



ISLAMIC INCOME FUND

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Annual REPORT



ABL Asset Management

Discover the potential

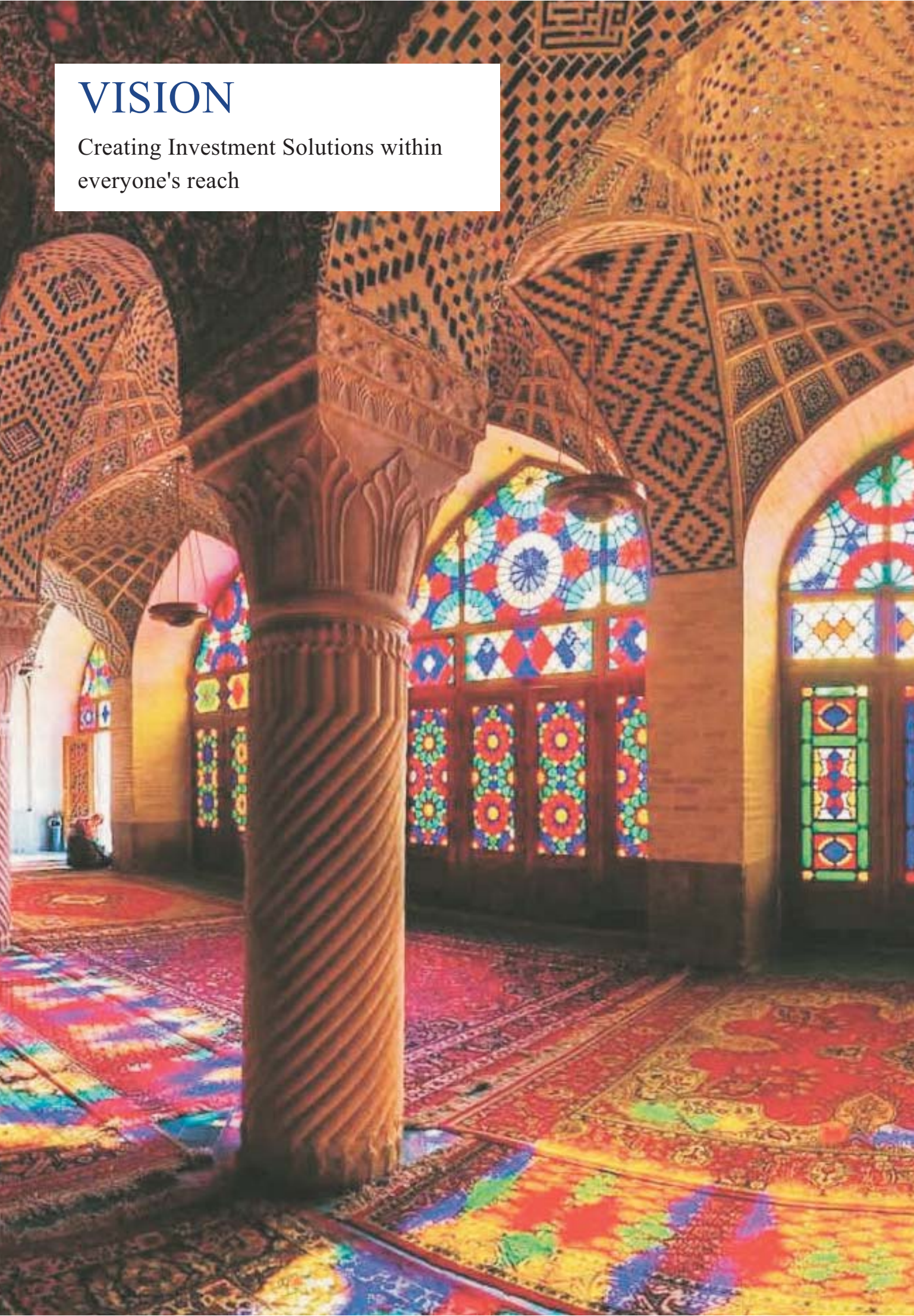


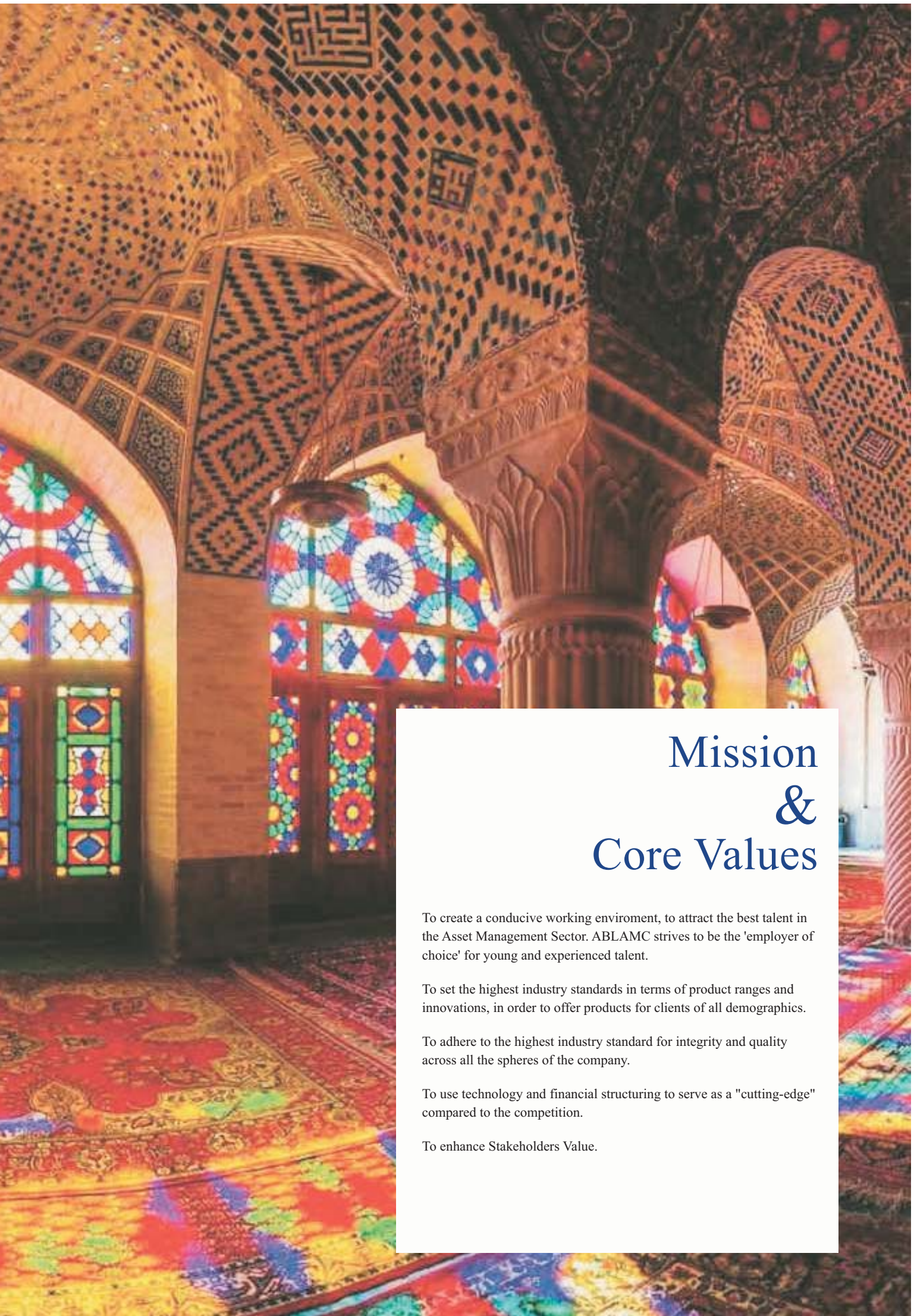
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VISION

Creating Investment Solutions within everyone's reach





Mission & Core Values

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

To set the highest industry standards in terms of product ranges and innovations, in order to offer products for clients of all demographics.

To adhere to the highest industry standard for integrity and quality across all the spheres of the company.

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

To enhance Stakeholders Value.



FUND'S INFORMATION

| | | |
|--|--|--|
| Management Company: | ABL Asset Management Company Limited Plot / Building # 14 -Main Boulevard, DHA Phase - VI, Lahore - 54810 | |
