



ABL Income Fund

Annual Report

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023



ABL Asset Management

Discover the potential

CONTENTS

Vision	01
Mission & Core Values	02
Fund's Information	03
Report of the Directors of the Management Company	04
Fund Manager Report	09
Performance Table	11
Trustee Report to the Unit Holders	12
Independent Auditors' Report to the Unit Holders	13
Statement of Assets and Liabilities	16
Income Statement	17
Statement Of Comprehensive Income	18
Statement of Movement in Unit Holders' Fund	19
Cash Flow Statement	20
Notes to the Financial Statements	21
Disclosure of Proxy Voting	41
Report of the Directors of the Management Company (Urdu Version)	48

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

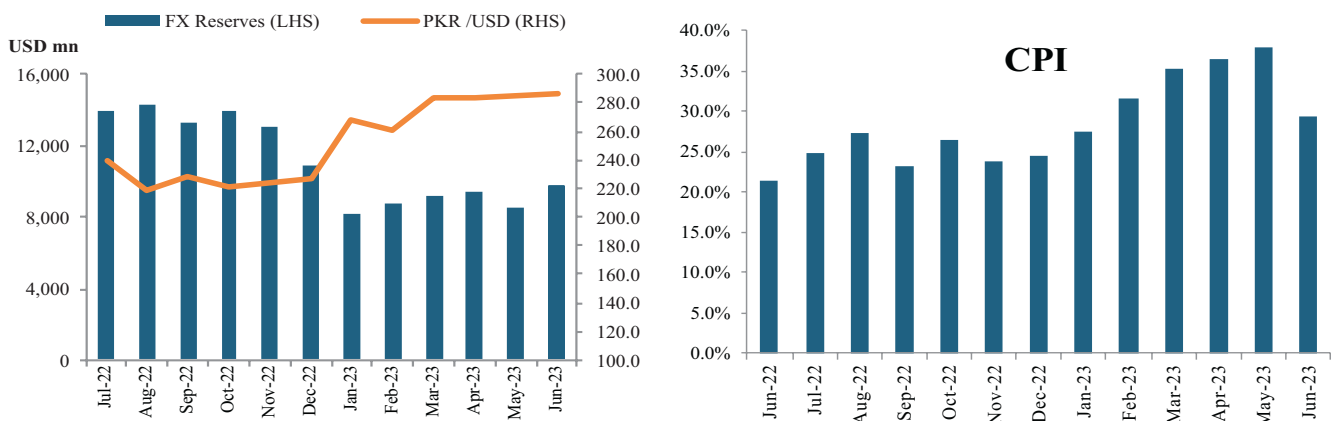
Management Company:	ABL Asset Management Company Limited Plot/ Building # 14, Main Boulevard, DHA, Phase - VI, Lahore - 54810	
Board of Directors:	Sheikh Mukhtar Ahmed Mr. Mohammad Naeem Mukhtar Mr. Muhammad Waseem Mukhtar Mr. Aizid Razzaq Gill Ms. Saira Shahid Hussain Mr. Pervaiz Iqbal Butt Mr. Muhammad Kamran Shehzad	Chairman Non-Executive Director Non-Executive Director Non-Executive Director 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	
Auditors:	M/s. A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, Karachi	
Legal Advisor:	Ijaz Ahmed & Associates Advocates & Legal Consultants No. 7, 11th Zamzama Street, Phase V DHA Karachi.	
Registrar:	ABL Asset Management Company Limited L - 48, DHA Phase - VI, Lahore - 74500	

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

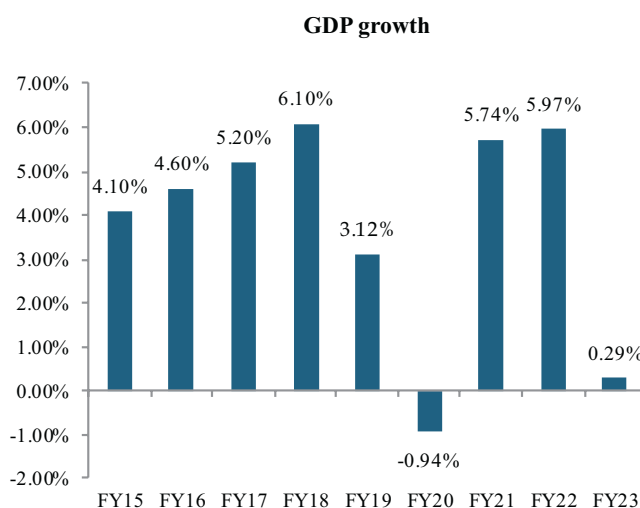
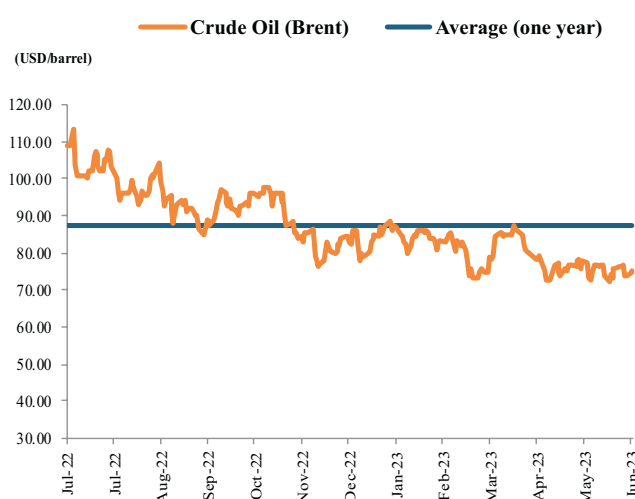
The Board of Directors of ABL Asset Management Company Limited, the management company of Income Fund (ABL-IF), is pleased to present the Condensed Interim Financial Statements (un-audited) of ABL Income Fund for the year ended on June 30, 2023.

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 FY23

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 Income Fund is to earn superior risk adjusted rate of return by investing in a blend of short, medium and long term debt instruments, both within and outside Pakistan.

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.

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.

FUND PERFORMANCE

During the year under review, ABL IF generated an annualized return of 13.66% against the benchmark return of 18.32% thereby underperforming the benchmark by 466bps.

During the year, net assets of ABL Income Fund increased to PKR 7,292 million as at June 30, 2023 as compared to PKR 12,831.99 million at June 30, 2022. The fund had 46.48% exposure in Reverse Repo, 6.67% exposure in PIBs, 15.29% exposure in TFCs, while 27.76% of the funds exposure was placed as cash at the end of June'23.



AUDITORS

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

FUND STABILITY RATING

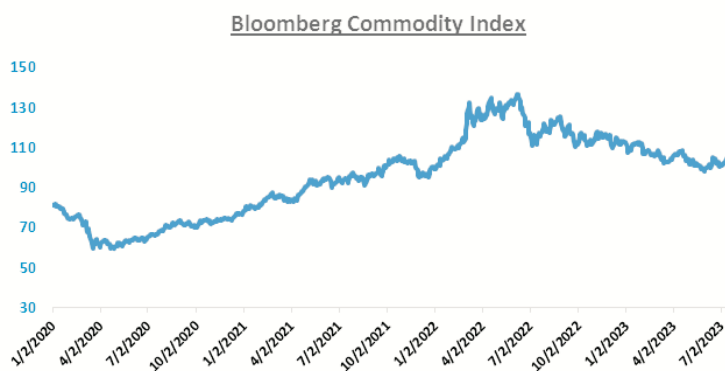
On December 30, 2022: VIS Credit Rating Company Limited (VIS) has reaffirmed the Fund Stability Rating (FSR) of ABL Income Fund (ABL IF) at 'A+(f)' (Single A plus (f)).

MANAGEMENT QUALITY RATING

On October 26, 2022: The Pakistan Credit Rating Agency Limited (PACRA) has upgraded the Management Quality Rating (MQR) of ABL Asset Management Company (ABL AMC) at 'AM1' (AM-One). Outlook on the assigned rating is 'Stable'.

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.



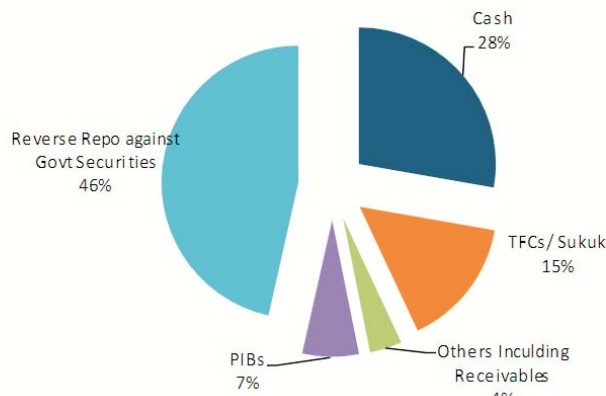
Source: Bloomberg

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.

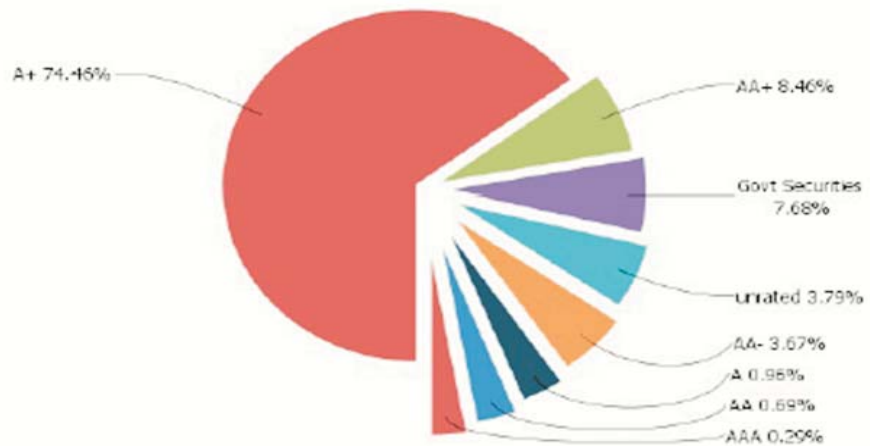
Recent changes in the policy rate by SBP and financing cost estimated in the budget document indicates that the policy rate is expected to remain on the higher side during FY24 therefore in order to minimize interest rate risk in our portfolios we will stay invested in floating rate PIBs and shorter 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 Income Fund is to earn superior risk adjusted rate of return by investing in a blend of short, medium and long term debt instruments, both within and outside Pakistan.

