



ABL Government Securities Fund

# Annual Report

ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023



ABL Asset Management

Discover the potential

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# VISION

Creating Investment Solutions within  
everyone's reach



# Mission & Core Values

To create a conducive working environment, to attract the best talent in the Asset Management Sector. ABLAMC strives to be the 'employer of choice' for young and experienced talent.

To set the highest industry standards in terms of product ranges and innovations, in order to offer products for clients of all demographics. To adhere to the highest industry standard for integrity and quality across all the spheres of the company.

To use technology and financial structuring to serve as a "cutting-edge" compared to the competition.

To enhance Stakeholders Value.

## FUND'S INFORMATION

Management Company:	ABL Asset Management Company Limited Plot/Building # 14, Main Boulevard, DHA, Phase - VI, Lahore - 54810	
Board of Directors:	Sheikh Mukhtar Ahmed Mr. Mohammad Naeem Mukhtar Mr. Muhammad Waseem Mukhtar Mr. Aizid Razzaq Gill Ms. Saira Shahid Hussain Mr. Pervaiz Iqbal Butt Mr. Muhammad Kamran Shehzad	Chairman Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Independent Director Independent Director
Audit Committee:	Mr. Muhammad Kamran Shehzad Mr. Muhammad Waseem Mukhtar Mr. Pervaiz Iqbal Butt	Chairman Member Member
Human Resource and Remuneration Committee	Mr. Muhammad Waseem Mukhtar Mr. Muhammad Kamran Shehzad Mr. Pervaiz Iqbal Butt Mr. Naveed Nasim	Chairman Member Member Member
Board's Risk Management Committee	Mr. Muhammad Kamran Shehzad Mr. Pervaiz Iqbal Butt Mr. Naveed Nasim	Chairman Member Member
Board Strategic Planning & Monitoring Committee	Mr. Muhammad Waseem Mukhtar Mr. Muhammad Kamran Shehzad Mr. Pervaiz Iqbal Butt Mr. Naveed Nasim	Chairman Member Member Member
Chief Executive Officer of The Management Company:	Mr. Naveed Nasim	
Chief Financial Officer & Company Secretary:	Mr. Saqib Matin	
Chief Internal Auditor:	Mr. Kamran Shehzad	
Trustee:	Central Depository Company of Pakistan Limited CDC - House, Shara-e-Faisal, Karachi.	
Bankers to the Fund:	Allied Bank Limited Bank Al Falah Limited United Bank Limited	
Auditor:	Crowe Hussain Chaudhury & Co. Chartered Accountants 25 E Main Market, Gulberg II Lahore 54660, Pakistan	
Legal Advisor:	Ijaz Ahmed & Associates Advocates & Legal Consultants No. 7, 11th Zamzama Street, Phase V DHA Karachi.	
Registrar:	ABL Asset Management Company Limited L - 48, DHA Phase - VI, Lahore - 74500	

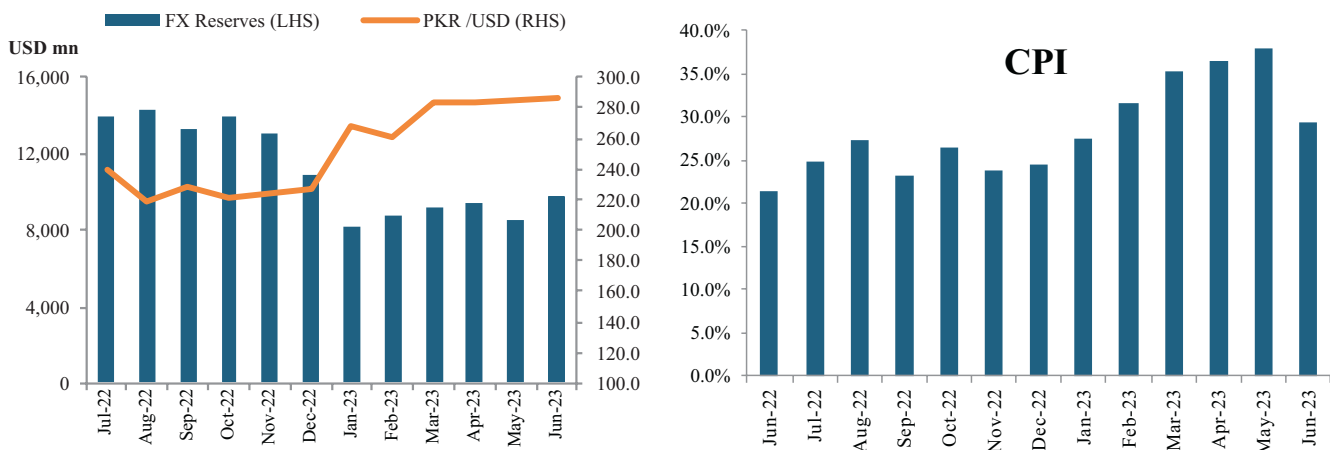


## REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of ABL Asset Management Company Limited, the management company of ABL Government Securities Fund (ABL-GSF), is pleased to present the Condensed Interim Financial Statements (un-audited) of ABL Government Securities Fund for the year ended on June 30, 2023.

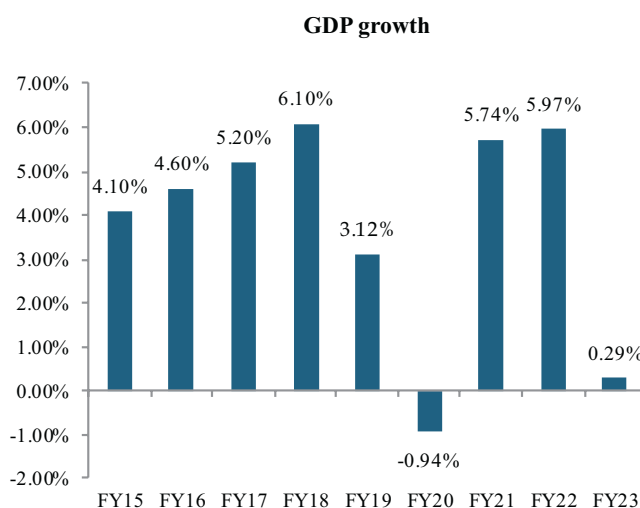
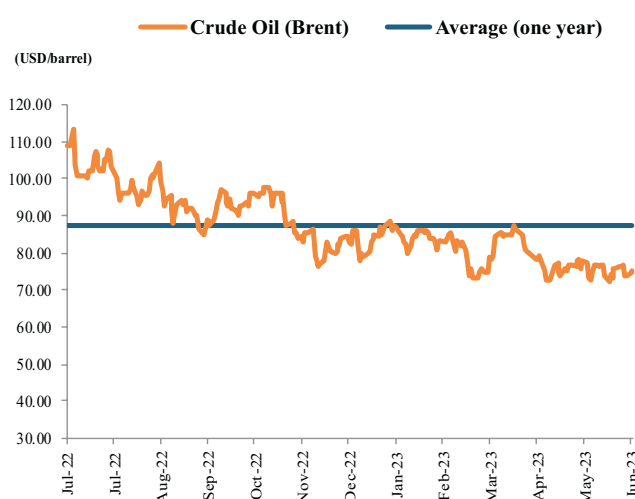
### ECONOMIC PERFORMANCE REVIEW

The economic landscape has been marred by a series of severe macroeconomic imbalances, twin deficit, an unprecedented flood, supply shocks, political instability and global economic slowdown. As a result, the overall economic growth for FY23 has been hampered with a mere 0.3% year on year growth rate. However, it is worth noticing that the agriculture and services sector contributed positively in this meagre economic growth trajectory by posting growth of 1.6% and 0.9% respectively whereas, performance of industrial sector remained dismal, exhibiting negative growth of 2.9% during the same period. The lackluster performance of industrial growth was primarily driven by restrictive import policy amidst dwindling foreign exchange reserves. The limitations imposed on the import of industrial raw material remained obstacles in production process, negatively impacting large-scale manufacturing. The per capita income has witnessed a decline from USD 1765 to USD 1568 in FY23. This deceleration can be ascribed to depreciation of PKR relative to USD and contraction of gross domestic product (GDP).



Throughout FY23, the consumer price index (CPI) has presented worrisome picture with the average inflation rate reaching 29.0%YoY against the 12.1%YOY in the corresponding period last year. This significant increase in price has been observed across various sectors, including transportation, housing, and food. The historic high inflation attributed to several factors such as hike in energy tariffs, elevated fuel prices, depreciating PKR relative to USD and supply shocks resulting from an unprecedented flood in the country. Reflection of aforementioned factors observed in food index which contributed most in headline inflation. Looking ahead, we anticipate that full year inflation would remain in double digits. The thesis is premised on expected hike in electricity & gas tariff to fulfill the IMF requirement which would directly or indirectly push up the CPI index. Furthermore, anticipated depreciation of PKR due to market-based exchange rate and lifting of import ban may also contribute to an upward trend in price level.





On the balance of payment front, the country has achieved a significant improvement by posting a cumulative deficit of USD 2.9bn against the deficit of USD 15.2bn in the same period last year. This reduction in the current account deficit can be primarily attributed to a 35.1% year-on-year decline in the trade deficit, which has been achieved through measures aimed at curtailing imports. Furthermore, remittances have decreased by 15.8% amounting to USD 27bn. It is noteworthy that a substantial disparity remained between the exchange rates in the interbank and open market, allowing foreigners the opportunity to exchange currency at the open market rate resultantly, remittance have declined. Foreign exchange reserves of country stood at USD 9.1bn as of June 30, 2023 providing total import cover of ~ 2 months.

## MUTUAL FUND INDUSTRY REVIEW

Total assets under management (AUMs) of the open-end mutual fund industry posted a growth of 29% during FY23 (from PKR 1274 billion to PKR 1643 billion), mainly on account of substantial flows in money market and fixed income funds due to rising interest rates, alongside rising T-bills and PIBs yields. Equity market funds, including Conventional and Islamic, witnessed a decline of 29% to close the period at PKR 130.4 billion. Although, the total money market and fixed income funds' AUMs increased by 35% and 46% to PKR 917 billion and PKR 438 billion, respectively.

## OBJECTIVE

The objective of ABL Government Securities Fund is to deliver optimal risk adjusted returns by investing mainly in mix of short to long term Government Securities and other debt instrument.

## MONEY MARKET REVIEW

Throughout FY23, Pakistan's economy was plagued by destructive floods, higher inflation, and political uncertainty causing significant damage to the economy. The nation experienced a record-breaking inflation of 38% in May23', primarily driven by soaring food and energy prices. The delay in the International Monetary Fund's 9th and 10th reviews further exacerbated the adverse economic situation. Additionally, debt repayments put a strain on foreign exchange reserves, leading to an unprecedented 38% devaluation of the Pakistani rupee against the US dollar. To address current account deficits, the government implemented import restrictions. The mounting pressure on foreign reserves, coupled with the alarming inflation figures, prompted the State Bank of Pakistan to raise the policy rate by a substantial 825 basis points to 22%.



