission of Pakistan (SECP). The firm i.e. ABL AMC includes all Collective Investment Schemes (CISs) under its management and Separately Managed Accounts (SMAs).

Policies

ABL AMC's policies for valuing portfolios, calculating performance and preparing compliant presentations are available on request.

Composite Description

ABL AMC Islamic Multi Assets Composite includes different portfolios and allocation plans under the "ABL Islamic Financial Planning Fund" which primarily aims to earn competitive return by investing in various shariah compliant asset classes/instruments based on the market outlook. The portfolios in this composite can also invest in various shariah compliant CISs managed by different AMCs. The list of portfolios is available on request.

Benchmark

Mainly weighted average daily return of KMI 30 Index and 3M / 6M average deposit rates of three A rated (and above) Islamic banks based on the actual proportion of investments of composite portfolios in shariah compliant Equity, Fixed Income, Money Market categories, etc. The returns of Benchmark are not net of withholding taxes. Calculation of benchmark is available on request.

List of Composites

A list of all composite descriptions is available on request.

Fees

Returns are calculated net of management fees and other expenses (which mainly includes custodial fee, trustee expense, SECP Fee, WWF and other levies).

Fee Schedule

Management Fee is NIL (up to 1.50% p.a. on the value of underlying Funds not managed by ABLAMC). Front-end load is up to 2% while Back-end is contingent.

Minimum Portfolio Size

The minimum portfolio size for inclusion in any composite is as follows:
For Collective Investment Schemes: Rs.100 million
For Separately Managed Account: Rs.50 million
For Voluntary Pension Scheme: Rs.50 million

Internal Dispersion

Internal dispersion is calculated using the equal-weighted standard deviation of annual net returns of those portfolios that were included in the composite for the entire year.

Period	Internal Dispersion (%)
3QFY21	NA
FY20	NA
FY19	5.25
FY18	6.74

Ex-Post Standard Deviation

The three-year annualized ex-post standard deviation of the composite and Benchmark is as follows:

Year	Composite 3-Yr St Dev (%)	Benchmark 3-Yr St Dev (%)
3QFY21	6.67	9.8
FY20	12.88	13.00

Key Assumptions

Following are the key assumptions used in portfolio valuation:

Financial Instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- amortized cost
- at fair value through other comprehensive income "(FVOCI)"
- at fair value through profit or loss (FVTPL) based on the business model of the entity

Revenue Recognition

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

Proprietary Assets in the Composite

Proprietary Assets in the composite contains investments of ABL Asset Management Company Limited, its Management and that of Allied Bank Limited (ABL AMC's parent company).

Liability for Income Tax

Under the income tax law in Pakistan, the CIS is regarded as a public company. The net income of the CIS is taxable, if the conditions stated under clause 99 of Part 1 of the Second Schedule of Income Tax Ordinance, 2001 are not met, at the tax rate applicable to a public company, which is presently as under:

(s) Dividend income is taxable at the applicable rates given in the Income Tax Ordinance, 2001 for public companies on gross basis.

(t) Capital gains arising on sale of securities, listed on Pakistan stock exchange at applicable tax rates in accordance with the Income Tax Ordinance, 2001.

(u) Return from all other sources/ instruments are taxable at the rate as applicable to a public company.

ABL Asset Management

Liability for Income Tax, if ninety percent (90%) of the Fund's income is paid as dividend

Notwithstanding the tax rates and withholding tax the income of the CIS will be exempt from tax, if not less than ninety per cent (90%) of the income for the year is distributed amongst the Unit Holders as dividend. This includes only cash dividend as consequent to amendments in Income Tax Ordinance, 2001 through Finance Act, 2014, for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. The ninety per cent (90%) of the income shall be calculated after excluding capital gains and as reduced by such expenses as are chargeable to the CIS under the Regulations.

Withholding Tax

Under the provision of Clauses 47(B) of Part 4 of the Second Schedule to the Income Tax Ordinance, 2001, the CIS's income namely, dividend, profit on government securities, returns on deposits/ certificates of investment with banks/financial institutions, profits from money market placements, profit from Profit and Loss sharing accounts with Banks of the CIS will not be subject to any withholding tax until and unless we receive certificate of tax exemption from each exempted entity.

Significant Event

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 was passing 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 to 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 has been relocated on July 15, 2017 from the Province of Sindh to the Province of Punjab. Hence, due to the relocation, the Fund has not recorded provision in respect of SWWF since July 1, 2017.

2- During the current period, the Trust Act, 1882 has been repealed due to the promulgation of provincial trust acts as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration and annual renewal requirements under the relevant trust acts have been introduced. The Management Company in consultation with the MUFAP and the Trustee is currently deliberating upon the requirements of the newly enacted provincial trust acts and their implication on the Fund.