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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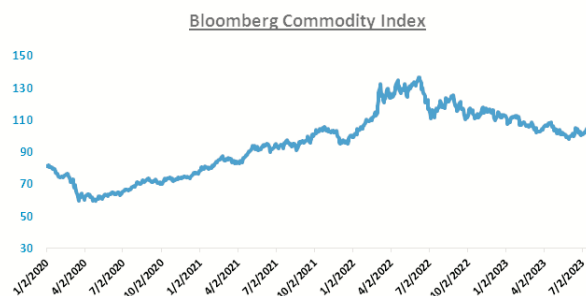
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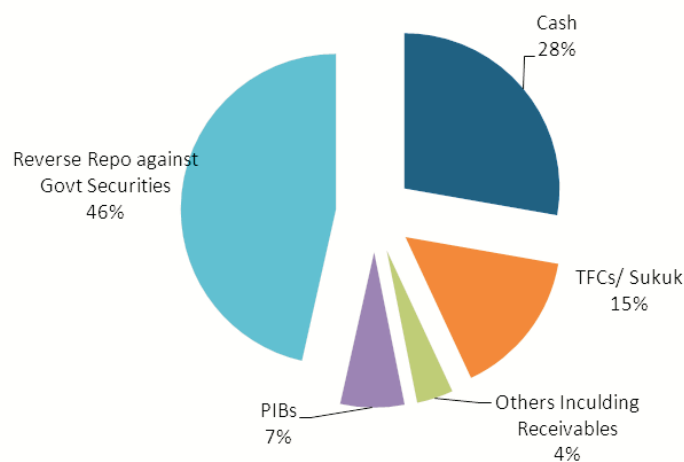
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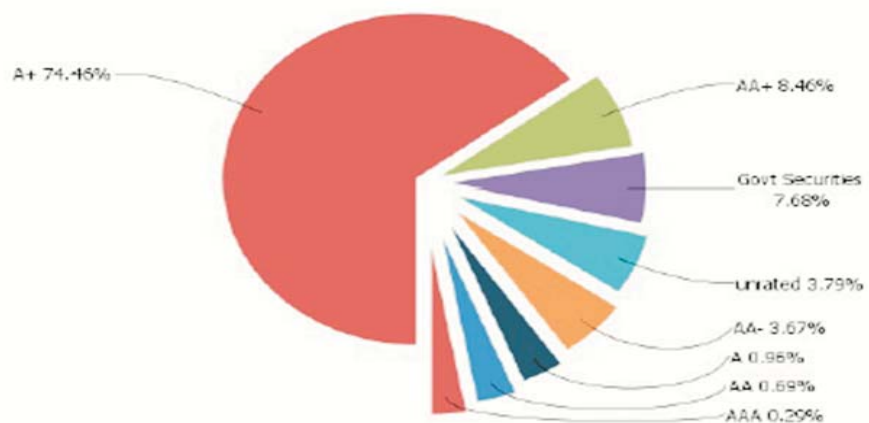
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ABL Income Fund Performance		FY-2023
Yield		13.66%
Benchmark 6 Months KIBOR Average		18.32%
Weighted Average Time to Maturity of Net Assets (days)		399.39
Asset under management as at June 30,2023 (PKR mm)		7,292
Closing NAV per unit as on June 30,2023 (PKR) (Ex-Dividend)		10.1269

Asset Allocation



CREDIT QUALITY OF PORTFOLIO (% OF TOTAL ASSETS)



PERFORMANCE TABLE

	June 2023	June 2022	June 2021	June 2020	June 2019	June 2018
	----- (Rupees in '000) -----					
Net Assets	7,292,001	12,831,992	8,516,128	1,490,933	1,692,901	2,810,027
Net Income	1,031,991	1,241,292	179,712	226,156	132,149	167,989
	----- (Rupees per unit) -----					
Net Assets value	10.1269	10.0976	10.0917	10.0810	10.0717	10.5036
Interim distribution*	1.1151	0.7749	0.3099	-	0.4438	-
Final distribution	0.1572	0.1750	0.1543	1.4354	0.7034	-
Distribution date final	June 25, 2023	June 26, 2022	June 28, 2021	June 29, 2020	June 26, 2019	-
Closing offer price	10.3031	10.2733	10.2673	10.2564	10.2228	10.6611
Closing repurchase price	10.1269	10.0976	10.0917	10.0810	10.0717	10.5036
Highest offer price	10.4476	10.4453	10.5776	11.7216	10.9246	10.6551
Lowest offer price	10.1077	10.2611	10.1560	10.2258	10.2259	10.1896
Highest repurchase price per unit	10.2689	10.2667	10.3967	11.5484	10.7632	10.4976
Lowest repurchase price per unit	9.9348	10.0856	9.9823	10.0747	10.0748	10.039
	----- Percentage -----					
Total return of the fund						
- capital growth	0.94%	0.38%	0.12%	-0.04%	-4.35%	4.67%
- income distribution	12.72%	9.50%	4.64%	14.35%	11.47%	0.00%
Average Annual return of the fund						
First Year	13.66%	9.88%	4.76%	14.32%	7.12%	4.67%
Second Year	12.45%	7.56%	9.89%	11.23%	6.06%	5.40%
Third Year	10.28%	10.54%	9.43%	9.40%	6.23%	6.26%
Fourth Year	12.40%	10.25%	8.57%	8.93%	6.81%	8.91%
Fifth Year	12.05%	9.51%	8.43%	9.09%	9.06%	9.35%
Sixth Year	11.29%	9.37%	8.73%	11.02%	9.53%	10.20%
Seventh Year	11.08%	9.64%	10.57%	11.39%	10.39%	11.44%
Eighth Year	11.29%	11.40%	11.03%	12.18%	11.61%	12.63%
Ninth Year	13.04%	11.88%	11.87%	13.40%	12.74%	13.68%
Tenth Year	13.52%	12.73%	13.11%	14.55%	13.90%	-
Eleventh Year	14.40%	13.99%	14.36%	15.75%	-	-
Twelfth Year	15.72%	15.29%	15.52%	-	-	-
Thirteenth Year	17.10%	16.51%	-	-	-	-
Fourteenth Year	18.40%	-	-	-	-	-
Since Inception	20.13%	18.12%	17.07%	17.27%	15.35%	15.14%
Weighted average Portfolio duration in days	399	264	134	1108	813	592

Distribution History*

2022		2022		2021		2019	
Date	Rate Re. Per Unit	Date	Rate Re. Per Unit	Date	Rate Re. Per Unit	Date	Rate Re. Per Unit
August 11, 2022	0.1713	August 8, 2021	0.0796	April 11, 2021	0.3099	July 3, 2018	0.3588
September 5, 2022	0.1006	September 3, 2021	0.0566	June 28, 2021	0.1543	August 1, 2018	0.0850
October 5, 2022	0.1261	October 3, 2021	0.0579			June 26, 2019	0.7034
November 7, 2022	0.1297	October 31, 2021	0.0575				
January 30, 2023	0.0820	December 5, 2021	0.0710				
February 24, 2023	0.0965	January 14, 2022	0.1057				
March 27, 2023	0.1287	February 4, 2022	0.0626				
April 28, 2023	0.1471	March 4, 2022	0.0737				
May 26, 2023	0.1331	April 5, 2022	0.0978				
		May 12, 2022	0.1125				

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**

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TRUSTEE REPORT TO THE UNIT HOLDERS

ABL INCOME 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 Income Fund (the Fund) are of the opinion that ABL Asset Management Company Limited being the Management Company of the Fund has in all material respects managed the Fund during the 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 Income Fund

Report on the Audit of the Financial Statements

Opinion

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

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 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:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	<p>Net Asset Value (Refer notes 4 and 5 to the annexed financial statements)</p> <p>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. 2,109.797 million and Rs. 5,031.018 million respectively.</p> <p>The existence of bank balances and the existence and 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>Our audit procedures included the following:</p> <ul style="list-style-type: none"> tested the design and operating effectiveness of the key controls for valuation of investments. obtained independent confirmations for verifying the existence of the investment portfolio and bank balances as at June 30, 2023 and traced balances in these confirmations with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed. re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies. obtained bank reconciliation statements and tested reconciling items on a sample basis.

A.F.C.O.

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

■ KARACHI ■ LAHORE ■ ISLAMABAD

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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



A.F. Ferguson & Co.
Chartered Accountants
Karachi

Dated: September 27, 2023


UDIN: AR2023100614Z7d3CTgm

ABL INCOME FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2023

	Note	2023	2022
-----Rupees in '000-----			
Assets			
Bank balances	4	2,109,797	10,881,270
Investments	5	5,031,018	1,773,548
Interest / profit accrued	6	124,985	184,692
Deposits and other receivables	7	84,647	75,242
Total assets		7,350,447	12,914,752
Liabilities			
Payable to ABL Asset Management Company Limited - Management Company	8	35,857	43,852
Payable to Central Depository Company of Pakistan Limited - Trustee	9	507	907
Payable to the Securities and Exchange Commission of Pakistan	10	1,450	2,631
Payable against redemption and conversion of units		19	1,043
Dividend payable		35	47
Accrued expenses and other liabilities	11	20,578	34,280
Total liabilities		58,446	82,760
NET ASSETS		7,292,001	12,831,992
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		7,292,001	12,831,992
CONTINGENCIES AND COMMITMENTS	12		
----- Number of units -----			
NUMBER OF UNITS IN ISSUE		720,064,616	1,270,798,585
----- Rupees -----			
NET ASSET VALUE PER UNIT		10.1269	10.0976

The annexed notes from 1 to 29 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 INCOME FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
----- Rupees in '000 -----			
Income			
Interest / profit earned	13	1,200,574	1,373,568
Other income		2,710	-
Loss on sale of investments - net		(50,206)	(36,469)
Unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	5.9	(37,649)	13,319
		<u>(87,855)</u>	<u>(23,150)</u>
Total income		1,115,429	1,350,418
Expenses			
Remuneration of ABL Asset Management Company Limited - Management Company	8.1	28,531	52,620
Punjab Sales Tax on remuneration of the Management Company	8.2	4,565	8,409
Accounting and operational charges	8.4	33,862	27,379
Selling and marketing expenses	8.5	4,597	-
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	9.1	5,436	9,866
Sindh Sales Tax on remuneration of the Trustee	9.2	707	1,282
Annual fees to the Securities and Exchange Commission of Pakistan	10.1	1,450	2,631
Securities transaction cost		2,592	9,635
Auditors' remuneration	14	649	594
Annual rating fee		326	307
Annual listing fee		28	28
Printing charges		173	100
Legal and professional charges		407	274
Bank charges		115	184
Total operating expenses		83,438	113,309
Reversal of provision for Sindh Workers Welfare Fund		-	4,183
Net income for the year before taxation		1,031,991	1,241,292
Taxation	16	-	-
Net income for the year after taxation		1,031,991	1,241,292
Earnings per unit	17	-	-
Allocation of net income for the year			
Net income for the year after taxation		1,031,991	1,241,292
Income already paid on units redeemed		(137,887)	(79,909)
		<u>894,104</u>	<u>1,161,383</u>
Accounting income available for distribution			
- Relating to capital gains		-	-
- Excluding capital gains		894,104	1,161,383
		<u>894,104</u>	<u>1,161,383</u>