Secondary market yields of shorter term government securities remained highly volatile throughout the year where the 3M T-bill yields increased from 15.23% to 22.00%, 6M T-bill yields increased from 14.80% to 21.97% and 12M T-bill yields increased from 14.95% to 22.00%. Difference between the policy rate and secondary market yields remained wide consistently throughout the year. Government of Pakistan ended up borrowing a total of PKR 24,621 Billion during the FY'23.

Secondary market yields of longer tenor government securities also remained volatile. 3Y PIB yields increased from 13.97% to 19.35%, and 5Y PIB yields increased from 13.18% to 13.35%. Government of Pakistan ended up borrowing a total of PKR 1,278 Billion during FY23'. Moreover, in the concerned period, SBP introduced longer tenor OMOs of 70 & 77 days in order to calm the uncertainty in the market. SBP announced a total of 115 OMO injections and remained a net lender of PKR 7,996 Billion at period-end.

## FUND PERFORMANCE

For the year ended FY23, ABL GSF posted an annualized return of 14.78% against the benchmark return of 18.14%, thereby underperforming the benchmark by 336 bps.

At the end of FY23, fund had 62.46% exposure in PIB floaters, 10.69% exposure in TFCs, 15.52% exposure in T-Bills and 3.40% of the funds assets were placed with Banks. Net assets of ABL GSF closed at PKR 643.43 million as at June 30, 2023 as compared to PKR 1,361.52 million as at June 30, 2022.

## ADDITIONAL MATTERS

1. The detail of Directors of the Management Company is disclosed in this Annual Report.
2. Financial Statements present fairly the state of affairs, the results of operations, cash flows and the changes in unit holder's fund;
3. Proper books of accounts of the Fund have been maintained.
4. Appropriate accounting policies have been consistently applied in the preparation of the financial statements and accounting estimates are based on reasonable and prudent judgments;
5. Relevant International Accounting Standards, as applicable in Pakistan, provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 & Non-Banking Finance Companies and Notified Entities Regulations, 2008, requirements of the Trust Deed and directives issued by the Securities and Exchange Commission of Pakistan, have been followed in the preparation of the financial statements;
6. The system of internal control is sound in design and has been effectively implemented and monitored;
7. There have been no significant doubts upon the Funds' ability to continue as going concern;
8. Performance table of the Fund is given on page # 11 of the Annual Report;
9. There is no statutory payment on account of taxes, duties, levies and charges outstanding other than already disclosed in the financial statements;





10. The statement as to the value of investments of Provident Fund is not applicable in the case of the Fund as employee's retirement benefits expenses are borne by the Management Company;
11. The pattern of unit holding as at June 30, 2023 is given in note No. 21 of the Financial Statements.

## AUDITORS

M/s. A.F. Ferguson & Co Chartered Accountants have been re-appointed as auditors for the year ending June 30, 2024 for ABL Government Securities Fund (ABL-GSF).

## FUND STABILITY RATING

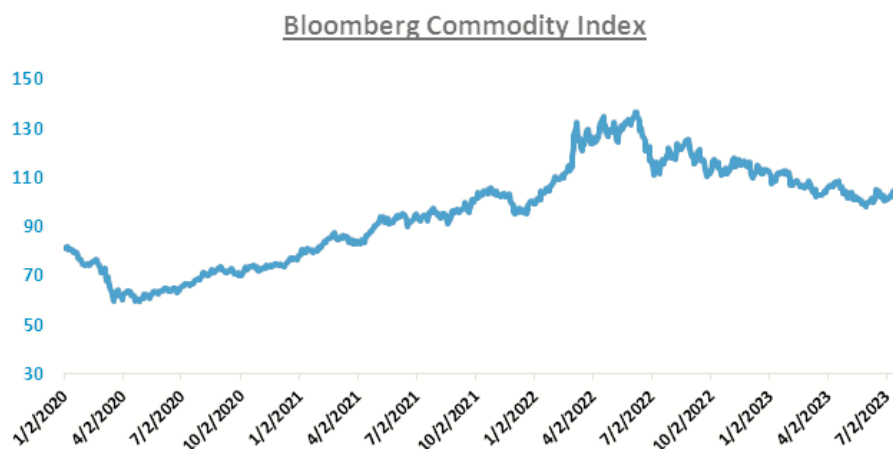
On January 18, 2022: VIS Credit Rating Company Limited (VIS) has reaffirmed the Fund Stability Rating (FSR) of ABL Government Securities Fund (ABL GSF) to 'AA- (f)' (Double A Minus (f)).

## MANAGEMENT QUALITY RATING

On December 31, 2021: VIS Credit Rating Company Limited (VIS) has reaffirmed the Management Quality Rating (MQR) of ABL Asset Management Company (ABL AMC) at 'AM2++' (AM-Two-Double Plus). Outlook on the assigned rating is 'Positive'.

## OUTLOOK AND STRATEGY

Going forward inflation is expected to remain on the higher side during the first half of FY24, IMF estimates an average inflation of 26% p.a. for FY24 with inflation expected to decline to 16% p.a. during the last quarter of FY24.



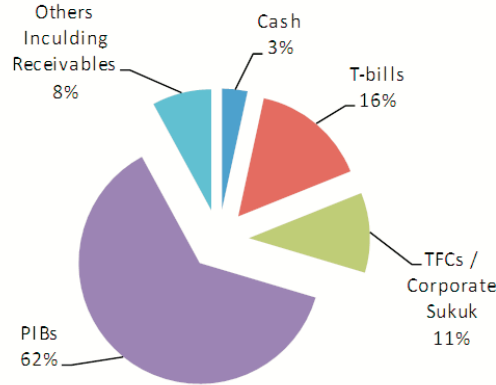
Despite declining global commodity prices, as can be seen in the chart above, inflation in Pakistan is expected to remain in double digits primarily because of depreciating rupee and disrupted supply of inputs because of restrictions on opening of LCs.

Recent changes in the policy rate by SBP and financing cost estimated in the budget document indicates that the policy rate is expected to remain on the higher side during FY24 therefore in order to minimize interest rate risk in our portfolios we will stay invested in floating rate PIBs and shorter tenor T-bills.



In order to further augment returns we will look to trade T-bills actively while taking maximum advantage of any mispricing along the short to medium terms portion of the yield curve. In addition to this the fund will look for special deposit rates offered by banks at quarter and year ends.

### Asset Allocation



### CREDIT QUALITY OF PORTFOLIO (% OF TOTAL ASSETS)



### ACKNOWLEDGEMENT

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

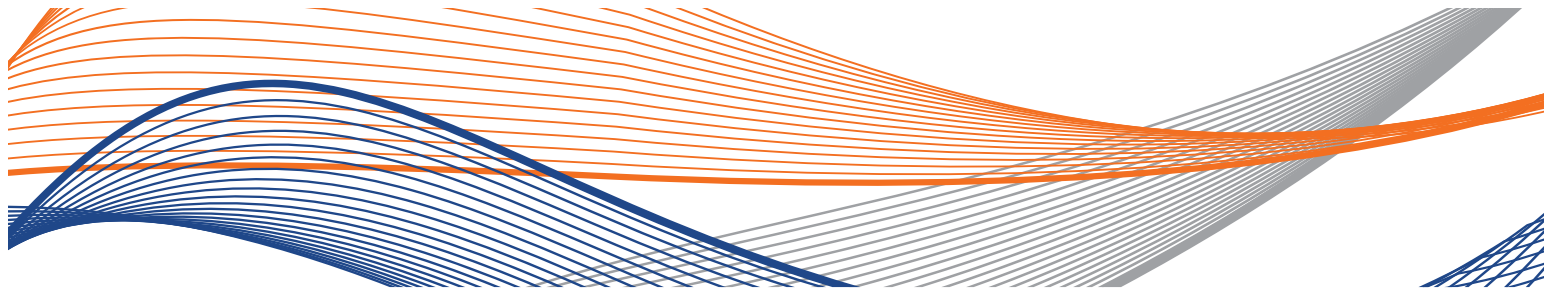
For and on behalf of the Board

**Director**  
Lahore, August 24 , 2023



**Naveed Nasim**  
Chief Executive Officer





## FUND MANAGER REPORT

### OBJECTIVE

The objective of ABL Government Securities Fund is to deliver optimal risk adjusted returns by investing mainly in mix of short to long term Government Securities and other debt instrument.

### FIXED INCOME MARKET REVIEW

Throughout FY23, Pakistan's economy was plagued by destructive floods, higher inflation, and political uncertainty causing significant damage to the economy. The nation experienced a record-breaking inflation of 38% in May23', primarily driven by soaring food and energy prices. The delay in the International Monetary Fund's 9th and 10th reviews further exacerbated the adverse economic situation. Additionally, debt repayments put a strain on foreign exchange reserves, leading to an unprecedented 38% devaluation of the Pakistani rupee against the US dollar. To address current account deficits, the government implemented import restrictions. The mounting pressure on foreign reserves, coupled with the alarming inflation figures, prompted the State Bank of Pakistan to raise the policy rate by a substantial 825 basis points to 22%.

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### FUND PERFORMANCE

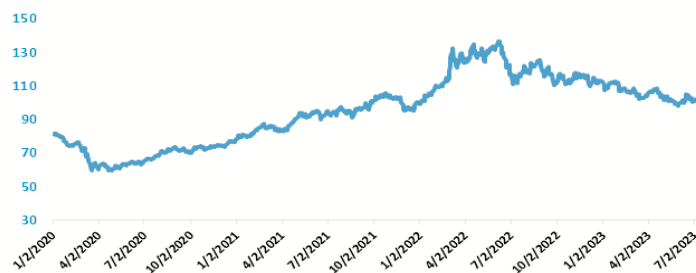
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Bloomberg Commodity Index



**Source: Bloomberg**

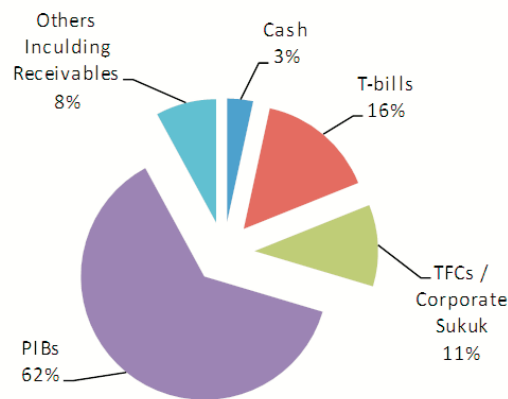
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ABL Government Securities Fund Performance		FY-2023
Yield		14.78 %
6 Months PKRV rates		18.14 %
Weighted Average Time to Maturity of Net Assets (days)		297.94
Asset under management as at June 30,2023 (PKR mn)		643.43
Closing NAV per unit as on June 30,2023 (PKR) (Ex-Dividend)		10.1483