3- The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001. As a result of these amendments, companies are liable to withhold bonus shares at the rate of 5 percent. In accordance with the requirement of the Ordinance these shares shall only be released if the fund deposit tax is equivalent to 5% of the value of the bonus shares issued. The value of the tax is computed on the basis of the day-end price on the first day of book closure. In this regard, a constitution petition has been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs, which is pending adjudication. The petition is based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should not be applicable on bonus shares received by CISs. A stay order has been granted by the High Court of Sindh in favor of CIS's. During the year ended June 30, 2018, the Supreme Court of Pakistan passed a judgment on June 27, 2018, whereby the suits which are already pending or shall be filed in the future must only be continued/ entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities.
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Taxation of Unit Holders & Liability to Zakat

(a) Withholding Tax

Unless exempted from such taxation or applied at a reduced rate under any law or under avoidance of Double Taxation Agreement, profit distribution to Unit holders of the CIS will be subject to withholding tax as per the prevailing tax law.

(b) Capital Gains

Capital gains will be subject to capital gain tax (CGT) as per the prevailing tax law.

(c) Zakat levy

Units held by qualifying investors (Sahib-e-Nisab) as per Zakat and Ushr Ordinance, 1980 shall be subject to Zakat (levy) at the rate of 2.5% of the Par value of the Units or repurchase value of units whichever is lower as on valuation date in each Zakat year under Zakat and Ushr Ordinance, 1980, (XVII of 1980), except those exempted or have provided valid Zakat declaration form on the format prescribed in the Ordinance. Zakat will be deducted at source from the dividend amount or from the redemption proceeds whichever comes earlier.

ABL Asset Management

ABL Asset Management Company Limited (ABL AMC)
ABL Islamic Financial Planning Composite
For the Period from March 29, 2019 to March 31, 2021

Composite:	ABL AMC Islamic Financial Planning Composite
Creation Date:	March 29, 2019
Reporting Currency:	Pak Rupees

	Total Net Return (%)	Benchmark Return (%)	No. of Portfolios	Total Assets at end of period (mn)	Percentage of Firm's assets (%)	Total assets of the Firm at the end of Period (mn)
3QFY21	11.59	22.07	<5	285	0.4	76,538
FY20	21.82	21.18	<5	379	0.63	60,285
FY19*	2.17	1.28	<5	395	0.97	40,917

*Returns are from March 29, 2019 to March 31, 2019

Compliance Statement

ABL Asset Management Co Ltd claims compliance with the Global Investment Performance Standards (GIPS) and has prepared and presented this report in compliance with the GIPS standards. ABL AMC has not been independently verified.

Definition of the Firm

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The firm i.e. ABL AMC includes all Collective Investment Schemes (CISs) under its management and Separately Managed Accounts (SMAs).

Policies

ABL AMC's policies for valuing portfolios, calculating performance and preparing compliant presentations are available on request.

Composite Description

ABL AMC Islamic Financial Planning Composite aims to to earn a potentially high return through active allocation of funds between Islamic Dedicated Equity scheme(s) and Islamic Income scheme(s) / Sovereign Income scheme(s) based on fundamental analysis of economic indicators, underlying asset values and a strategy of risk aversion to market volatility. The list of portfolios is available on request.

Benchmark

Weighted average return of KMI30 Index and average 6-month deposit rate of three Islamic Banks. The returns of Benchmark are not net of withholding taxes. Calculation of benchmark is available on request.

List of Composites

A list of all composite descriptions is available on request.

Fees

Returns are calculated net of management fees and other expenses (which mainly includes custodial fee, trustee expense, SECP Fee, WWF and other levies).

Fee Schedule

Management Fee is upto 1.5% of net assets. Front-end load is up to 3.0%. Back end is contingent.

Minimum Portfolio Size

The minimum portfolio size for inclusion in any composite is as follows:

For Collective Investment Schemes:	Rs.100 million
For Separately Managed Account:	Rs.50 million
For Voluntary Pension Scheme:	Rs.50 million

Internal Dispersion

Since the number of Portfolios in the composite is less than five, therefore calculation of internal dispersion is not required.

Ex-Post Standard Deviation

Since the total duration of the composite is less than three years, therefore, three-year annualized ex-post standard deviation of the composite and benchmark is not applicable.

Key Assumptions

Following are the key assumptions used in portfolio valuation:

Financial Instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- amortized cost
- at fair value through other comprehensive income "(FVOCI)"
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Revenue Recognition

- Gains / (losses) arising on sale of investments are recorded at the date at which the transaction takes place.
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