The annexed notes from 1 to 29 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

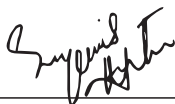


**ABL INCOME FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023**

	2023	2022
	----- Rupees in '000 -----	
Net income for the year after taxation	1,031,991	1,241,292
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>1,031,991</u>	<u>1,241,292</u>

The annexed notes from 1 to 29 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 INCOME FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2023

	2023			2022		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)					
Net assets at the beginning of the year	12,797,291	34,701	12,831,992	8,488,066	28,062	8,516,128
Issue of 2,149,264,328 (2022: 2,542,318,005) units						
- Capital value (at net asset value per unit at the beginning of the year)	21,702,411	-	21,702,411	25,656,311	-	25,656,311
- Element of income	64,627	-	64,627	121,900	-	121,900
Total proceeds on issuance of units	21,767,039	-	21,767,039	25,778,211	-	25,778,211
Redemption of 2,699,998,297 (2022: 2,115,393,989) units						
- Capital value (at net asset value per unit at the beginning of the year)	27,263,503	-	27,263,503	21,347,922	-	21,347,922
- Element of loss	21,199	137,887	159,088	34,039	79,909	113,948
Total payments on redemption of units	27,284,702	137,887	27,422,589	21,381,961	79,909	21,461,870
Total comprehensive income for the year	-	1,031,991	1,031,991	-	1,241,292	1,241,292
Distribution for the year ended June 30, 2023						
- Re. 0.1713 per unit on August 11, 2022	(2,976)	(108,564)	(111,540)	(7,016)	(63,445)	(70,461)
(2022: Re @ 0.0796 per unit on August 08, 2021)						
- Re. 0.1006 per unit on September 05, 2022	(1,203)	(64,872)	(66,075)	(30,411)	(53,178)	(83,589)
(2022: Re @ 0.0566 per unit on September 03, 2021)						
- Re. 0.1261 per unit on October 05, 2022	(3,566)	(78,864)	(82,430)	(2,472)	(85,378)	(87,850)
(2022: Re @ 0.0579 per unit on October 03, 2021)						
- Re. 0.1297 per unit on November 07, 2022	(19,705)	(95,640)	(115,345)	(4,943)	(81,027)	(85,970)
(2022: Re @ 0.0575 per unit on November 01, 2021)						
(2022: Re @ 0.0710 per unit on December 05, 2021)	-	-	-	(7,779)	(93,502)	(101,281)
- Re. 0.0820 per unit on January 30, 2023						
(2022: Re @ 0.1057 per unit on January 14, 2022)	(589)	(63,103)	(63,692)	(5,390)	(130,311)	(135,701)
- Re. 0.0965 per unit on February 24, 2023						
(2022: Re @ 0.0626 per unit on February 04, 2022)	(563)	(72,771)	(73,334)	(3,892)	(79,882)	(83,774)
- Re. 0.1287 per unit on March 27, 2023						
(2022: Re @ 0.0737 per unit on March 04, 2022)	(11,310)	(83,140)	(94,450)	(5,009)	(94,563)	(99,572)
- Re. 0.1471 per unit on April 28, 2023						
(2022: Re @ 0.0978 per unit on April 05, 2022)	(15,642)	(87,682)	(103,324)	(8,894)	(118,848)	(127,742)
- Re. 0.1331 per unit on May 26, 2023						
(2022: Re @ 0.1125 per unit on May 12, 2022)	(144)	(94,399)	(94,543)	(4,700)	(139,861)	(144,561)
- Re. 0.1572 per unit on June 25, 2023						
(2022: Re @ 0.1750 per unit on June 27, 2022)	(16,580)	(95,119)	(111,699)	(6,519)	(214,749)	(221,268)
Total distribution during the year	(72,278)	(844,154)	(916,432)	(87,025)	(1,154,744)	(1,241,769)
Net assets at the end of the year	7,207,350	84,651	7,292,001	12,797,291	34,701	12,831,992
Undistributed income brought forward comprising of:						
- Realised income		21,382			23,952	
- Unrealised income		13,319			4,110	
		34,701			28,062	
Accounting income available for distribution						
-Relating to capital gains		-			-	
-Excluding capital gains		894,104			1,161,383	
		894,104			1,161,383	
Distribution during the year		(844,154)			(1,154,744)	
Undistributed income carried forward		84,651			34,701	
Undistributed income carried forward comprising of:						
- Realised income		122,300			21,382	
- Unrealised (loss) / income		(37,649)			13,319	
		84,651			34,701	
			Rupees			Rupees
Net asset value per unit at beginning of the year			<u>10,0976</u>			<u>10,0917</u>
Net asset value per unit at end of the year			<u>10,1269</u>			<u>10,0976</u>

The annexed notes from 1 to 29 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 INCOME FUND
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2023**

	Note	2023	2022
----- Rupees in '000 -----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		1,031,991	1,241,292
Adjustments for:			
Interest / profit earned	13	(1,200,574)	(1,373,568)
Unrealised diminution / (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	5.9	37,649	(13,319)
Other income		(2,710)	-
		(1,165,635)	(1,386,887)
(Increase) / decrease in assets			
Deposits and other receivables		(9,405)	114,543
Receivable against margin trading system		-	1,356,897
		(9,405)	1,471,440
(Decrease) / increase in liabilities			
Payable to ABL Asset Management Company Limited - Management Company		(7,995)	13,950
Payable to Central Depository Company of Pakistan Limited - Trustee		(400)	249
Payable to the Securities and Exchange Commission of Pakistan		(1,181)	2,042
Dividend payable		(12)	47
Accrued expenses and other liabilities		(13,702)	13,542
		(23,290)	29,830
		(166,339)	1,355,675
Interest received		1,262,991	1,237,075
Net amount paid on purchase and sale of investments		(3,295,119)	(910,492)
Net cash (used in) / generated from operating activities		(2,198,467)	1,682,258
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts from issuance and conversion of units - net of refund of capital		21,694,761	25,899,706
Payments against redemption and conversion of units		(27,423,613)	(21,506,015)
Cash pay-out against distribution		(844,154)	(1,154,744)
Net cash (used in) / generated from financing activities		(6,573,006)	3,238,947
Net (decrease) / increase in cash and cash equivalents		(8,771,473)	4,921,205
Cash and cash equivalents at the beginning of the year		10,881,270	5,960,065
Cash and cash equivalents at the end of the year	4	2,109,797	10,881,270

The annexed notes from 1 to 29 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 INCOME FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

AS AT JUNE 30, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 ABL Income Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered into on June 16, 2008 between ABL Asset Management Company as the Management Company and Central Depository Company of Pakistan Limited as the Trustee. The Trust Deed has been revised through the Deed of Change of Trustee and the First and Second Supplemental Trust Deeds dated September 30, 2010 and July 29, 2011 respectively with the approval of the Securities and Exchange Commission of Pakistan (SECP). Furthermore, the Offering Document of the Fund has been revised through the First, Second, Third, Fourth, Fifth, Sixth and Seventh Supplements dated November 1, 2010, September 20, 2011, December 20, 2011, July 30, 2013, March 2, 2021, June 24, 2021 and November 1, 2021 respectively with the approval of the Securities and Exchange Commission of Pakistan (SECP). The Securities and Exchange Commission of Pakistan (SECP) authorised constitution of the Trust Deed vide letter no. NBFC - II/VS/ ABL/ 447/ 2008 dated June 06, 2008 in accordance with the requirement of the Non-Banking Finance Companies and Notified Entities Regulation, 2008.

During the year ended June 30, 2021, the Trust Act, 1882 had been repealed due to the promulgation of Provincial Trust Act namely "The Punjab Trusts Act, 2020" (the Punjab Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Consequently, the Fund was required to be registered under the Punjab Trust Act. Accordingly, on June 20, 2023, the Fund has been registered as a Trust under the Punjab Trust Act and has been issued a Trust Registration Certificate.

1.2 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).

1.3 The Fund has been categorised as an open ended income scheme by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs 10 per unit. Thereafter, the units are being offered for public subscription on a continuous basis from September 20, 2008 and are transferable and redeemable by surrendering them to the Fund.

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

1.5 The Management Company has been assigned a quality rating of 'AM1' by Pakistan Credit Rating Agency (PACRA) dated October 26, 2022 (2022: 'AM2++' dated December 31, 2021). 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 reaffirmed the stability rating of the Fund to "A+(f)" dated December 30, 2022 [2022: "A+(f)" dated January 18, 2022].

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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



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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's accounting period beginning on July 1, 2022. However, these do not have any significant impact on the Fund's operations and, therefore, have not been disclosed in these financial statements.

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2023. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these financial statements.

2.4 Critical accounting estimates and judgments

The preparation of the financial statements in conformity with the accounting and reporting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and income and expenses. It also requires the management to exercise judgment in the application of the Fund's accounting policies. The estimates and associated assumptions are based on historical experience and various other factors, including expectation of future events, that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying value of assets and liabilities. These estimates and 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 the current and future years.

The estimates and judgments that have a significant effect on these financial statements of the Fund relate to classification and valuation of financial assets (notes 3.2 and 5).

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 Rupees, which is the Fund's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 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 either classified as:

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

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 FVPL. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVPL.

3.2.3 Impairment

The Fund assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets (other than debt instruments) carried at amortised cost and at 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.

As allowed by the SECP, the Management Company may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, considering the specific credit and financial condition of the debt security issuer and in accordance with the provisioning policy duly approved by the Board of Directors of the Management Company. The provisioning policy approved by the Board of Directors has also been placed on the Management Company's website as required under the SECP's Circular.

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. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

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 the 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 year end.

3.7 Issue and redemption of units

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

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

3.8 Distributions to unit holders

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

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

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

Element of income represents the difference between net asset value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders' fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

3.10 Revenue recognition

- Gains / (losses) arising on sale of investments are recorded at the date at which the transaction takes place.
- Income from investments in GoP ijara sukuk, Market Treasury Bills, Pakistan Investment Bonds, commercial papers, term finance certificates and corporate sukuku certificates is recognised on an accrual basis using effective interest method.
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are recorded in the period in which these arise.
- Interest income on bank balances, term deposits and letters of placement is recognised on an accrual basis.

3.11 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee to the SECP are recognised in the Income Statement on an accrual basis.

3.12 Foreign currency translation

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

3.13 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders in cash.

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

3.14 Earnings per unit

Earnings per unit is calculated by dividing the net income of the year after taxation of the Fund by the weighted average number of units outstanding during the year. The determination of earning per unit is not practicable as disclosed in note 17.