**Asset Allocation**



**CREDIT QUALITY OF PORTFOLIO (% OF TOTAL ASSETS)**



## PERFORMANCE TABLE

	June 2023	June 2022	June 2021	June 2020	June 2019	June 2018
	(Rupees per '000)					
Net Assets	643,433	1,361,515	2,875,501	4,679,352	2,811,066	3,136,615
Net Income	94,963	73,925	150,850	534,178	199,302	145,639
	(Rupees per unit)					
Net Assets value	10.1483	10.0884	10.0760	10.0363	10.0621	10.5283
Interim distribution*	-	-	0.3117	-	-	0.3994
Final distribution	1.4222	0.8178	0.1525	1.5734	0.7627	0.0800
Distribution date final	June 25, 2023	June 27, 2022	June 29, 2021	June 26, 2020	June 26, 2019	August 1, 2018
Closing offer price	10.3249	10.2639	10.2513	10.2109	10.2130	10.6862
Closing repurchase price	10.1483	10.0884	10.0760	10.0363	10.0621	10.5283
Highest offer price	11.7109	11.0834	10.5372	11.8380	10.9738	10.6862
Lowest offer price	10.2639	10.2515	10.1027	10.2109	10.2029	10.1736
Highest repurchase price per unit	11.5106	10.8938	10.3570	11.6355	10.8116	10.5283
Lowest repurchase price per unit	10.0884	10.0762	9.9299	10.0363	10.0521	10.0233
	Percentage					
Total return of the fund						
- capital growth	0.56%	0.07%	0.44%	-0.43%	0.10%	0.30%
- income distribution	14.22%	8.18%	4.64%	15.73%	7.63%	4.79%
Average return of the fund						
First Year	14.78%	8.25%	5.08%	15.30%	7.73%	5.09%
Second Year	12.12%	6.88%	10.64%	12.16%	6.61%	6.01%
Third Year	10.19%	10.39%	10.18%	10.19%	6.89%	7.00%
Fourth Year	12.64%	10.33%	9.33%	9.82%	7.59%	9.83%
Fifth Year	12.44%	9.70%	9.25%	10.07%	10.02%	10.42%
Sixth Year	11.74%	9.72%	9.68%	12.20%	10.64%	11.67%
Seventh Year	11.67%	10.14%	11.72%	12.73%	11.88%	-
Eighth Year	12.03%	12.11%	12.34%	13.93%	-	-
Nine Year	14.00%	12.77%	13.58%	-	-	-
Tenth Year	14.67%	14.03%	-	-	-	-
Eleventh Year	15.98%	-	-	-	-	-
Since Inception	16.66%	14.68%	14.18%	14.50%	12.48%	12.25%
Weighted average Portfolio duration in days	298	169	905	1049	452	328

### Distribution History\*

2021		2019	
Date	Rate Re. Per Unit	Date	Rate Re. Per Unit
April 11, 2021	0.3117	July 3, 2018	0.3994
June 29, 2021	0.1525	August 1, 2018	0.0800
		June 26, 2019	0.7627

### Disclaimer

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



**CENTRAL DEPOSITORY COMPANY  
OF PAKISTAN LIMITED**

**Head Office:**

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S.M.C.H.S., Main Shahr-e-Faisal  
Karachi - 74400, Pakistan.

Tel : (92-21) 111-111-500

Fax: (92-21) 34326021 - 23

URL: www.cdcpakistan.com

Email: info@cdcpak.com



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**ABL GOVERNMENT SECURITIES FUND**

**Report of the Trustee pursuant to Regulation 41(h) and clause 8 of Schedule V of  
the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited being the Trustee of ABL Government Securities Fund (the Fund) are of the opinion that ABL Asset Management Company Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2023 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

**Badiuddin Akber**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi: September 25, 2023



## INDEPENDENT AUDITOR’S REPORT

### TO THE UNIT HOLDERS OF ABL GOVERNMENT SECURITIES FUND REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Opinion

We have audited the financial statements of ABL Government Securities Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2023, and the income statement, statement of movement in unit holders’ fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2023, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

#### Basis for Opinion

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

#### Key Audit Matters

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

Following is the key audit matter:

Key Audit Matter	How the matter was addressed in our audit
<b>1. Existence and valuation of bank balances and investments</b>	
Refer notes 4 and 5 to the annexed financial statements.  The bank balances and investments constitute the most significant component of the net asset value (NAV).  The bank balances and investments of the Fund as at June 30, 2023 amounted to Rs. 33.430 million and Rs. 636.411 million respectively.	Our Audit Procedures included the following: <ul style="list-style-type: none"> <li>• Tested controls over acquisition, disposal and periodic valuation of investment portfolio.</li> <li>• Obtained independent confirmations for verifying the existence of the investment portfolio and bank balances as at June 30, 2023 and traced balances in these confirmations with the books and records of the Fund. Where such confirmations were</li> </ul>

Crowe Hussain Chaudhury & Co. is a member of Crowe Global, a Swiss Verein. Each member firm of Crowe Global is a separate and independent legal entity. Crowe Hussain Chaudhury & Co. and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Crowe Hussain Chaudhury & Co.  
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<p>The existence of bank balances and the existence and the proper valuation of investments for the determination of NAV of the Fund as at June 30, 2023 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>not available, alternative audit procedures were performed.</p> <ul style="list-style-type: none"> <li>• Obtained bank reconciliation statements and tested reconciling items on a sample basis.</li> <li>• We performed substantive audit procedures on year-end balances of portfolio including review of custodian’s statement and related reconciliations and valuation of such investments in accordance with the accounting policy of the Fund specified in the accounting policies.</li> <li>• We evaluated the appropriateness of the classification of the investments in accordance with the requirements of IFRS 9 and the valuations in accordance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations).</li> </ul>
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**Other Information**

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

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

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

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

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

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

Board of directors of the Management Company are responsible for overseeing the Fund’s financial reporting process.





### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

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

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



### Report on Other Legal and Regulatory Requirements

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

### Other Matter

The financial statements of the Fund for the year ended June 30, 2022 were audited by another auditor who expressed an unmodified opinion on those financial statements on September 27, 2022.

The engagement partner on the audit resulting in this independent auditor's report is Amin Ali.

Lahore  
Dated: August 24, 2023  
UDIN: AR202310051a6wltex8J



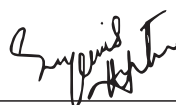
CROWE HUSSAIN CHAUDHURY & CO.  
Chartered Accountants

**ABL GOVERNMENT SECURITIES FUND  
STATEMENT OF ASSETS AND LIABILITIES  
AS AT JUNE 30, 2023**

	2023	2022
Note	----- Rupees in '000 -----	
<b>Assets</b>		
Bank balances	4 33,430	761,647
Investments	5 636,411	634,411
Interest / profit accrued	6 28,780	7,280
Deposits and other receivables	7 18,857	18,276
<b>Total Assets</b>	717,478	1,421,614
<b>Liabilities</b>		
Payable to ABL Asset Management Company Limited - Management Company	8 49,501	50,528
Payable to the Central Depository Company of Pakistan Limited - Trustee	9 36	76
Payable to the Securities and Exchange Commission of Pakistan	10 142	185
Payable against redemption of units	11,441	26
Dividend payable	77	-
Accrued expenses and other liabilities	11 12,848	9,284
<b>Total Liabilities</b>	74,045	60,099
<b>Net Assets</b>	643,433	1,361,515
<b>Unit Holders' Fund (As Per Statement Attached)</b>	643,433	1,361,515
<b>Contingencies and Commitments</b>	12	
<b>Number of Units in issue</b>	----- Number of units ----- 63,403,275	134,958,948
<b>Net Asset Value per unit</b>	----- Rupees ----- 10.1483	10.0884

The annexed notes from 1 to 30 form an integral part of these financial statements.

For ABL Asset Management Company Limited  
(Management Company)



Saqib Matin  
Chief Financial Officer



Naveed Nasim  
Chief Executive Officer



Pervaiz Iqbal Butt  
Director

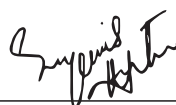


**ABL GOVERNMENT SECURITIES FUND  
INCOME STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2023**

	2023	2022
Note	----- Rupees in '000 -----	
<b>Income</b>		
Interest / profit earned	124,710	97,210
Loss on sale of investments - net	(12,502)	(16,387)
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(3,254)	468
<b>Total Income</b>	<b>108,954</b>	<b>81,291</b>
<b>Expenses</b>		
Remuneration of ABL Asset Management Company Limited - Management Company	8,831	11,586
Punjab Sales Tax on remuneration of the Management Company	1,413	1,854
Accounting and operational charges	1,062	1,390
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	391	540
Sindh Sales Tax on remuneration of the Trustee	51	70
Annual fees to the Securities and Exchange Commission of Pakistan	142	185
Securities transaction cost	569	682
Auditors' remuneration	653	594
Annual rating fee	283	267
Annual listing fee	27	28
Printing charges	184	124
Legal and professional charges	376	382
Settlement and bank charges	9	273
<b>Total Operating Expenses</b>	<b>13,991</b>	<b>17,975</b>
Reversal of Provision for Sindh Workers' Welfare Fund	-	10,609
<b>Net Income for the Year before Taxation</b>	<b>94,963</b>	<b>73,925</b>
Taxation	-	-
<b>Net Income for the Year</b>	<b>94,963</b>	<b>73,925</b>
Other comprehensive income for the year	-	-
<b>Total Comprehensive Income for the Year</b>	<b>94,963</b>	<b>73,925</b>
<b>Earnings per unit</b>		
<b>Allocation of Net Income for the Year</b>		
Net income for the year after taxation	94,963	73,925
Income already paid on units redeemed	(19,960)	(27,653)
	<b>75,003</b>	<b>46,273</b>
<b>Accounting Income Available for Distribution:</b>		
- Relating to capital gains	-	-
- Excluding capital gains	75,003	46,273
	<b>75,003</b>	<b>46,273</b>

The annexed notes from 1 to 30 form an integral part of these financial statements.

For ABL Asset Management Company Limited  
(Management Company)



Saqib Matin  
Chief Financial Officer



Naveed Nasim  
Chief Executive Officer



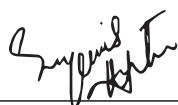
Pervaiz Iqbal Butt  
Director



**ABL GOVERNMENT SECURITIES FUND  
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND  
FOR THE YEAR ENDED JUNE 30, 2023**

	2023			2022		
	Capital value	Un-distributed income	Total	Capital value	Un- distributed income	Total
	----- (Rupees in '000) -----					
<b>Net assets at beginning of the year</b>	1,345,012	16,503	1,361,515	2,859,996	15,505	2,875,501
Issue of 48,684,874 (2022: 186,532,425) units						
- Capital value (at net asset value per unit at the beginning of the year)	491,152	-	491,152	1,879,501	-	1,879,501
- Element of income	26,175	-	26,175	115,153	-	115,153
Total proceeds on issuance of units	517,327	-	517,327	1,994,653	-	1,994,653
Redemption of 120,240,546 (2022: 336,955,775) units						
- Capital value (at net asset value per unit at the beginning of the year)	1,213,035	-	1,213,035	3,395,166	-	3,395,166
- Element of loss	15,647	19,960	35,607	55,761	27,653	83,414
Total payments on redemption of units	1,228,682	19,960	1,248,642	3,450,927	27,653	3,478,580
Total comprehensive income for the year	-	94,963	94,963	-	73,925	73,925
Distribution for the year ended June 30, 2023 @ Rs. 1.4222 per unit on June 25, 2023 (2022: Rs. 0.8178 per unit on June 27, 2022)	(11,157)	(70,573)	(81,730)	(58,710)	(45,275)	(103,985)
<b>Net assets at end of the year</b>	<b>622,500</b>	<b>20,933</b>	<b>643,433</b>	<b>1,345,012</b>	<b>16,503</b>	<b>1,361,515</b>
<b>Undistributed Income brought forward</b>						
- Realised income		16,035			6,517	
- Unrealised income		468			8,988	
		<u>16,503</u>			<u>15,505</u>	
<b>Accounting Income Available for Distribution</b>						
- Relating to capital gains		-			-	
- Excluding capital gains		75,003			46,273	
		<u>75,003</u>			<u>46,273</u>	
Distribution during the year		(70,573)			(45,275)	
<b>Undistributed Income carried forward</b>		<u><u>20,933</u></u>			<u><u>16,503</u></u>	
Undistributed income carried forward						
- Realised income		24,187			16,035	
- Unrealised (loss) / income		(3,254)			468	
		<u><u>20,933</u></u>			<u><u>16,503</u></u>	
			<b>(Rupees)</b>			<b>(Rupees)</b>
Net assets value per unit at the beginning of the year			<u>10.0884</u>			<u>10.0760</u>
Net assets value per unit at the end of the year			<u>10.1483</u>			<u>10.0884</u>

For ABL Asset Management Company Limited  
(Management Company)



Saqib Matin  
Chief Financial Officer



Naveed Nasim  
Chief Executive Officer



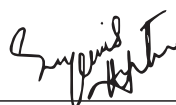
Pervaiz Iqbal Butt  
Director



**ABL GOVERNMENT SECURITIES FUND  
CASH FLOW STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2023**

	2023	2022
Note	----- Rupees in '000 -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the year before taxation	94,963	73,925
<b>Adjustments for:</b>		
Interest / profit earned	13 (124,710)	(97,210)
Net unrealised diminution / (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	5.5 3,254	(468)
	(121,456)	(97,678)
<b>Increase in assets</b>		
Deposits and other receivables	(581)	(7,370)
<b>Increase / (decrease) in liabilities</b>		
Payable to ABL Asset Management Company Limited - Management Company	(1,027)	2,390
Payable to the Central Depository Company of Pakistan Limited - Trustee	(40)	(101)
Payable to the Securities and Exchange Commission of Pakistan	(43)	(491)
Dividend payable	77	-
Accrued expenses and other liabilities	3,564	(9,486)
	2,531	(7,688)
Interest / profit received	103,210	209,968
Net amount received / (paid) on purchase and sale of investments	106,300	(465,437)
<b>Net Cash Generated from / (Used in) Operating Activities</b>	184,967	(294,280)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts from issuance and conversion of units - net of refund of element	506,170	1,935,943
Payments against redemption and conversion of units	(1,237,227)	(3,493,021)
Dividend paid	(70,573)	(45,275)
<b>Net Cash Used in Financing Activities</b>	(801,630)	(1,602,353)
<b>Net Decrease in Cash and Cash Equivalents</b>	(616,663)	(1,896,632)
Cash and cash equivalents at the beginning of the year	761,647	2,658,279
<b>Cash and Cash Equivalents at the End of the Year</b>	4.3 144,984	761,647

For ABL Asset Management Company Limited  
(Management Company)



Saqib Matin  
Chief Financial Officer



Naveed Nasim  
Chief Executive Officer



Pervaiz Iqbal Butt  
Director



# ABL GOVERNMENT SECURITIES FUND

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### AS AT JUNE 30, 2023

ABL Government Securities Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered into on November 01, 2011 between ABL Asset Management Company Limited (ABL AMCL) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. Furthermore, the offering document of the Fund has been revised through the First, Second, Third, Fourth, Fifth, Sixth and Seventh Supplements dated January 12, 2012, May 31, 2012, July 30, 2013, February 10, 2014, October 01, 2014, October 06, 2016 and June 24, 2021 respectively with the approval of the Securities and Exchange Commission of Pakistan (SECP). SECP authorised constitution of the Trust Deed vide letter no. NBFC-II /ABLAMC/439/2011 dated October 31, 2011 in accordance with the requirements of the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

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

- 1.1 The Fund has been categorised as an open ended income scheme by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs. 10 per unit. Thereafter, the units are being offered for public subscription on a continuous basis from November 29, 2011 and are transferable and redeemable by surrendering them to the Fund.
- 1.2 The objective of the scheme is to deliver optimal risk adjusted returns by investing mainly in mix of short to long term Government securities and other debt instruments. The investment objectives and policies are explained in the Fund's offering document.
- 1.3 The Pakistan Credit Rating Agency Limited (PACRA) has determined the rating of the Management Company to AM1 (2022: AM2++) on October 26, 2022. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes. Furthermore, VIS Credit Rating Company Limited has maintained the stability rating of the Fund to "AA-(f)" (2022: "AA-(f)") on December 30, 2022).
- 1.4 The title to the assets of the Fund is held in the name of the Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund.
- 1.5 During the year 2021, the Trust Act, 1882 was repealed due to promulgation of provincial trust acts as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Punjab Trusts Act, 2020 was enacted to revise and modify the law related to trusts. Various new requirements including registration and annual renewal requirements under this relevant trust act were introduced. The Pension Fund Manager in consultation with the Trustee deliberated upon the requirements of the newly enacted provincial trust act and its implication on the Fund. In this regard, the Fund has been registered under section 16 of The Punjab Trusts Act, 2020 on June 22, 2023 bearing registration number 042/16-ST/TRUST/DLR.

#### Basis of Preparation

##### 2.1 Statement of compliance

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

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

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

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

There are certain other amended standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2022 but are considered not to be relevant or do not have any significant effect on the Fund's operations and are, therefore, not disclosed in these financial statements.

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

The following amendments to published accounting and reporting standards would be effective from the dates mentioned below against the respective amendments:



## Standards, interpretations and amendments

## Effective date (accounting periods beginning on or after)

-IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 1, 2024
-IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 1, 2023
-Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS practice statement 2	January 1, 2023

The Management is currently in the process of assessing the full impact of these amendments on the financial statements of the Fund.

- 2.3.1** There are certain other standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2023 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are, therefore, not disclosed in these financial statements.

### 2.4 Critical accounting estimates and judgments

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

The estimates and judgments that have a significant effect on the financial statements of the Fund relate to classification, valuation and impairment of financial assets (notes 3.2 and 5), provision for Federal Excise Duty (note 8.3) and provision for taxation (notes 3.12 and 16).

### 2.5 Accounting convention

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

### 2.6 Functional and presentation currency

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

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented unless otherwise stated.

### 3.1 Cash and cash equivalents

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

### 3.2 Financial assets

#### 3.2.1 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the income statement.

#### 3.2.2 Classification and subsequent measurement

##### Debt instruments

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

- amortised cost or
- at fair value through other comprehensive income "(FVOCI)" or
- at fair value through profit or loss (FVTPL)





**based on the business model of the entity.**

However, IFRS 9 also provides an option whereby securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognised at FVTPL. Therefore the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVTPL.

### **3.2.3 Impairment**

The Fund assesses on a forward looking basis the expected credit loss (ECL) associated with its financial assets (other than debt instruments) carried at amortised cost and FVOCI. The Fund recognises loss allowances for such losses at each reporting date. The measurement of ECL reflects:

- an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

### **3.2.4 Impairment loss on debt securities**

Provision for non-performing debt securities is made on the basis of time-based criteria as prescribed by the SECP and based on management's assessment made in line with its provisioning policy approved by the Board of Directors of the Management Company in accordance with the guidelines issued by the SECP. Impairment losses recognised on debt securities can be reversed through the income statement.

### **3.2.5 Regular way contracts**

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset.

### **3.2.6 Derecognition**

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

## **3.3 Financial liabilities**

### **3.3.1 Classification and subsequent measurement**

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

### **3.3.2 Derecognition**

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

## **3.4 Offsetting of financial assets and financial liabilities**

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

## **3.5 Provisions**

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

## **3.6 Net asset value per unit**

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

## **3.7 Issue and redemption of units**

Units issued are recorded at the offer price, determined by the Management Company for the application received by the Management Company / distributors during business hours on that day. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load and provision of any duties and charges if applicable. The sales load is payable to the Management Company / distributors.





4.2 Balance in current account is maintained with Allied Bank Limited, a related party.

		2023	2022
	Note	----- Rupees in '000 -----	
<b>4.3 Cash and cash equivalents:</b>			
Bank balances		33,430	761,647
Market Treasury Bills with original maturity of less than 3 months	5.1	111,554	-
		<u>144,984</u>	<u>761,647</u>

**Note 5**

**Investments**

**At fair value through profit or loss**

Government securities - Market Treasury Bills	5.1	111,554	541,246
Term Finance Certificates	5.2	31,663	49,074
Government securities - Pakistan Investment Bonds	5.3	448,152	44,091
Government securities - GOP Ijarah Sukuks	5.4	45,042	-
		<u>636,411</u>	<u>634,411</u>

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

		2023	2022
	Note	----- Rupees in '000 -----	
Market value of investments	5.1, 5.2, 5.3, 5.4	636,411	634,411
Carrying value of investments	5.1, 5.2, 5.3, 5.4	(639,665)	(633,943)
		<u>(3,254)</u>	<u>468</u>

**Note 6**

**Interest / Profit Accrued**

Interest / profit accrued on:

Bank balances		1,291	3,251
Debt securities - Term Finance Certificates and Sukuk Certificates		2,496	2,615
Government securities - Pakistan Investment Bonds		24,993	1,414
		<u>28,780</u>	<u>7,280</u>

**Note 7**

**Deposits, Prepayments and Other Receivables**

Security deposit with Central Depository Company of Pakistan Limited		100	100
Advance tax	7.1	18,381	17,998
Balance in Investor Portfolio Securities (IPS) account *		376	178
		<u>18,857</u>	<u>18,276</u>

\* related party balances

7.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, withholding taxes on profit on bank balances and profit on debt paid to the Fund were deducted by various withholding agents based on the interpretation issued by FBR vide letter C. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder. The tax withheld on profit on debt securities and profit on bank balances amounts to Rs. 18.381 million (2022: Rs. 17.998 million).