	Note	2023	2022
		----- Rupees in '000 -----	
4 BANK BALANCES			
Balances with banks in:			
Savings accounts	4.1	2,109,789	10,881,270
Current account	4.2	8	-
		2,109,797	10,881,270



- 4.1 These include a balance of Rs. 14.4 million (2022: Rs. 402.23 million) maintained with Allied Bank Limited (a related party) that carries interest at the rate of 19.50% (2022: 7.75% to 16.15%) per annum. Other savings accounts of the Fund carry interest rates ranging from 15.00% to 21.20% (2022: 7.75% to 16.65%) per annum.
- 4.2 This represents balance maintained with Allied Bank Limited (a related party).

	Note	2023	2022
----- Rupees in '000 -----			
5 INVESTMENTS			
At fair value through profit or loss			
Term finance certificates	5.1	1,032,230	1,441,869
Corporate sukuk certificates	5.2	17,552	55,235
Government Securities - GoP ijarah sukuks	5.3	74,319	31,200
Government securities - Market Treasury Bills	5.4	-	53,303
Government securities - Pakistan Investment Bonds	5.5	490,158	49,590
Commercial Paper	5.6	-	142,351
Letter of placements	5.7	-	-
Reverse Repo	5.8	3,416,759	-
		5,031,018	1,773,548

5.1 Term finance certificates

Name of the investee company	Interest Payments / Principal Redemption	Maturity Date	Interest Rate	As at July 1, 2022	Purchased during the year	Disposed of / matured during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised appreciation / (diminution)	Percentage in relation to		Investment as a percentage of total issue size
											Total market value of investment	Net assets of the Fund	
				-----Number of Certificates-----			-----Rupees in '000-----			-----Percentage-----			
COMMERCIAL BANKS													
The Bank of Punjab (AA, PACRA) (Face value of 99,780 per certificate)	Semi-annually	December 26, 2026	6 months KIBOR plus base rate of 1.00%	1,680	200	1,880	-	-	-	-	-	-	-
The Bank of Punjab (AA, PACRA) (Face value of 99,800 per certificate)	Semi-annually	April 23, 2028	6 months KIBOR plus base rate of 1.25%	500	-	-	500	51,085	50,387	(698)	1.00%	0.69%	2.00%
JS Bank Limited (A+, PACRA) (Face value of 99,940 per certificate)	Semi-annually	December 28, 2028	6 months KIBOR plus base rate of 2.00%	2,250	-	-	2,250	231,673	226,415	(5,257)	4.50%	3.10%	0.37%
JS Bank Limited (A+, PACRA) (Face value of 99,780 per certificate)	Semi-annually	December 29, 2024	6 months KIBOR plus base rate of 1.40%	500	110	100	510	51,127	50,906	(221)	1.01%	0.70%	0.08%
Bank Al Habib Limited (AAA, PACRA) (Face value of 4,991 per certificate)	Semi-annually	December 6, 2028	6 months KIBOR plus base rate of 1.00%	24,000	4,000	-	28,000	145,021	140,377	(4,644)	2.79%	1.93%	4.67%
Bank Al Habib Limited (AAA, PACRA) (Face value of 4,997 per certificate)	Semi-annually	September 29, 2031	6 months KIBOR plus base rate of 0.75%	86,000	-	10,000	76,000	395,729	375,215	(20,514)	7.46%	5.15%	12.67%
Soneri Bank Limited (A+, PACRA) (Face value of 4,986 per certificate)	Semi-annually	July 8, 2023	6 months KIBOR plus base rate of 1.35%	21,060	-	21,060	-	-	-	-	-	-	-
Samba Bank Limited-TFC (AA-, PACRA) (Face value of 99,920 per certificate)	Semi-annually	March 1, 2031	6 months KIBOR plus base rate of 1.35%	1,035	-	-	1,035	103,827	103,417	(410)	2.06%	1.42%	0.17%
U Microfinance Bank Limited (AA-, VIS) (Face value of 66,667 per certificate)	Semi-annually	June 23, 2025	6 months KIBOR plus base rate of 1.35%	1,000	-	-	1,000	66,667	66,732	65	1.33%	0.92%	0.17%
INVESTMENT COMPANIES													
Jahangir Siddiqui Company Limited (AA+, PACRA) (Face value of 625 per certificate)	Semi-annually	July 18, 2023	6 months KIBOR plus base rate of 1.40%	30,000	-	-	30,000	20,388	18,781	(1,607)	0.37%	0.26%	4.50%
Total as at June 30, 2023				168,025	4,310	33,040	139,295	1,065,517	1,032,230	(33,287)			
Total as at June 30, 2022								1,426,827	1,441,869	15,042			

5.2 Corporate sukuk certificates

Name of Investee Company	Profit payments / Principal redemptions	Maturity date	Profit rate	As at July 1, 2022	Purchased during the year	Disposed of / matured during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised appreciation / (diminution)	Percentage in relation to		Investment as a percentage of total issue size
				-----Number of Certificates-----				-----Rupees in '000-----			Total market value of investment	Net assets of the Fund	
Power Generation and Distribution													
The Hub Power Company Limited (Face value of 25,000 per certificate)	Quarterly/ Semi-annually	August 22, 2023	3 months KIBOR plus base rate of 1.9%	700	-	-	700	20,235	17,552	(2,683)	0.35%	0.24%	1.35%
The Hub Power Company Limited (Face value of 100,000 per certificate)	Semi-annually	October 26, 2022	6 months KIBOR plus base rate of 1.00%	-	6,000	6,000	-	-	-	-	-	-	-
Total as at June 30, 2023				1,442	159,385	9,742	151,085	20,235	17,552	(2,683)			
Total as at June 30, 2022								55,235	55,235	-			

5.3 Government Securities - GoP Ijarah sukuk

Issue date	Profit payments / Principal redemption	Issue date	Maturity Date	Profit Rate	Face value (Rupees in '000)				Rupees in '000			Percentage in relation to	
					As at July 1, 2022	Purchased during the year	Disposed of / matured during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised appreciation / (diminution)	Total market value of investment	Net assets of the Fund
GoP Ijarah Sukuk Certificate - GIS-FRR 11	Fixed	December 15, 2021	December 15, 2026	11.40%	32,500	150,000	100,000	82,500	76,725	74,319	(2,406)	1.53%	1.02%
Total as at June 30, 2023					32,500	150,000	100,000	82,500	76,725	74,319	(2,406)		
Total as at June 30, 2022									33,269	31,200	(2,069)		

5.4 Government securities - Market Treasury Bills

Tenor	Face Value (Rupees in '000)				Rupees in '000			Percentage in relation to	
	As at July 1, 2022	Purchased during the year	Disposed of / matured during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised appreciation / (diminution)	Total market value of investment	Net assets of the Fund
3 Months	-	25,782,000	25,782,000	-	-	-	-	-	-
6 Months	57,000	1,300,000	1,357,000	-	-	-	-	-	-
12 Months	-	14,000,000	14,000,000	-	-	-	-	-	-
Total as at June 30, 2023									
57,000 41,082,000 41,139,000 - - - - - -									
Total as at June 30, 2022					53,363 53,303 (60)				

5.5 Government Securities - Pakistan Investment Bonds

Issue date	Tenor	Face value (Rupees in '000)				Rupees in '000			Percentage in relation to	
		As at July 1, 2022	Purchased during the year	Disposed of / matured during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised appreciation / (diminution)	Total market value of investment	Net assets of the Fund
December 30, 2021	2 years	-	8,607,000	8,607,000	-	-	-	-	-	
September 8, 2022	2 years	-	1,950,000	1,950,000	-	-	-	-	-	
August 26, 2021	2 years	-	1,410,000	1,410,000	-	-	-	-	-	
April 7, 2022	3 years	-	1,750,000	1,750,000	-	-	-	-	-	
August 4, 2022	3 years	-	1,950,000	1,950,000	-	-	-	-	-	
September 8, 2022	3 years	-	2,450,000	2,450,000	-	-	-	-	-	
August 26, 2021	3 years	50,000	-	50,000	-	-	-	-	-	
October 13, 2022	5 years	-	6,332,000	6,332,000	-	-	-	-	-	
August 5, 2021	3 years	-	50,000	50,000	-	-	-	-	-	
May 6, 2021	5 years	-	2,400,000	1,900,000	500,000	481,801	483,200	1,399	9.60%	6.63%
April 29, 2022	5 years	-	2,050,000	2,050,000	-	-	-	-	-	

Issue date	Tenor	Face value (Rupees in '000)				Rupees in '000			Percentage in relation to	
		As at July 1, 2022	Purchased during the year	Disposed of / matured during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised appreciation / (diminution)	Total market value of investment	Net assets of the Fund
September 19, 2019	5 years	-	8,000	-	8,000	7,629	6,958	(672)	0.14%	0.10%
November 17, 2022	5 years	-	785,000	785,000	-	-	-	-	-	-
Total as at June 30, 2023		50,000	29,742,000	29,284,000	508,000	489,431	490,158	727		
Total as at June 30, 2022						49,184	49,590	406		

5.6 Commercial papers

Name of Investee Company	Maturity Date	Interest rate	Face value (Rupees in '000)				Rupees in '000		Percentage in relation to	
			As at July 1, 2022	Purchased during the year	Disposed of / matured during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Total market value of investment	Net assets of the Fund
POWER GENERATION AND DISTRIBUTION										
Lucky Electric Power Company Limited (AA, PACRA)	December 31, 2022	10.72%	150,000	-	150,000	-	-	-	-	-
Lucky Electric Power Company Limited (AA, PACRA)	May 1, 2023	17.34%	-	300,000	300,000	-	-	-	-	-
Total as at June 30, 2023			150,000	300,000	450,000	-	-	-	-	-
Total as at June 30, 2022							142,351	142,351		

5.7 Letter of placements

Name of the investee	Issue date	Interest rate	As at July 1, 2022	Purchased during the year	Matured during the year	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Market value as a percentage of	
								net assets of the Fund	total investments
		%	(Rupees in '000)					%	
Pak Libya Holding Company (Private) Limited	January 3, 2023	16.20%	-	800,000	800,000	-	-	-	-
Total as at June 30, 2023			-	800,000	800,000	-	-	-	-
Total as at June 30, 2022						-	-		

5.8 This carries mark-up at the rate of 20.75% against Pakistan Investment Bonds having carrying value of Rs 3,416.76 million (2022: Nil) which will be matured on July 05, 2023.