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by SHC in favour of FBR. A petition was filed in the Supreme Court of Pakistan by the Fund together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgment of SHC. Pending resolution of the matter, the amount of withholding taxes deducted on profit received by the Fund on profit on debt securities and profit on bank balances amounts have been shown as other receivables as at June 30, 2023 as, in the opinion of the management, the amount of tax deducted at source will likely be refunded.



**Note 8****Payable to ABL Asset Management Company Limited - Related Party**

	Note	2023 ----- Rupees in '000 -----	2022 -----
Management fee payable	8.1	677	1,501
Punjab Sales Tax payable on remuneration of the Management Company	8.2	109	240
Federal Excise Duty payable on remuneration of the Management Company	8.3	48,138	48,138
Accounting and operational charges payable	8.4	244	649
Other payable		333	-
		<u>49,501</u>	<u>50,528</u>

**8.1** As per NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding 1.5% of the average annual net assets in case of income schemes. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 1.25% (2022: 1.25%) per annum of the average net assets of the Fund during the year ended June 30, 2023. The remuneration is payable to the Management Company monthly in arrears.

**8.2** During the year, an amount of Rs. 1.413 million (2022: Rs. 1.854 million) was charged on account of sales tax on management fee levied through Punjab Sales Tax on Services Act, 2012 at the rate of 16% (2022: 16%).

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

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs. 48.138 million is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the NAV per unit of the Fund would have been higher by Rs. 0.759 (2022: Rs. 0.357) per unit.

**8.4** In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

The Management Company based on its own discretion has currently fixed a maximum capping of 0.15% (2022: 0.15%) of the average annual net assets of the scheme for allocation of such expenses to the Fund.

**Note 9****Payable to Central Depository Company of Pakistan Limited - Trustee - Related Party**

	Note	2023 ----- Rupees in '000 -----	2022 -----
Trustee fee payable	9.1	32	67
Sindh Sales Tax payable on trustee fee	9.2	4	9
		<u>36</u>	<u>76</u>

**9.1** The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed at the rate of 0.055% (2022: 0.055%) per annum of net assets. Accordingly the Fund has charged trustee fee at the aforementioned rate during the year.

**9.2** During the year, an amount of Rs. 0.051 million (2022: Rs. 0.070 million) was charged on account of sales tax on remuneration of the Trustee levied through Sindh Sales Tax on Services Act, 2011.

**Note 10****Payable to Securities and Exchange Commission of Pakistan**

	Note	2023 ----- Rupees in '000 -----	2022 -----
Annual fee payable	10.1	<u>142</u>	<u>185</u>



- 10.1** In accordance with the NBFC Regulations 2008, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP) at the rate of 0.02% (2022: 0.02%) of the daily net assets of the Fund.

**Note 11**

**Accrued Expenses and Other Liabilities**

	2023	2022
Note	----- Rupees in '000 -----	-----
Auditors' remuneration payable	400	356
Printing charges payable	171	100
Brokerage fee payable	4	36
Withholding tax payable	11,142	6,662
Capital gain tax payable	470	1,469
Provision for Sindh Workers' Welfare Fund	11.1 -	-
Other payables	661	661
	<u>12,848</u>	<u>9,284</u>

- 11.1** The Fund made provision for SWWF from May 21, 2015 till June 30, 2017 amounting to Rs 10.609 million as the decision in this respect is pending to date. The Fund has not made any provision for SWWF after July 1, 2017 as the registered office of the Management Company of the Fund has been relocated from the Province of Sindh to the Province of Punjab.

During last year, SRB through its letter dated August 12, 2021 intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. MUFAP in an emergent meeting held on August 13, 2021 discussed this development with its members and it was decided by MUFAP that CISs are no longer required to retain the provision in the financial statements and considering the nature and operation of CIS the provision should be reversed prospectively on August 13, 2021. MUFAP took up the matter for reversal of the entire provision (created during the period from May 21, 2015 to June 30, 2017) on August 13, 2021 with the SECP that gave its concurrence for prospective reversal of provision for SWWF.

**Note 12**

**Contingencies and Commitments**

There were no contingencies and commitments outstanding as at June 30, 2023 (2022: Nil).

**Note 13**

**Interest / Profit Earned**

	2023	2022
-----	----- Rupees in '000 -----	-----
Interest / profit on:		
Savings accounts and term deposits	32,657	30,495
Debt Securities - Term Finance Certificates and Sukuk Certificates	9,441	11,464
Government Securities - Market Treasury Bills and Pakistan Investment Bonds	82,612	55,251
	<u>124,710</u>	<u>97,210</u>

**Note 14**

**Auditors' Remuneration**

Annual audit fee	330	324
Half yearly review of condensed interim financial information	220	216
Out of pocket expenses and sale tax	103	54
	<u>653</u>	<u>594</u>

**Note 15**

**Total Expense Ratio**

The Total Expense Ratio (TER) of the Fund as at June 30, 2023 is 1.98% (2022: 1.95%) which includes 0.24% (2022: 0.24%) representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an income scheme.

**Note 16**

**Taxation**

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2023 to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements during the year.



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

#### Note 17

##### Earnings Per Unit

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

#### Note 18

##### Transactions With Related Parties / Connected Persons

- 18.1** Connected persons include ABL Asset Management Company Limited being the Management Company, the Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes managed by the Management Company, any entity in which the Management Company, its CISs or their connected persons have material interest, any person or company beneficially owning directly or indirectly 10% or more of the capital of the Management Company or the net assets of the Fund, directors and their close family members and key management personnel of the Management Company.
- 18.2** Transactions with connected persons are executed on arm's length basis and essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. Transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.
- 18.3** Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008.
- 18.4** Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and Trust Deed.
- 18.5** Accounting and operational charges and selling and marketing charges are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.
- 18.6** The details of transactions carried out by the Fund with connected persons during the year and balances with them as at the reporting date are as follows:

	2023	2022
	----- Rupees in '000 -----	
<b>ABL Asset Management Company Limited - Management Company</b>		
Remuneration charged	8,831	11,586
Punjab Sales Tax on remuneration of the Management Company	1,413	1,854
Accounting and operational charges	1,062	1,390
Sales load paid	806	-
Issue of 156 (2022: 19,354) units	2	199
Redemption of 156 (2022: 19,354) units	2	206
<b>Central Depository Company of Pakistan Limited</b>		
Remuneration of the Trustee	391	540
Sindh Sales Tax on remuneration of the Trustee	51	70
Security deposit with Central Depository Company of Pakistan Limited	100	100
Balance in Investor Portfolio Securities (IPS) account	376	178
<b>Allied Bank Limited</b>		
Mark-up income on bank deposits	4,556	3,559
Bank charges	-	146
Mark-up accrued on deposits with banks	-	357
<b>ABL Financial Planning Fund - Conservative Allocation Plan</b>		
Issue of Nil (2022: 111,073) units	-	1,119
Redemption of 1,479,591 (2022: 147,222) units	15,914	1,510
Outstanding Nil (2022: 1,479,591) units	-	14,927
<b>Mr. Irfan Ahmed</b>		
Issue of 6,122,357 (2022: Nil) units	62,160	-
Outstanding 14,364,958 (2022: Nil) units	145,780	-
<b>Highnoon Laboratories Limited Workers' Profit Participation Fund</b>		
Issue of 9,171,412 (2022: Nil) units	96,816	-
Redemption of 383,329 (2022: Nil) units	4,000	-
Outstanding 14,994,876 (2022: Nil) units	152,173	-





2022		
At amortised cost	At fair value through profit or loss	Total
----- Rupees in '000 -----		
Payable to ABL Asset Management Company	50,528	50,528
Payable to the Central Depository Company	76	76
Payable against redemption of units	26	26
Accrued expenses and other liabilities	1,153	1,153
	51,783	51,783

#### Financial liabilities

Payable to ABL Asset Management Company  
Payable to the Central Depository Company  
Payable against redemption of units  
Accrued expenses and other liabilities

#### Note 20

#### Financial Risk Management Objectives and Policies

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

#### 20.1 Market risk

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

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

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

##### (i) Yield / interest rate risk

Yield / interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As of June 30, 2023, the Fund is exposed to such risk on its balances held with banks, investments in term finance and sukuk certificates and Pakistan investment bonds. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

##### a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds KIBOR based term finance certificates and balances with banks which expose the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income for the year and net assets of the Fund would have been higher / lower by Rs. 0.652 million (2022: Rs. 8.107 million).

##### b) Sensitivity analysis for fixed rate instruments

As at June 30, 2023, the Fund holds market treasury bills and Pakistan investment bonds which are classified as financial assets at fair value through profit or loss exposing the Fund to fair value interest rate risk. In case of 100 basis points increase / decrease in rates announced by the Financial Markets Association of Pakistan for market treasury bills and Pakistan investment bonds and with all other variables held constant, the net income / loss for the year and net assets of the Fund would have been lower / higher by Rs. 6.047 million (2022: Rs. 5.853 million).

The composition of the Fund's investment portfolio, KIBOR rates and the rates announced by the Financial Markets Association of Pakistan are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2023 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

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

##### (ii) Currency risk

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

##### (iii) Price risk

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





Equity price risk is the risk that the fair value of equity instruments decreases as a result of changes in the level of equity indices and the value of individual stocks. The Fund does not have any investment in equity securities as of June 30, 2023.

## 20.2 Liquidity risk

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

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

As per the NBFC Regulations, 2008, the Fund can borrow in the short-term to ensure settlement the maximum limit of which is fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. However, no borrowing was required to be obtained by the Fund during the current year.

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

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

## 20.3 Credit risk

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

	2023		2022	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
	-----Rupees in '000-----			
Bank balances and term deposits	33,430	33,430	761,647	761,647
Investments in Government securities	604,748	-	585,337	-
Investments in debt instruments	31,663	31,663	49,074	49,074
Interest / profit accrued	28,780	3,787	7,280	5,866
Deposits and other receivables	476	476	278	278
	<u>699,097</u>	<u>69,356</u>	<u>1,403,616</u>	<u>816,865</u>

The maximum exposure to credit risk before any credit enhancement as at June 30, 2023 is the carrying amount of the financial assets. Investment in Government securities and their accrued profit, however, are not exposed to credit risk and have been excluded from the above analysis as these are guaranteed by the Government of Pakistan.

### 20.3.2 Credit quality of financial assets

The Fund's significant credit risk (excluding credit risk relating to settlement of equity securities) arises mainly on account of its placements in banks and mark-up accrued thereon and investments in term finance, sukuk certificates and commercial paper. The credit rating profile of balances with banks, accrued profit and investment in debt securities is as follows:

Rating	% of financial assets exposed to credit risk	
	2023	2022
<b>Bank Balances</b>		
AAA	3.33%	53.00%
AA+	1.51%	0.51%
AA	0.01%	0.00%
AA-	0.35%	0.06%
A+	0.00%	0.00%
<b>Term Finance Certificates</b>		
AAA	2.30%	0.00%
AA+	2.62%	1.82%
	<u>10.12%</u>	<u>55.39%</u>



## Note 21

### Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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

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

### Fair value hierarchy

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

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

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

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

As at June 30, 2023 and June 30, 2022, the Fund held the following financial instruments measured at fair values:

	2023			Total
	Level 1	Level 2	Level 3	
----- Rupees in '000 -----				
<b>At fair value through profit or loss</b>				
Term Finance Certificates	-	31,663	-	31,663
Government securities - Market Treasury Bills	-	111,554	-	111,554
Government securities - Pakistan Investment Bonds	-	448,152	-	448,152
Government Securities - GOP Ijarah Sukuks	-	45,042	-	45,042
	-	636,411	-	636,411
----- Rupees in '000 -----				
----- Rupees in '000 -----				
----- Rupees in '000 -----				
<b>At fair value through profit or loss</b>				
Term Finance Certificates	-	49,074	-	49,074
Government securities - Market Treasury Bills	-	541,246	-	541,246
Government securities - Pakistan Investment Bonds	-	44,091	-	44,091
	-	634,411	-	634,411

## Note 22

### Unit Holders' Fund Risk Management

The unit holders' fund is represented by redeemable units. These units are entitled to dividends and to payment of a proportionate share based on the Fund's Net Asset Value per unit on the redemption date. The relevant movements are shown on the 'Statement of Movement in Unit Holders' Fund'.

The Fund has no restriction on the subscription and redemption of units. As required under the NBFC Regulations, 2008 every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs 100 million at all times during the life of the scheme. The Fund has historically maintained and complied with the requirement of minimum fund size at all times.

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

In accordance with the risk management policies as stated in note 20, the Fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short-term borrowings, where necessary.



**Note 23****Unit Holding Pattern of the Fund**

Category	2023			2022		
	Number of unit holders	Investment amount	Percentage of total	Number of unit holders	Investment amount	Percentage of total
	Rupees in '000			Rupees in '000		
Individuals	1,522	38,733	61.09%	1,508	946,907	69.54%
Associated Companies	1	-	0.00%	1	14,927	1.10%
Retirement Funds	7	23,952	37.78%	13	351,591	25.82%
Public Limited Companies	24	113	0.18%	25	41,739	3.07%
Others	12	605	0.95%	13	6,351	0.47%
	<u>1,566</u>	<u>63,403</u>	<u>100.00%</u>	<u>1,560</u>	<u>1,361,515</u>	<u>100.00%</u>

**Note 24****List of Top Ten Brokers by Percentage of Commission Paid**

2023		2022	
Name of broker	Percentage of commission paid	Name of broker	Percentage of commission paid
Continental Exchange (Private) Limited	29.69%	Continental Exchange (Private) Limited	28.68%
C&M Management (Private) Limited	16.08%	Next Capital Limited	26.30%
Next Capital Limited	13.29%	Icon Securities (Private) Limited	12.07%
Invest One Markets Limited	8.93%	Optimus Capital Management (Private) Limited	11.26%
Optimus Markets (Private) Limited	8.49%	Invest One Markets Limited	8.72%
Icon Management (Private) Limited	6.58%	Magenta Capital (Private) Limited	7.91%
Alfalsh CLSA Securities (Private) Limited	5.76%	BIPL Securities Limited	4.23%
Magenta Capital (Private) Limited	5.18%	Vector Capital (Private) Limited	0.57%
AKD Securities Limited	3.80%	Arif Habib Limited	0.13%
Vector Capital (Private) Limited	2.20%	Paramount Capital (Private) Limited	0.13%

**Note 25****Details of Members of the Investment Committee**

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

Name	Designation	Qualification	Overall experience
Mr. Naveed Nasim	Chief Executive Officer	MBA (Finance)	24
Mr. Saqib Matin	CFO & Company Secretary	FCA, FPA	25
Mr. Fahad Aziz	Head of Fixed Income	MBA	17
Mr. Muhammad Abdul Hayee	Head of Research	MBA Executive & CFA	15
Mr. Wajeeh Haider	Acting Head of Risk Management	Master (Business Economics) & CFA Level III Candidate	11
Mr. Amjad Hussain	Senior Fund Manager - Equity	BS (Honors) & CFA	10
Mr. Kamran Anwar	Fund Manager - Equity	MBA	7
Mr. Abdul Rehman Tahir	Fund Manager - Fixed Income	MBA – Finance & Banking & CFA	12

**Note 26****Name and Qualification of The Fund Manager**

Name	Designation	Qualification	Other Funds managed by the Fund Manager
Mr. Fahad Aziz	Fund Manager - Fixed Income	MBA	ABL Income Fund, ABL Cash Fund and ABL Special Savings Fund

**Note 27****Meetings of Board of Directors of The Management Company**

The 72nd, 73rd, 74th and 75th Board of Directors meetings were held on August 24, 2022, October 26, 2022, February 14, 2023 and April 28, 2023, respectively. Information in respect of attendance by the directors and other persons in the meetings is given below:



S. No.	Name	Number of meetings			Meetings not attended
		Held	Attended	Leave granted	
1	Mr. Sheikh Mukhtar Ahmed	4	4	-	-
2	Mr. Mohammad Naeem Mukhtar	4	3	1	73rd
3	Mr. Muhammad Waseem Mukhtar	4	4	-	-
4	Mr. Aizid Razzaq Gill	4	4	-	-
5	Ms. Saira Shahid Hussain	4	4	-	-
6	Mr. Muhammad Kamran Shehzad	4	4	-	-
7	Mr. Pervaiz Iqbal Butt	4	4	-	-
8	Mr. Alee Khalid Ghaznavi - CEO*	4	2	-	74th & 75th
9	Mr. Naveed Nasim**	4	2	-	72nd & 73rd
	<b>Other persons</b>				
10	Mr. Saqib Mateen***	4	4	-	-

\* Mr. Alee Khalid Ghaznavi ceased to be CEO after 73rd meeting.

\*\* Mr. Naveed Nasim attended 74th meeting upon special invitation and 75th meeting as CEO.

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

#### Note 28

##### Corresponding Figures

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

#### Note 29

##### Date Of Authorisation For Issue

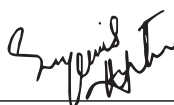
These financial statements were authorised for issue by the Board of Directors of ABL Asset Management Company Limited on **August 24, 2023**.

#### Note 30

##### General

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

For ABL Asset Management Company Limited  
(Management Company)



Saqib Matin  
Chief Financial Officer



Naveed Nasim  
Chief Executive Officer



Pervaiz Iqbal Butt  
Director




## اعتراف

ہم اپنے قابل قدر سرمایہ کاروں کا شکریہ ادا کرتے ہیں جنہوں نے ہم پر اعتماد کیا ہے۔ بورڈ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، ٹرسٹی (سنٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ) اور پاکستان اسٹاک ایکسچینج لمیٹڈ کے انتظامیہ کی ان کی مسلسل رہنمائی اور مدد کے لئے ان کا شکریہ بھی ادا کرتا ہے۔ ڈائریکٹرز انتظامی ٹیم کے ذریعہ کی جانے والی کوششوں کی بھی تعریف کرتے ہیں۔

بورڈ کی طرف سے اور بورڈ کے لئے

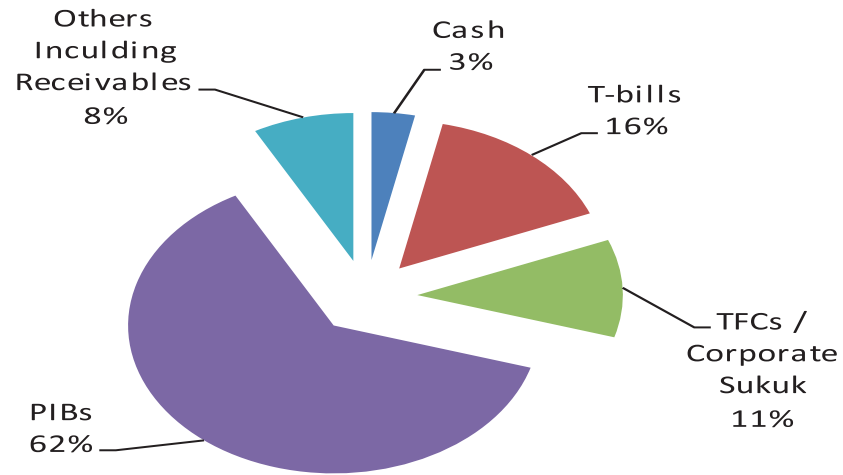
  
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لاہور، 24 اگست، 2023

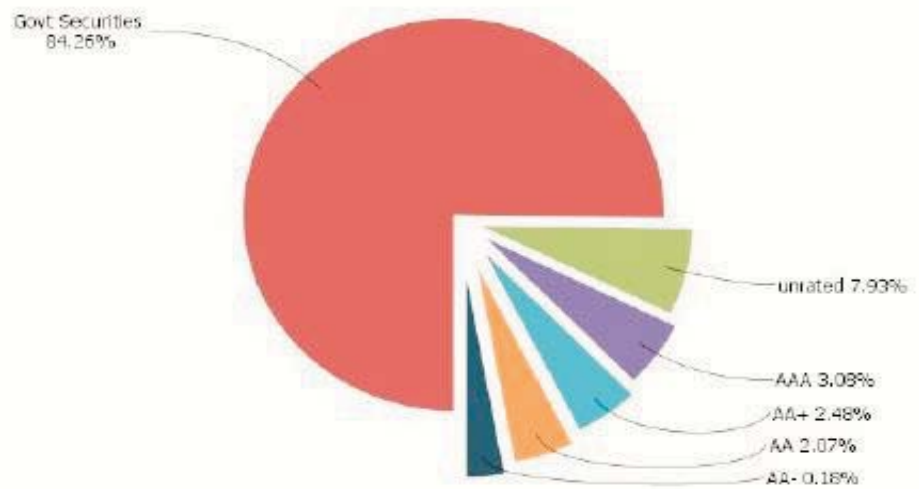
  
نوید نسیم  
چیف ایگزیکٹو آفیسر



# Asset Allocation



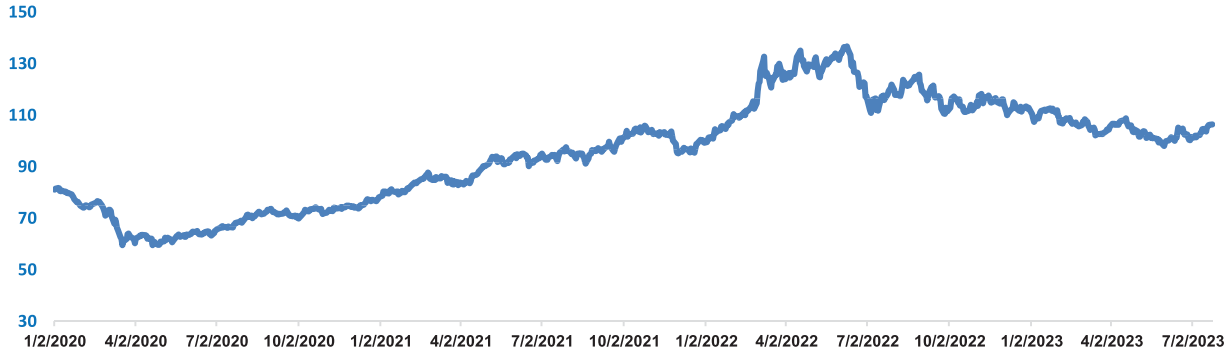
## CREDIT QUALITY OF PORTFOLIO (% OF TOTAL ASSETS)