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

Note 2023 2022
----- Rupees in '000-----

Market value of investments	5.1, 5.2, 5.3, 5.4, 5.5, 5.6, 5.7 & 5.8	1,614,259	1,773,548
Less: carrying value of investments	5.1, 5.2, 5.3, 5.4, 5.5, 5.6, 5.7 & 5.8	(1,651,908)	(1,760,229)
		<u>(37,649)</u>	<u>13,319</u>

6 INTEREST / PROFIT ACCRUED

Interest accrued on:

Bank balances	61,264	149,373
Term Finance and corporate sukuk certificates	37,084	33,608
Pakistan Investment Bonds	16,925	1,711
Reverse Repo	9,712	-
	<u>124,985</u>	<u>184,692</u>

7	DEPOSITS AND OTHER RECEIVABLES	Note	2023	2022
			----- Rupees in '000-----	
	Security deposit with Central Depository Company of Pakistan Limited *		100	100
	Security deposit with National Clearing Company of Pakistan Limited		2,750	2,750
	Deposit in IPS account*		128	240
	Security deposit with Bond Automated Trading System		68,027	60,017
	Advance Tax	7.1	13,642	12,135
			<u>84,647</u>	<u>75,242</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 tax on profit on bank deposits, commercial papers and letter of placements to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. No. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder. The tax withheld on profit on savings accounts and debt securities amounts to Rs. 13.642 (2022: Rs. 12.135) million.

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

8	PAYABLE TO ABL ASSET MANAGEMENT COMPANY LIMITED - MANAGEMENT COMPANY - RELATED PARTY	Note	2023	2022
			-----Rupees in '000-----	
	Remuneration payable	8.1	2,989	2,672
	Punjab Sales Tax payable on remuneration of the Management Company	8.2	3,254	3,203
	Federal Excise Duty payable on remuneration of the Management Company	8.3	19,142	19,142
	Accounting and operational charges payable	8.4	7,032	18,814
	Selling and marketing expenses payable	8.5	3,107	-
	Sales and transfer load payable		-	21
	Other payable		333	-
			<u>35,857</u>	<u>43,852</u>

- 8.1 As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the following rates during the year ended June 30, 2023:

Rate applicable from July 1, 2021 to October 31, 2021	Rate applicable from November 1, 2021 to June 30, 2022	Rate applicable from July 1, 2022 to June 30, 2023
8% of gross earning subject to minimum floor of 0.50% of net assets p.a. and maximum cap of 1.00% of net assets p.a.	0.25% to 0.50% of average daily net assets	0.25% of average daily net assets per annum subject to minimum floor of 0.25% of average daily net assets p.a. and maximum cap of 0.50% of average daily net assets p.a.

The remuneration is payable to the Management Company monthly in arrears.

- 8.2 During the year, an amount of Rs. 4.565 million (2022: Rs 8.409 million) was charged on account of sales tax on remuneration of the Management Company levied through the Punjab Sales Tax on Services Act, 2012 at the rate of 16% (2022: 16%).
- 8.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration and sales load were 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 Honourable Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company and sales load 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 19.142 (2022: Rs 19.142) million is being retained in these financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been made, the Net Asset Value of the Fund as at June 30, 2023 would have been higher by Re 0.027 (2022: Re 0.015) per unit.

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

Rate applicable from July 1, 2021 to June 30, 2022	Rate applicable from July 1, 2022 to November 30, 2023	Rate applicable from December 1, 2023 to February 12, 2023	Rate applicable from February 13, 2023 to April 4, 2023	Rate applicable from April 5, 2023 to June 30, 2023
0.60% of average daily net assets	0.55% of average daily net assets	0.50% of average daily net assets	0.35% of average daily net assets	0.39% of average daily net assets

- 8.5 In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company, based on its own discretion, has charged selling and marketing expenses at the rate of 0.15% (2022: 0.15%) per annum of the average annual net assets of the Fund during the year ended June 30, 2023 while keeping in view the overall return and total expense ratio limit of the Fund as defined under the NBFC Regulations, subject to total expense charged being lower than actual expense incurred.

	Note	2023	2022
		-----Rupees in '000-----	
9	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE - RELATED PARTY		
	Remuneration payable	9.1	449
	Sindh Sales Tax payable on remuneration of the Trustee	9.2	58
			803
			104
			<u>507</u>
			<u>907</u>

- 9.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed at the rate of 0.075% (2022: 0.075%) per annum of average annual net assets of the Fund. Accordingly the Fund has charged trustee fee at the above mentioned rate during the year.

- 9.2 During the year, an amount of Rs 0.707 million (2022: Rs. 1.282 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 at the rate of 13% (2022: 13%).

	Note	2023	2022
		-----Rupees in '000-----	
10	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN		
	Annual fee payable	10.1	1,450
			2,631

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

	2023	2022	
		-----Rupees in '000-----	
11	ACCRUED EXPENSES AND OTHER LIABILITIES		
	Auditors' remuneration payable	392	360
	National Clearing Company of Pakistan Limited charges payable	22	22
	Printing charges payable	156	138
	Securities transaction cost	3	348
	Withholding tax payable	20,005	33,412
		<u>20,578</u>	<u>34,280</u>

	2023	2022
	-----Rupees in '000-----	
12 CONTINGENCIES AND COMMITMENTS		
12.1 Commitment against reverse repo agreement	3,434,242	-
12.2 There were no contingencies outstanding as at June 30, 2023 and June 30, 2022.		
13 INTEREST / PROFIT EARNED		
Interest / profit on:		
Savings account	490,782	847,365
Term finance and sukuk certificates	232,645	157,744
Market Treasury Bills and Pakistan Investment Bonds	108,857	228,102
Margin Trading System	-	61,769
Letter of placement	4,971	54,220
Commercial papers	31,524	24,368
Reverse Repo	331,796	-
	<u>1,200,574</u>	<u>1,373,568</u>
14 AUDITORS' REMUNERATION		
Annual audit fee	330	300
Half yearly review of condensed interim financial statements	216	204
Out of pocket expenses	55	50
	<u>601</u>	<u>554</u>
Sales tax	48	40
	<u>649</u>	<u>594</u>
15 TOTAL EXPENSE RATIO		

The Total Expense Ratio (TER) of the Fund as at June 30, 2023 is 1.15% (2022: 0.86%) which includes 0.10% (2022: 0.10%) representing government levies on the Fund such as sales taxes, federal excise duties, annual fee to the SECP, etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as a 'Income Scheme'.

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.

17 EARNINGS PER UNIT

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

18 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

- 18.1 Connected persons / related parties include ABL Asset Management Company Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes being managed by the Management Company, any entity in which the Management Company, its CISs or their connected persons have material interest, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund, directors and their close family members and key management personnel of the Management Company.
- 18.2 Transactions with connected persons are executed on an arm's length basis and essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund sales load, other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.
- 18.3 Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations.

- 18.4 Remuneration to the Trustee is determined in accordance with the provisions of the Trust Deed.
- 18.5 Accounting and operational charges and selling and marketing expenses 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 year end are as follows:

Transactions during the year	2023	2022
	---- Rupees in '000 ----	
ABL Asset Management Company Limited (Management Company)		
Remuneration of the Management Company	28,531	52,620
Punjab Sales Tax on remuneration of the Management Company	4,565	8,409
Accounting and operational charges	33,862	27,379
Selling and marketing expenses	4,597	-
Issue of 411,798,524 (2022: 20,933,789) units	4,208,054	211,660
Redemption of 345,841,338 (2022: 36,027,200) units	3,537,958	365,000
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration of the Trustee	5,436	9,866
Sindh Sales Tax on remuneration of the Trustee	707	1,282
Settlement charges	107	2,631
Allied Bank Limited		
Profit on savings account	5,225	102,812
Bank charges	115	184
Ibrahim Holdings Private Limited		
Issue of 11,974,243 (2022: 733,736,251) units	127,677	7,435,076
Redemption of 960,774,283 (2022: 87,518,682) units	9,736,437	885,000
ABL Financial Planning Fund - Conservative Allocation Plan		
Issue of 458,514 (2022: 1,524,244) units	4,630	15,414
Redemption of 10,287,524 (2022: 611,284) units	104,762	6,190
ABL Financial Planning Fund - Active Allocation Plan		
Issue of 80,982 (2022: 3,590,882) units	818	36,406
Redemption of 1,650,160 (2022: 3,776,950) units	16,720	38,315
ABL Financial Planning Fund - Strategic Allocation Plan		
Issue of 211,345 (2022: 9,033,950) units	2,134	91,609
Redemption of 4,178,020 (2022: 7,837,306) units	42,447	79,505
U Microfinance Bank Limited		
Issue of 1,146,503,620 (2022: Nil) units	11,558,734	-
Redemption of 601,527,039 (2022: Nil) units	6,092,895	-
Directors and key management personnel of the Management Company		
Sheikh Mukhtar Ahmed		
Issue of 589,539 (2022: 3,552,094) units	6,326	35,980
Redemption of 10,624,726 (2022: Nil) units	108,481	-
Muhammad Waseem Mukhtar		
Issue of 2,554,319 (2022: 33,328,884) units	27,191	337,564
Redemption of 37,506,667 (2022: Nil) units	379,258	-

	2023	2022
	---- Rupees in '000 ----	
Mohammad Naem Mukhtar		
Issue of 75,643 (2022: 58,945) units	794	595
Redemption of 291,339 (2022: Nil) units	2,943	-
Chief Executive Officer		
Redemption of 137,847 (2022: Nil) units	1,408	-
Amounts / balances outstanding as at year end		
ABL Asset Management Company Limited (Management Company)		
Remuneration payable	2,989	2,672
Punjab Sales Tax payable on remuneration of the Management Company	3,254	3,203
Federal Excise Duty payable on remuneration of the Management Company	19,142	19,142
Accounting and operational charges payable	7,032	18,814
Selling and marketing expenses payable	3,107	-
Sales and transfer load payable	-	21
Other payable	333	-
Outstanding 109,796,338 (2022: 43,623,441) units	1,111,897	440,492
Central Depository Company of Pakistan Limited (Trustee)		
Remuneration payable to the Trustee	449	803
Sindh Sales Tax payable on remuneration of the Trustee	58	104
Allied Bank Limited		
Interest receivable on savings account	268	2,487
Bank balance	14,448	402,230
Ibrahim Holdings (Private) Limited		
Outstanding Nil (2022: 948,800,040) units	-	9,580,603
ABL Financial Planning Fund - Conservative Allocation Plan		
Outstanding Nil (2022: 9,829,010) units	-	99,249
ABL Financial Planning Fund - Active Allocation Plan		
Outstanding Nil (2022: 1,569,178) units	-	15,845
ABL Financial Planning Fund - Strategic Allocation Plan		
Outstanding Nil (2022: 3,966,675) units	-	40,054
U Microfinance Bank Limited		
Outstanding 544,976,581 (2022: Nil) units	5,518,923	-
Directors and key management personnel of the Management Company		
Sheikh Mukhtar Ahmed (Director of the Management Company)		
Outstanding Nil (2022: 10,035,187) units	-	101,331
Muhammad Waseem Mukhtar (Director of the Management Company)		
Outstanding 478,390 (2022: 35,430,738) units	4,845	357,765
Mohammad Naem Mukhtar (Director of the Management Company)		
Outstanding 553,996 (2022: 769,692) units	5,610	7,772
Chief Executive Officer		
Outstanding Nil (2022: 137,847) units	-	1,408
Ex - Chief Executive Officer *		
Outstanding Nil (2022: 88) units	-	1

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

* Current year figures have not been presented since Ex - Chief Executive Officer is not a related party as at year end.