## آؤٹ لک اور اسٹریٹجی

آئندہ مالی سال 24 کی پہلی ششماہی کے دوران افراط زر کی بلندی پر رہنے کی توقع ہے، آئی ایم ایف نے اوسطاً 26 فیصد مہنگائی کا تخمینہ لگایا ہے۔ مالی سال 24 کے لیے افراط زر کی شرح 16 فیصد تک گرنے کی توقع ہے۔ مالی سال 24 کی آخری سہ ماہی کے دوران۔

### Bloomberg Commodity Index



کموڈٹی کی عالمی قیمتوں میں کمی کے باوجود، جیسا کہ اوپر کے چارٹ میں دیکھا جاسکتا ہے، پاکستان میں افراط زر کے دوہرے ہندسوں میں رہنے کی توقع ہے بنیادی طور پر روپے کی قدر میں کمی اور ایل سی کھولنے پر پابندیوں کی وجہ سے ان پٹ کی سپلائی میں خلل۔

اسٹیٹ بینک کی جانب سے پالیسی ریٹ میں حالیہ تبدیلیاں اور بجٹ دستاویز میں مالیاتی لاگت کا تخمینہ اس بات کی نشاندہی کرتا ہے کہ مالی سال 24 کے دوران پالیسی کی شرح زیادہ رہنے کی توقع ہے لہذا اپنے پورٹ فولیوز میں شرح سود کے خطرے کو کم کرنے کے لیے ہم فلوٹنگ ریٹ PIBs میں سرمایہ کاری کرتے رہیں گے۔ اور چھوٹے ٹیزٹی بلز۔

ریٹرن کو مزید بڑھانے کے لیے ہم T-Bills کو فعال طور پر تجارت کرنے کی کوشش کریں گے جبکہ پیداوار کی وکر کے مختصر سے درمیانی مدت کے حصے کے ساتھ کسی بھی غلط قیمت کا زیادہ سے زیادہ فائدہ اٹھاتے ہوئے۔ اس کے علاوہ یہ فنڈ بینکوں کی طرف سے سہ ماہی اور سال کے اختتام پر پیش کردہ خصوصی ڈپازٹ کی شرحوں کو تلاش کرے گا۔



6. اندرونی کنٹرول کا نظام ڈیزائن میں مستحکم ہے اور اس کو موثر انداز میں لاگو اور نگرانی کیا گیا ہے۔

7. فنڈز کی تشویش کی حیثیت سے جاری رکھنے کی اہلیت پر کوئی خاص شبہات نہیں ہیں۔

8. فنڈ کی کارکردگی کا جزو سالانہ رپورٹ کے صفحہ #11 پر دیا گیا ہے۔

9. ٹیکسوں، ڈیوٹیوں، محصولات اور محصولات اور مالی معاوضوں میں پہلے ہی انکشاف کے علاوہ دیگر معاوضوں کی وجہ سے کوئی قانونی ادائیگی نہیں ہے۔

10. پروویڈنٹ فنڈ کی سرمایہ کاری کی قیمت کے بارے میں بیان فنڈ کے معاملے میں لاگو نہیں ہوتا ہے کیونکہ ملازمین کی ریٹائرمنٹ کے فوائد کے اخراجات انتظامیہ کمپنی برداشت کرتی ہے۔

11. 30 جون، 2023 کو یونٹ ہولڈنگز کا پیٹرن مالیاتی گوشوارے کے نوٹ نمبر 21 میں دیا گیا ہے۔

## آڈیٹر

میسرز اے ایف فرگوسن اینڈ کمپنی (چارٹرڈ اکاؤنٹنٹس) کو، اے بی ایل گورنمنٹ سیکوریٹیز فنڈ (اے بی ایل جی ایس ایف) کے لئے 30 جون 2024 کو ختم ہونے والے سال کے لئے آڈیٹر مقرر کیا گیا ہے۔

## فنڈ استحکام کی درجہ بندی

18 جنوری 2022 کو: VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ (VIS) نے ABL گورنمنٹ سیکوریٹیز فنڈ (ABL GSF) کی فنڈ اسٹیبلٹی ریٹنگ (FSR) کو (AA-(f)) (ڈبل اے مائنس (f)) پر دوبارہ تصدیق کر دی ہے۔

## مینجمنٹ کمپنی کی کوالٹی کی درجہ بندی

31 دسمبر، 2021 کو، JCR-VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ (JCR-VIS) نے اے بی ایل ایسٹ مینجمنٹ کمپنی لمیٹڈ (ABL AMC) کی (AMC) کی 'AM-two-Double Plus' (AM2++) کی مینجمنٹ کوالٹی ریٹنگ کی تصدیق کر دی ہے۔ (اے ایم ٹو پلس پلس) تفویض کردہ درجہ بندی پر آؤٹ لک 'مستحکم' ہے۔





بڑھ گئی۔ % سے 14.95۔ پالیسی کی شرح اور ثانوی مارکیٹ کی پیداوار کے درمیان فرق 150 bps سے زیادہ ہو گیا اور سال بھر مسلسل وسیع رہا۔ حکومت پاکستان نے مالی سال 22 کے دوران مجموعی طور پر PKR 16,118.8 بلین کا قرضہ حاصل کیا۔

ثانوی منڈی کی طویل مدتی سرکاری سیکورٹیز کی پیداوار بھی غیر مستحکم رہی۔ 3Y PIB کی پیداوار 8.69% سے بڑھ کر 13.97% ہو گئی، 5Y PIB کی پیداوار 9.20% سے بڑھ کر 13.18% ہو گئی اور 10Y PIB کی پیداوار 10.40% سے بڑھ کر 13.15% ہو گئی۔ حکومت پاکستان نے مالی سال 22 کے دوران مجموعی طور پر PKR 1,685.7 بلین کا قرضہ حاصل کیا۔ سال کے دوران اسٹیٹ بینک نے مارکیٹ میں غیر یقینی صورتحال کو پر سکون کرنے کے لیے 63 دنوں کے طویل مدتی OMOs متعارف کروائے جس سے ثانوی مارکیٹ کی پیداوار کو کم کرنے میں مدد ملی۔ سال کے دوران SBP نے کل 92 OMO نیچیکیشن لگانے کا اعلان کیا اور مجموعی طور پر PKR 3,953.7 بلین نیچیکیشن لگائے۔

## فنڈ کی کارکردگی

مالی سال 23 کو ختم ہونے والے سال کے لیے، ABL GSF نے 18.14% کے بیچ مارک ریٹرن کے مقابلے میں 14.78% کی سالانہ واپسی پوسٹ کی، اس طرح بیچ مارک کی کارکردگی 336 bps سے کم رہی۔

مالی سال 23 کے اختتام پر، فنڈ کی PIB فلوٹرز میں 62.46% نمائش، TFCs میں 10.69%، T-Bills میں 15.52% نمائش اور فنڈز کے 3.40% اثاثے بینکوں کے پاس رکھے گئے تھے۔ ABL GSF کے خالص اثاثے 30 جون 2022 کو PKR 1,361.52 ملین کے مقابلے میں 30 جون 2023 تک PKR 643.43 ملین پر بند ہوئے۔

## اضافی معاملات

1. انتظامیہ کمپنی کے ڈائریکٹرز کی تفصیل اس سالانہ رپورٹ میں ظاہر کی گئی ہے۔
2. مالی بیانات معاملات کی منصفانہ حالت، پیش کردہ کارروائیوں، نقد بہاؤ اور یونٹ ہولڈر کے فنڈ میں بدلاؤ پیش کرتے ہیں۔
3. فنڈ کے اکاؤنٹس کی مناسب کتابیں برقرار رکھی گئیں۔
4. مالی بیانات کی تیاری میں مناسب اکاؤنٹنگ پالیسیاں مستقل طور پر لاگو ہوتی ہیں اور محاسبہ کا تخمینہ معقول اور محتاط فیصلوں پر مبنی ہوتا ہے۔
5. متعلقہ بین الاقوامی اکاؤنٹنگ معیارات، جیسا کہ پاکستان میں لاگو ہوتا ہے، غیر بینکاری فنانس کمپنیوں (اسٹیبلشمنٹ اینڈ ریگولیشن) رولز 2003 اور نان بینکنگ فنانس کمپنیوں اور مطلع شدہ اداروں کے ضوابط، 2008 کی دفعات، ٹرسٹ ڈیڈ کی شرائط اور جاری کردہ ہدایات مالیاتی بیانات کی تیاری میں سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی پیروی کی گئی ہے۔



## میوچل فنڈ انڈسٹری کا جائزہ

اوپن اینڈ میوچل فنڈ انڈسٹری کے کل اثاثوں کے زیر انتظام (AUMs) میں مالی سال 23 کے دوران 29 فیصد اضافہ ہوا (1274 بلین روپے سے 1643 بلین تک)، بنیادی طور پر کرنسی مارکیٹ میں کافی بہاؤ اور فیکسڈ انکم فنڈز میں اضافے کی وجہ سے شرح سود، بڑھتے ہوئے T-Bills اور PIBs کی پیداوار کے ساتھ۔ ایکویٹی مارکیٹ فنڈز، بشمول روایتی اور اسلامی، میں 29% کی کمی دیکھی گئی جو اس مدت کو 130.4 بلین روپے پر بند کرتی ہے۔ اگرچہ، کل منی مارکیٹ اور فیکسڈ انکم فنڈز کے AUMs بالترتیب 35% اور 46% بڑھ کر 917 PKR بلین اور 438 PKR بلین ہو گئے۔

### مقصد

اے بی ایل گورنمنٹ سیکیورٹیز فنڈ کا مقصد بنیادی طور پر قلیل سے طویل مدتی گورنمنٹ سیکیورٹیز اور قرض کے دوسرے آلات کے مرکب میں سرمایہ کاری کر کے زیادہ سے زیادہ رسک ایڈجسٹ ریٹرن کی فراہمی ہے۔