19 FINANCIAL INSTRUMENTS BY CATEGORY

-----2023-----		
At amortised cost	At fair value through profit or loss	Total
-----Rupees in '000-----		
Financial assets		
Bank balances	2,109,797	2,109,797
Investments	-	5,031,018
Interest / profit accrued	124,985	124,985
Deposits and other receivables	71,005	71,005
	<u>2,305,787</u>	<u>7,336,805</u>

-----2023-----		
At amortised cost	Total	
-----Rupees in '000-----		
Financial liabilities		
Payable to ABL Asset Management Company Limited - Management Company	35,857	35,857
Payable to Central Depository Company of Pakistan Limited - Trustee	507	507
Payable against redemption and conversion of units	19	19
Dividend payable	35	35
Accrued expenses and other liabilities	573	573
	<u>36,991</u>	<u>36,991</u>

-----2022-----		
At amortised cost	At fair value through profit or loss	Total
-----Rupees in '000-----		
Financial assets		
Bank balances	10,881,270	10,881,270
Investments	-	1,773,548
Interest / profit accrued	184,692	184,692
Deposits and other receivables	63,107	63,107
	<u>11,129,069</u>	<u>12,902,617</u>

-----2022-----		
At amortised cost	Total	
-----Rupees in '000-----		
Financial liabilities		
Payable to ABL Asset Management Company Limited - Management Company	43,852	43,852
Payable to Central Depository Company of Pakistan Limited - Trustee	907	907
Payable against redemption and conversion of units	1,043	1,043
Dividend payable	47	47
Accrued expenses and other liabilities	868	868
	<u>46,717</u>	<u>46,717</u>

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

(i) Yield / interest rate risk

Yield / interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As of June 30, 2023, the Fund is exposed to such risk on its balances held with banks, investments in term finance certificates, Pakistan Investment Bonds, GoP Ijarah certificates, reverse repo and sukuk certificates. 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 and corporate sukuk certificates, Pakistan Investment Bonds and accrued interest on balances with banks which expose the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income for the year and net assets of the Fund would have been higher / lower by Rs. 36.428 million (2022: Rs.124.280 million).

b) Sensitivity analysis for fixed rate instruments

As at June 30, 2023, the Fund holds Pakistan Investment Bonds and GoP Ijarah certificates 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 Pakistan investment bonds, GoP Ijarah certificates and reverse repo and 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. 0.813 million (2022: Rs. 2.269 million).

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

The Fund's interest rate sensitivity related to financial assets and financial liabilities as at June 30, 2023 can be determined as follows:

-----2023-----					
Effective yield / interest rate (%)	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		
----- Rupees in '000 -----					
Financial assets					
Bank balances	15.00% - 21.20%	2,109,797	-	-	2,109,797
Investments	11.40% - 24.97%	17,552	1,515,430	3,416,759	5,031,018
Interest / profit accrued		-	-	124,985	124,985
Deposits and other receivables		-	-	71,005	71,005
		2,127,349	1,515,430	3,612,749	7,336,805
Financial liabilities					
Payable to ABL Asset Management Company Limited - Management Company		-	-	35,857	35,857
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	507	507
Payable against redemption and conversion of units		-	-	19	19
Dividend payable		-	-	35	35
Accrued expenses and other liabilities		-	-	573	573
		-	-	36,991	36,991
On-balance sheet gap		2,127,349	1,515,430	3,575,758	7,299,814
Total interest rate sensitivity gap		2,127,349	1,515,430	81,277	
Cumulative interest rate sensitivity gap		2,127,349	3,642,779	3,724,056	

-2022-					
Effective yield / interest rate (%)	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		

----- Rupees in '000 -----

Financial assets

Bank balances	11.75% - 16.15%	10,881,270	-	-	-	10,881,270
Investments	11.40% - 17.32%	211,310	142,351	1,419,887	-	1,773,548
Interest / profit accrued		-	-	-	184,692	184,692
Deposits and other receivables		-	-	-	63,107	63,107
		11,092,580	142,351	1,419,887	247,799	12,902,617

Financial liabilities

Payable to ABL Asset Management Company Limited - Management Company		-	-	-	43,852	43,852
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	907	907
Payable against redemption and conversion of units		-	-	-	1,043	1,043
Payable against purchase of investments		-	-	-	47	47
Accrued expenses and other liabilities		-	-	-	868	868
		-	-	-	46,717	46,717

On-balance sheet gap

	11,092,580	142,351	1,419,887	201,082	12,855,900
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Total interest rate sensitivity gap

	11,092,580	142,351	1,419,887		
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Cumulative interest rate sensitivity gap

	11,092,580	11,234,931	12,654,818		
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(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 profit 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 the Fund can borrow in the short-term to ensure settlement the maximum limit of which is fifteen percent of the net assets up to 90 days and would be secured by the assets of the Fund.

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 year 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:



2023						
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total
Rupees in '000						
Financial assets						
Bank balances	2,109,797	-	-	-	-	2,109,797
Investments	3,435,540	17,552	-	732,502	845,424	5,031,018
Interest / profit accrued	124,985	-	-	-	-	124,985
Deposits and other receivables	128	-	-	-	70,877	71,005
	5,670,450	17,552	-	732,502	845,424	7,336,805
Financial liabilities						
Payable to the ABL Asset Management Company Limited - Management Company	35,857	-	-	-	-	35,857
Payable to Central Depository Company of Pakistan Limited - Trustee	507	-	-	-	-	507
Payable against redemption and conversion of units	19	-	-	-	-	19
Dividend payable	35	-	-	-	-	35
Accrued expenses and other liabilities	181	392	-	-	-	573
	36,599	392	-	-	-	36,991
Net financial assets	5,633,851	17,160	-	732,502	845,424	7,299,814
2022						
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total
Rupees in '000						
Financial assets						
Bank balances	10,881,270	-	-	-	-	10,881,270
Investments	158,102	53,208	142,351	563,944	855,943	1,773,548
Interest / profit accrued	184,692	-	-	-	-	184,692
Deposits and other receivables	240	-	-	-	62,867	63,107
	11,224,304	53,208	142,351	563,944	855,943	12,902,617
Financial liabilities						
Payable to the ABL Asset Management Company Limited - Management Company	43,852	-	-	-	-	43,852
Payable to Central Depository Company of Pakistan Limited - Trustee	907	-	-	-	-	907
Payable against redemption and conversion of units	1,043	-	-	-	-	1,043
Dividend payable	47	-	-	-	-	47
Accrued expenses and other liabilities	508	360	-	-	-	868
	46,357	360	-	-	-	46,717
Net financial assets	11,177,947	52,848	142,351	563,944	855,943	12,855,900

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	2,109,797	2,109,797	10,881,270	10,881,270
Investments	5,031,018	1,049,782	1,773,548	1,639,455
Interest / profit accrued	124,985	108,060	184,692	182,981
Deposits and other receivables	71,005	71,005	63,107	63,107
	<u>7,336,805</u>	<u>3,338,644</u>	<u>12,902,617</u>	<u>12,766,813</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 profit accrued thereon, however, is not exposed to credit risk and have been excluded from the above analysis as investment in government securities 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, term finance and corporate sukuk certificates and profit accrued thereon. The credit rating profile of balances with banks, term finance and corporate sukuk certificates and profit accrued thereon is as follows:

Rating	% of financial assets exposed to credit risk	
	2023	2022
Banks		
AAA	28.60%	3.39%
AA+	0.21%	0.49%
AA	0.02%	62.28%
AA-	0.09%	-
A+	-	-
A	0.01%	20.48%
	<u>28.93%</u>	<u>86.64%</u>
Term Finance / Sukuk certificates		
AAA	7.36%	-
AA+	0.52%	-
AA	0.72%	4.34%
AA-	2.42%	2.48%
A+	3.79%	2.90%
A-1+	-	3.05%
	<u>14.81%</u>	<u>12.77%</u>

20.3.3 Concentration of credit risk exists when changes in economic and industry factors similarly affect groups of counter parties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. As transactions are entered with credit worthy parties and are within the regulatory limits, therefore any significant concentration of credit risk is mitigated.

All financial assets of the Fund as at June 30, 2023 and June 30, 2022 are unsecured and are not impaired.

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 value:

	2023			Total
	Level 1	Level 2	Level 3	
-----Rupees in '000-----				
At fair value through profit or loss				
Term finance certificates	-	1,032,230	-	1,032,230
Corporate sukuk certificates	-	17,552	-	17,552
Government Securities - GoP ijarah sukuks	-	74,319	-	74,319
Government securities - Pakistan Investment Bonds	-	490,158	-	490,158
Reverse Repo **	-	3,416,759	-	3,416,759
		<u>5,031,018</u>		<u>5,031,018</u>

	2022			Total
	Level 1	Level 2	Level 3	
-----Rupees in '000-----				
At fair value through profit or loss				
Term finance certificates	-	1,441,869	-	1,441,869
Corporate sukuk certificates	-	55,235	-	55,235
Government Securities - GoP ijarah sukuks	-	31,200	-	31,200
Government securities - Market Treasury Bills	-	53,303	-	53,303
Government securities - Pakistan Investment Bonds	-	49,590	-	49,590
Commercial Paper *	-	142,351	-	142,351
	-	<u>1,773,548</u>	-	<u>1,773,548</u>

* The valuation of commercial papers has been done based on amortisation to its fair value as per the guidelines given in Circular 33 of 2012 since the residual maturity of these investments is less than six months and are placed with counterparties which have high credit rating. Since these are short term in nature and are placed with counter parties which have high credit ratings, the carrying value of these securities approximate their face value.

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

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 endeavors 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.