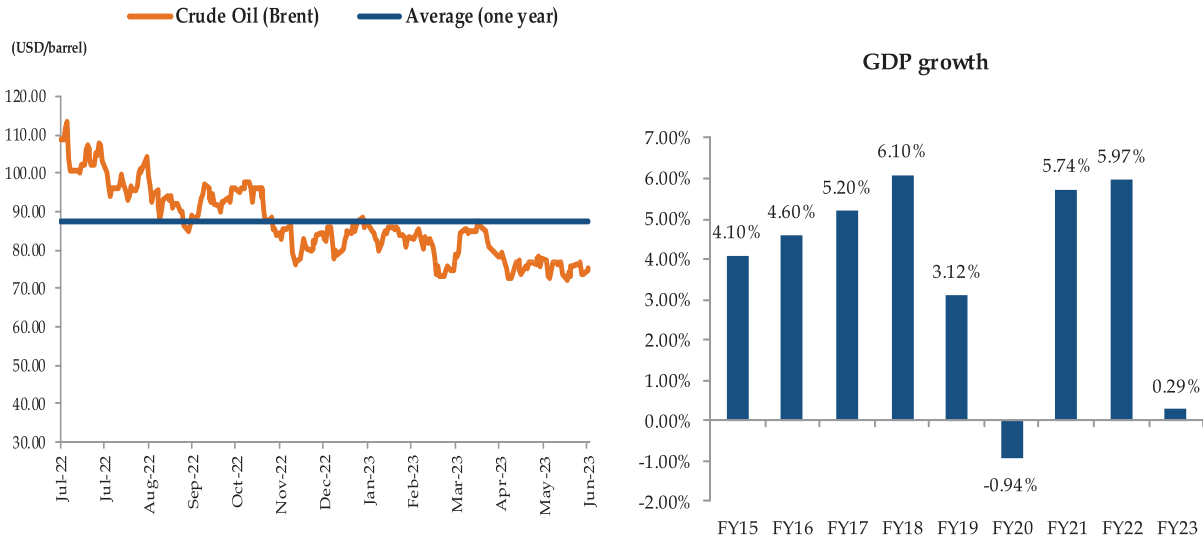
### فیکسڈ انکم مارکیٹ جائزہ

جیسا کہ معیشتیں Covid-19 سے صحت یاب ہوئیں، طلب میں اضافے نے سپلائی میں ترقی کو پیچھے چھوڑ دیا جس کے نتیجے میں قیمتوں میں زبردست اضافہ ہوا۔ روسی۔ یوکرین کی جنگ نے توانائی اور اناج کی سپلائی چین کو مزید متاثر کر دیا جس سے معیشتوں کو کموڈٹی سپر سائیکل میں خام تیل کی قیمت USD 120 / بیرل پر پہنچ گئی۔ پاکستان توانائی اور اناج دونوں کا درآمد کنندہ ہونے کے ناطے بحران کے بیچ میں پھنس گیا جب جون 22 میں مہنگائی 21.3 فیصد کی بلند ترین سطح پر پہنچ گئی۔ بڑھتے ہوئے کرنٹ اکاؤنٹ خسارے کی وجہ سے زرمبادلہ کے ذخائر پر بڑھتے ہوئے دباؤ کے نتیجے میں اسٹیٹ بینک کا فوری رد عمل سامنے آیا جس کی وجہ سے پالیسی ریٹ میں 675bps کا اضافہ ہوا اور اسے 13.75 فیصد تک لے جایا گیا اور امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں کمی واقع ہوئی۔ مالی سال 22 کے دوران 30 فیصد کمی واقع ہوئی۔

مختصر مدت کے سرکاری سیکیورٹیز کی سیکنڈری مارکیٹ کی پیداوار پورے سال میں انتہائی غیر مستحکم رہی جہاں 3M T-bill کی پیداوار 7.26% سے بڑھ کر 15.23% ہو گئی، 6M T-bill کی پیداوار 7.54% سے 14.80% تک اور 12M T-bill کی پیداوار 7.60% سے



پورے FY23 کے دوران، کنزپومر پرائس انڈیکس (CPI) نے تشویشناک تصویر پیش کی ہے جس میں افراط زر کی اوسط شرح 29.0% YoY تک پہنچ گئی ہے جو پچھلے سال کی اسی مدت میں 12.1% YOY تھی۔ قیمت میں یہ نمایاں اضافہ نقل و حمل، رہائش اور خوراک سمیت مختلف شعبوں میں دیکھا گیا ہے۔ تاریخی بلند افراط زر کئی عوامل سے منسوب ہے جیسے توانائی کے نرخوں میں اضافہ، ایندھن کی قیمتوں میں اضافہ، USD کے مقابلے میں PKR کی قدر میں کمی اور ملک میں غیر معمولی سیلاب کے نتیجے میں سپلائی کے جھٹکے۔ فوڈ انڈیکس میں مشاہدہ کیے گئے مذکورہ عوامل کی عکاسی جس نے ہیڈ لائن افراط زر میں سب سے زیادہ حصہ ڈالا۔ آگے دیکھتے ہوئے، ہم توقع کرتے ہیں کہ پورے سال کی افراط زر دوہرے ہندسوں میں رہے گی۔ یہ مقالہ آئی ایم ایف کی ضرورت کو پورا کرنے کے لیے بجلی اور گیس کے نرخوں میں متوقع اضافے پر مبنی ہے جس سے براہ راست یا بالواسطہ سی پی آئی انڈیکس میں اضافہ ہوگا۔ مزید برآں، مارکیٹ پر مبنی شرح مبادلہ کی وجہ سے PKR کی متوقع قدر میں کمی اور درآمدی پابندی کے خاتمے سے قیمت کی سطح میں اضافے کے رجحان میں بھی حصہ ڈال سکتا ہے۔



ادائیگی کے توازن کے محاذ پر، ملک نے گزشتہ سال کی اسی مدت میں USD 15.2bn کے خسارے کے مقابلے میں USD 2.9bn کا مجموعی خسارہ پوسٹ کر کے نمایاں بہتری حاصل کی ہے۔ کرنٹ اکاؤنٹ خسارے میں اس کمی کو بنیادی طور پر تجارتی خسارے میں 35.1 فیصد سال بہ سال کمی سے منسوب کیا جاسکتا ہے، جو درآمدات کو کم کرنے کے لیے اقدامات کے ذریعے حاصل کیا گیا ہے۔ مزید برآں، ترسیلات زر میں 15.8 فیصد کمی واقع ہوئی ہے جو کہ USD 27bn تک پہنچ گئی ہے۔ یہ بات قابل ذکر ہے کہ انٹرنیٹ اور اوپن مارکیٹ میں زر مبادلہ کی شرحوں کے درمیان کافی تفاوت برقرار ہے، جس سے غیر ملکیوں کو اوپن مارکیٹ ریٹ پر کرنسی کے تبادلے کا موقع ملا جس کے نتیجے میں ترسیلات زر میں کمی آئی ہے۔ ملک کے زر مبادلہ کے ذخائر 30 جون 2023 تک 9.1 بلین امریکی ڈالر تھے جو 2 ماہ کا کل درآمدی احاطہ فراہم کرتے ہیں۔

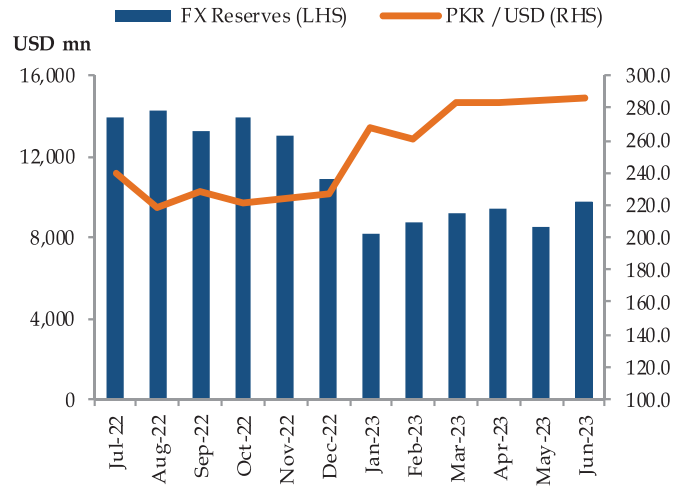
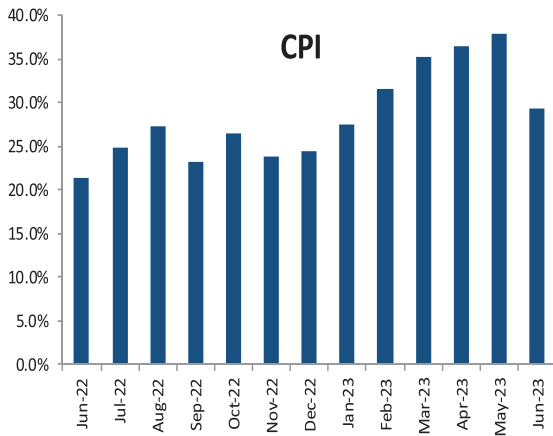


## مینجمنٹ کمپنی کے ڈائریکٹرز کی رپورٹ

اے بی ایل گورنمنٹ سیکورٹیز فنڈ (اے بی ایل۔ جی ایس ایف) کی انتظامی کمپنی، اے بی ایل ایسٹ مینجمنٹ کمپنی لمیٹڈ کے بورڈ آف ڈائریکٹرز 30 جون، 2022 کو ختم ہونے والے سال کے لئے اے بی ایل گورنمنٹ سیکورٹیز فنڈ کے آڈٹ شدہ فنانشل اسٹیٹمنٹ پیش کرنے پر خوش ہیں۔

### اقتصادی کارکردگی کا جائزہ

معاشی منظر نامے کو شدید معاشی عدم توازن، جڑواں خسارہ، ایک بے مثال سیلاب، سپلائی کے جھٹکے، سیاسی عدم استحکام اور عالمی معاشی سست روی نے متاثر کیا ہے۔ نتیجتاً، مالی سال 23ء کے لیے مجموعی اقتصادی نمو صرف 0.3 فیصد سالانہ شرح نمو کے ساتھ متاثر ہوئی ہے۔ تاہم، یہ بات قابل توجہ ہے کہ زراعت اور خدمات کے شعبے نے بالترتیب 1.6% اور 0.9% کی نمو کے ذریعے اس معمولی اقتصادی ترقی کی رفتار میں مثبت کردار ادا کیا جبکہ اسی عرصے کے دوران صنعتی شعبے کی کارکردگی مایوس کن رہی، جس میں 2.9% کی منفی نمو ظاہر ہوئی۔ صنعتی ترقی کی ناقص کارکردگی بنیادی طور پر غیر ملکی زرمبادلہ کے کم ہوتے ذخائر کے درمیان محدود درآمدی پالیسی کی وجہ سے تھی۔ صنعتی خام مال کی درآمد پر عائد پابندیاں پیداواری عمل میں رکاوٹیں بنی ہوئی ہیں، جس سے بڑے پیمانے پر مینوفیکچرنگ پر منفی اثر پڑتا ہے۔ FY23 میں فی کس آمدنی USD 1765 سے کم ہو کر USD 1568 تک پہنچ گئی ہے۔ اس کمی کو امریکی ڈالر کی نسبت PKR کی قدر میں کمی اور مجموعی گھریلو پیداوار (GDP) کے سکڑاؤ سے منسوب کیا جاسکتا ہے۔





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