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	1847	76,777	1.05%	1,929	1,335,846	10.41%
Associated companies /						
Directors	4	1,612,725	22.12%	9	10,643,113	82.94%
Insurance Companies	2	7,348	0.10%	2	6,510	0.05%
Banks and DFIs	1	5,518,903	75.68%	1	1,392	0.01%
Retirement funds	10	51,914	0.71%	14	339,549	2.65%
Public limited companies	12	7,249	0.10%	18	395,340	3.08%
Others	5	17,086	0.23%	7	110,242	0.86%
	<u>1,881</u>	<u>7,292,001</u>	<u>100%</u>	<u>1,980</u>	<u>12,831,992</u>	<u>100%</u>

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	42.55%	Next Capital Limited	63.47%
C & M Management Private Limited	16.34%	JS Global Capital Limited	14.94%
Optimus Markets Private Limited	10.05%	Continental Exchange (Private) Limited	4.71%
Invest One Markets Limited	9.32%	Optimus Markets (Private) Limited	3.71%
Icon Management Private Limited	5.50%	Invest One Markets Limited	3.10%
AKD Securities Limited	4.63%	BIPL Securities Limited	2.40%
Paramount Capital Private Limited	3.93%	Magenta Capital (Private) Limited	2.29%
Vector Capital Private Limited	2.64%	Vector Capital (Private) Limited	2.21%
Alfalah CLSA Securities Private Limited	2.54%	Arif Habib Limited	1.63%
Arif Habib Limited	2.50%	BMA Capital Management Limited	1.53%

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 (in years)
Mr. Naveed Nasim	Chief Executive Officer	MBA	24
Mr. Saqib Matin	CFO & Company Secretary	FCA & FPFA	24
Mr. Wajeeh Haider	Acting Head of Risk Management	M. Econ.	11
Mr. Fahad Aziz	Head of Fixed Income	MBA	17
Mr. Amjad Hussain	Senior Fund Manager - Equity	BS Hons. & CFA	10
Mr. Kamran Anwar	Fund Manager - Equity	MBA	7
Mr. Muhammad Abdul Hayee	Head of Research	MBA & CFA	15
Mr. Abdul Rehman Tahir	Fund Manager - Fixed Income	MBA & CFA	12

26 NAME AND QUALIFICATION OF THE FUND MANAGER

Name	Designation	Qualification	Other Funds managed by the Fund Manager
Fahad Aziz	Fund Manager	MBA	ABL Government Securities Fund, ABL Cash Fund and ABL Special Savings Fund

27 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The 72nd, 73rd, 74th and 75th meeting of the Board of Directors 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	Sheikh Mukhtar Ahmed	4	4	-	-
2	Mohammad Naeem Mukhtar	4	3	1	73rd
3	Muhammad Waseem Mukhtar	4	4	-	-
4	Mr. Aizid Razzaq Gill	4	4	-	-
5	Ms. Saira Shahid Hussain	4	4	-	-
6	Muhammad Kamran Shehzad	4	4	-	-
7	Pervaiz Iqbal Butt	4	4	-	-
8	Alee Khalid Ghaznavi *	2	2	-	-
9	Naveed Nasim ** (Chief Executive Officer)	2	2	-	-
10	Other persons Saqib Matin ***	4	4	-	-

* Mr. Alee Khalid Ghaznavi resigned from the position of Chief Executive Officer (CEO) with effect from January 25, 2023.

** Mr. Naveed Nasim was appointed as the Chief Executive Officer (CEO) with effect from February 1, 2023.

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



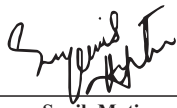
28 GENERAL

28.1 Figures have been rounded off to the nearest thousand Rupees, unless otherwise stated.

29 DATE OF AUTHORISATION FOR ISSUE

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

For ABL Asset Management Company Limited
(Management Company)



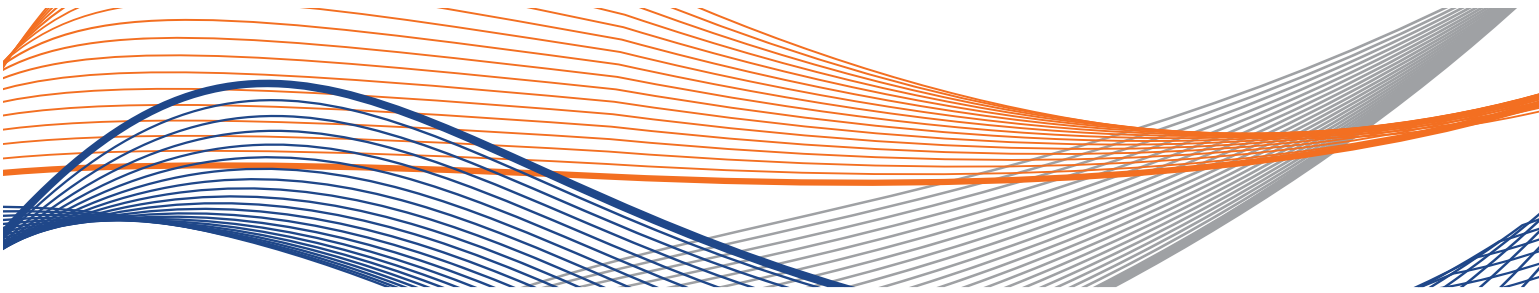
Saqib Matin
Chief Financial Officer



Naveed Nasim
Chief Executive Officer



Pervaiz Iqbal Butt
Director

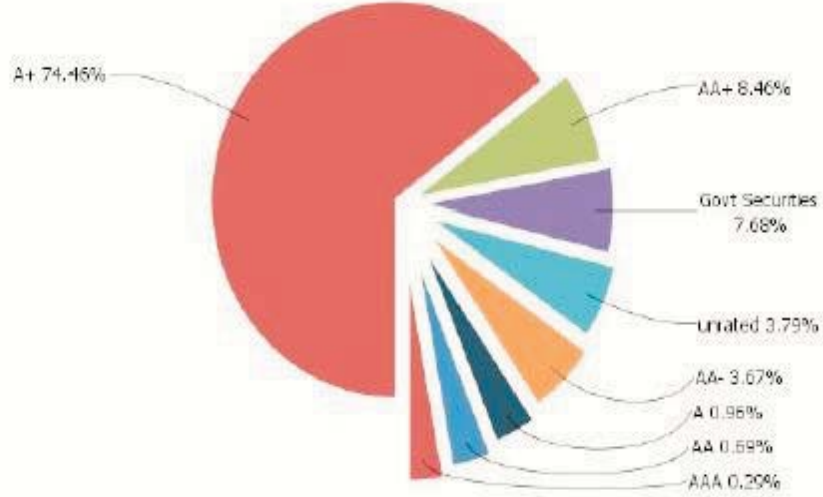


DISCLOSURE OF PROXY VOTING

	Resolutions	For	Against	Abstain	Reason for Abstaining
Number	-	-	-	-	-
(%ages)	-	-	-	-	-

The proxy voting policy of the CIS is available on the website of the AMC and detailed information regarding actual proxies voted by the AMC in respect of the CIS is also available without charge, upon request, to all unit holders.

CREDIT QUALITY OF PORTFOLIO (% OF TOTAL ASSETS)



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

بورڈ کی طرف سے اور بورڈ کے لئے


ڈائریکٹر

لاہور، 24 اگست، 2023

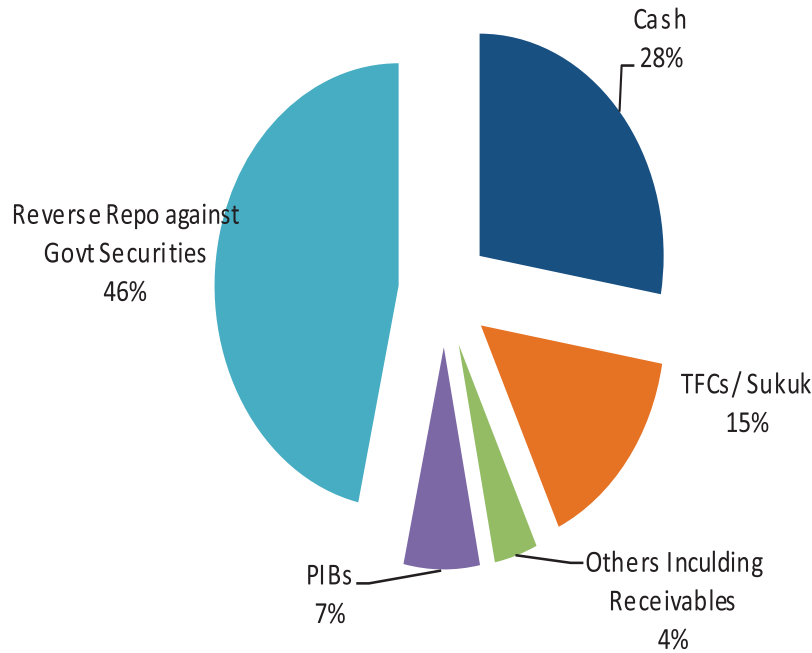

نوید نسیم
چیف ایگزیکٹو آفیسر

کمبوڈی 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 ٹی 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۔

Asset Allocation



سال کے دوران، ABL انکم فنڈ کے خالص اثاثے 30 جون 2023 تک بڑھ کر 7,292 PKR ملین ہو گئے جبکہ 30 جون 2022 کو PKR 12,831.99 ملین تھے۔ فنڈ کا ریورس ریپو میں 46.48% ایکسپوزر، PIBs میں 6.67% ایکسپوزر، TFCs میں 15.29% ایکسپوزر تھا، جبکہ 27.76% فنڈز ایکسپوزر جون 23 کے آخر میں کیش کے طور پر رکھے گئے تھے۔

آڈیٹر

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

فنڈ استحکام کی درجہ بندی

30 دسمبر 2022 کو: VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ (VIS) نے ABL انکم فنڈ (ABL IF) کی فنڈ اسٹیبلٹی ریٹنگ (FSR) کی (A+f) (سنگل اے پلس (f)) پر دوبارہ تصدیق کی ہے۔

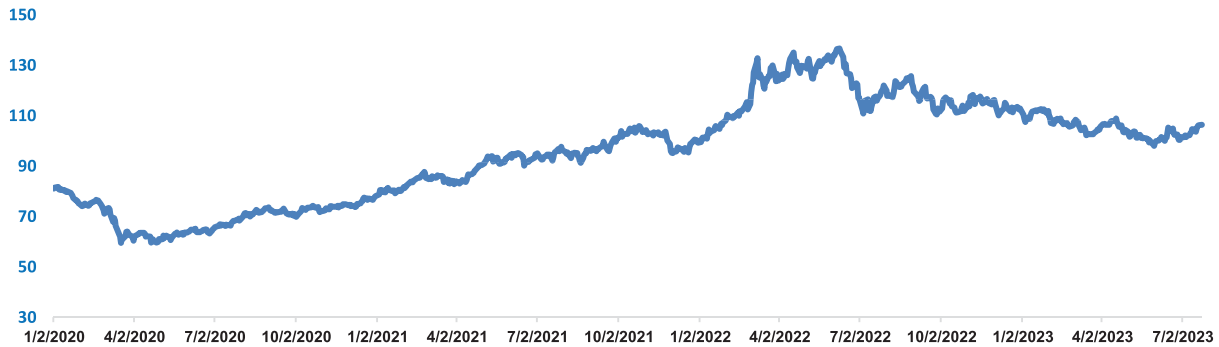
مینجمنٹ کمپنی کی کوالیٹی کی درجہ بندی

26 اکتوبر 2022 کو: پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے ABL ایسیٹ مینجمنٹ کمپنی (ABL AMC) کی مینجمنٹ کوالٹی ریٹنگ (MQR) کو 'AM-One' (AM1) پر اپ گریڈ کر دیا ہے۔ تفویض کردہ درجہ بندی پر آؤٹ لک 'مستحکم' ہے۔

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 کی آخری سہ ماہی کے دوران افراط زر کی شرح 16 فیصد تک گرنے کی توقع ہے۔

Bloomberg Commodity Index



طویل مدتی OMOs متعارف کرائے ہیں۔ SBP نے کل 115 OMO نخبیشنز کا اعلان کیا اور مدت کے اختتام پر PKR 7,996 بلین کا خالص قرض دہندہ رہا۔

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 بیکاری 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۔
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 بیٹرن مالیاتی گوشوارے کے نوٹ نمبر 21 میں دیا گیا ہے۔

فنڈ کی کارکردگی

زیر جائزہ سال کے دوران، ABL IF نے 18.32% کے بیٹج مارک ریٹرن کے مقابلے میں 13.66% کا سالانہ منافع پیدا کیا اس طرح کارکردگی بیٹج مارک کی کارکردگی سے 466bps کم رہی۔

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 فکسڈ 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 فکسڈ انکم فنڈز کے AUMs بالترتیب 35% اور 46% بڑھ کر 917 بلین روپے اور 438 بلین روپے ہو گئے۔

مقصد

اے بی ایل انکم فنڈ کا مقصد پاکستان کے اندر اور باہر دونوں، مختصر، درمیانے اور طویل مدتی قرض کے آلات کے امتزاج میں سرمایہ کاری کر کے بہتر رسک ایڈجسٹ ریٹ حاصل کرنا ہے۔

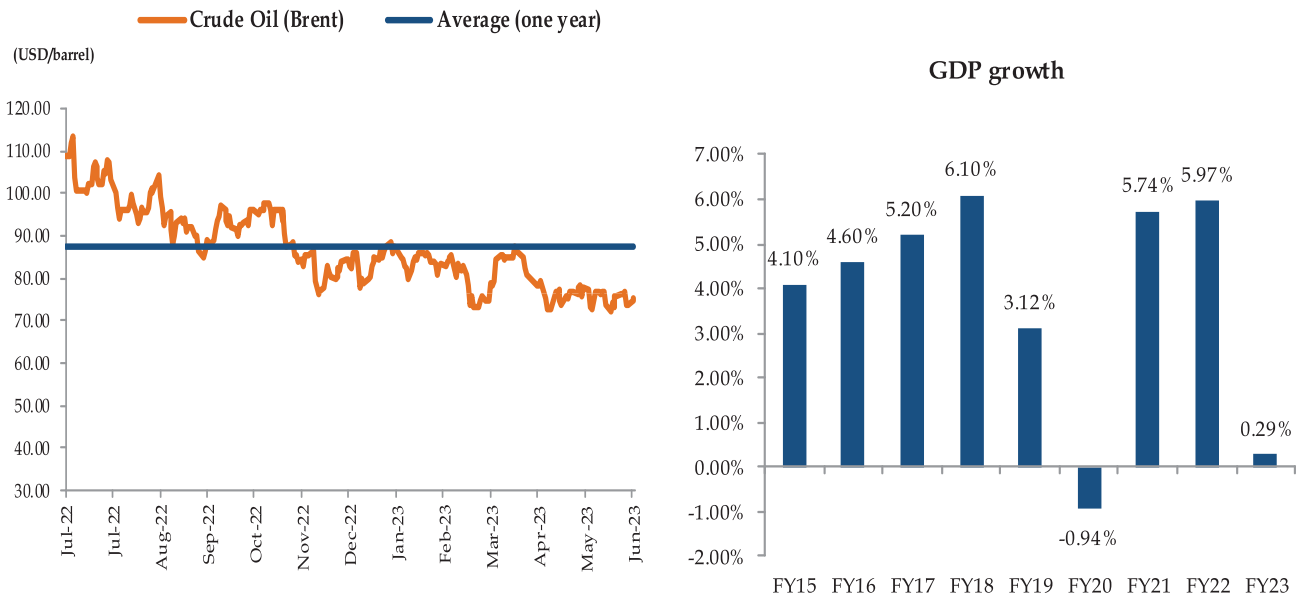
منی مارکیٹ کا جائزہ

پورے مالی سال 23 کے دوران، پاکستان کی معیشت تباہ کن سیلابوں، بلند افراط زر، اور سیاسی غیر یقینی صورتحال سے دوچار رہی جس نے معیشت کو نمایاں نقصان پہنچایا۔ قوم نے مئی 23 میں 38 فیصد کی ریکارڈ ٹوڑ مہنگائی کا تجربہ کیا، بنیادی طور پر خوراک اور توانائی کی قیمتوں میں اضافے کی وجہ سے۔ بین الاقوامی مالیاتی فنڈ کے 9 ویں اور 10 ویں جائزوں میں تاخیر نے منفی معاشی صورتحال کو مزید بڑھا دیا۔ مزید برآں، قرضوں کی ادائیگیوں سے زرمبادلہ کے ذخائر پر دباؤ پڑتا ہے، جس کی وجہ سے امریکی ڈالر کے مقابلے پاکستانی روپے کی قدر میں 38 فیصد کمی واقع ہوئی ہے۔ کرنٹ اکاؤنٹ خسارے سے نمٹنے کے لیے حکومت نے درآمدی پابندیاں لاگو کر دیں۔ غیر ملکی ذخائر پر بڑھتے ہوئے دباؤ کے ساتھ ساتھ مہنگائی کے خطرناک اعداد و شمار نے اسٹیٹ بینک آف پاکستان کو پالیسی ریٹ کو 825 بیسیس پوائنٹس سے 22 فیصد تک بڑھانے پر مجبور کیا۔

قلیل مدتی سرکاری سیکیورٹیز کی سیکنڈری مارکیٹ کی پیداوار پورے سال میں انتہائی غیر مستحکم رہی جہاں M T3-بل کی پیداوار 15.23% سے بڑھ کر 22.00% ہو گئی، M T-Bill 6 کی پیداوار 14.80% سے بڑھ کر 21.97% ہو گئی اور M T-Bill 12 کی پیداوار 14.55 فیصد سے بڑھ گئی۔ 22.00% سے پالیسی کی شرح اور ثانوی مارکیٹ کی پیداوار کے درمیان فرق پورے سال مسلسل وسیع رہا۔ حکومت پاکستان نے مالی سال 23 کے دوران مجموعی طور پر 24,621 بلین روپے کا قرضہ حاصل کیا۔

ثانوی منڈی کی طویل مدتی سرکاری سیکیورٹیز کی پیداوار بھی غیر مستحکم رہی۔ Y PIB3 کی پیداوار 13.97% سے بڑھ کر 19.35% ہو گئی، اور Y PIB5 کی پیداوار 13.18% سے بڑھ کر 13.35% ہو گئی۔ حکومت پاکستان نے مالی سال 23 کے دوران مجموعی طور پر 1,278 بلین روپے کا قرضہ حاصل کیا۔ مزید برآں، متعلقہ مدت میں، SBP نے مارکیٹ میں غیر یقینی صورتحال کو پرسکون کرنے کے لیے 70 اور 77 دنوں کے

پورے FY23 کے دوران، کنزیومر 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 ہیڈلائن 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۔



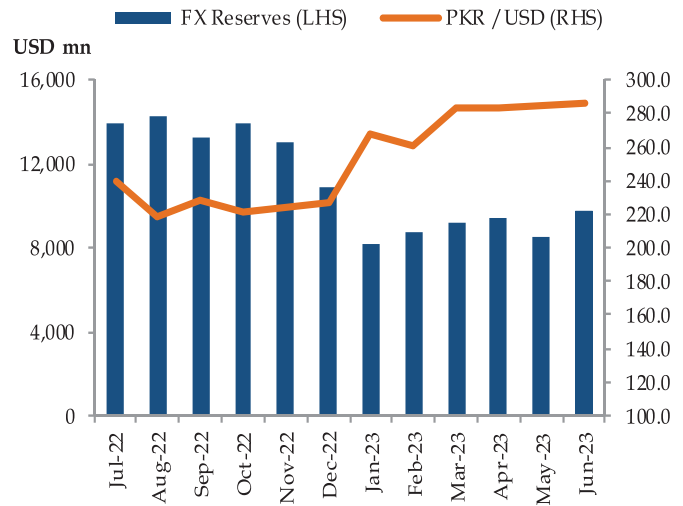
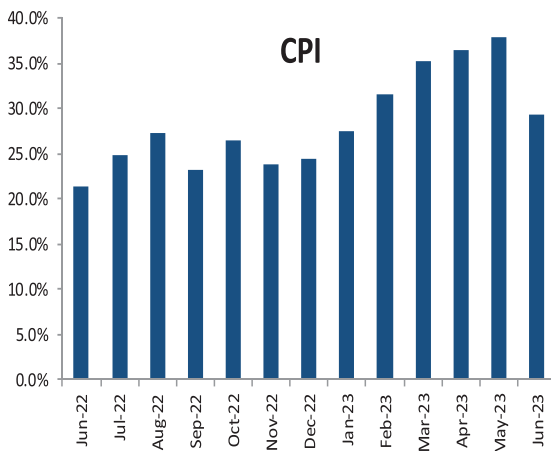
ادائیگی کے توازن کے محاذ پر، ملک نے گزشتہ سال کی اسی مدت میں USD 15.2bn کے خسارے کے مقابلے میں USD 2.9bn کا مجموعی خسارہ پوسٹ کر کے نمایاں بہتری حاصل کی ہے۔ کرنٹ اکاؤنٹ خسارے میں اس کمی کو بنیادی طور پر تجارتی خسارے میں 35.1 فیصد سال بہ سال کمی سے منسوب کیا جاسکتا ہے، جو درآمدات کو کم کرنے کے لیے اقدامات 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 انکم فنڈ (اے بی ایل - آئی ایف) کی انتظامیہ کمپنی، اے بی ایل ایسٹ مینجمنٹ کمپنی لمیٹڈ کے بورڈ آف ڈائریکٹرز 30 جون، 2023 کو ختم ہونے والے سال کے لئے اے بی ایل انکم فنڈ کے آڈٹ شدہ فنانشل اسٹیٹمنٹ پیش کرنے پر خوشی محسوس کرتے 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 زر مبادلہ 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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