| Board of Directors: | Sheikh Mukhtar Ahmed Mr. Mohammad Naem Mukhtar Mr. Muhammad Waseem Mukhtar Mr. Aizid Razzaq Gill Mr. Pervaiz Iqbal Butt Mr. Muhammad Kamran Shehzad Ms. Saira Shahid Hussain | Chairman Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive 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. Alee Khalid Ghaznavi | Chairman Member Member Member |
| Board's Risk Management Committee | Mr. Muhammad Kamran Shehzad Mr. Pervaiz Iqbal Butt Mr. Alee Khalid Ghaznavi | Chairman Member Member |
| Board Strategic Planning & Monitoring Committee | Mr. Muhammad Waseem Mukhtar Mr. Muhammad Kamran Shehzad Mr. Pervaiz Iqbal Butt Mr. Alee Khalid Ghaznavi | Chairman Member Member Member |
| Chief Executive Officer of The Management Company: | Mr. Alee Khalid Ghaznavi | |
| Chief Financial Officer & Company Secretary: | Mr. Saqib Matin | |
| Chief Internal Auditor: | Mr. Kamran Shahzad | |
| Trustee: | Central Depository Company of Pakistan Limited CDC - House, Shara-e-Faisal, Karachi. | |
| Bankers to the Fund: | Allied Bank Limited Bank Al Falah Limited United Bank Limited | |
| Auditor: | 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 | |

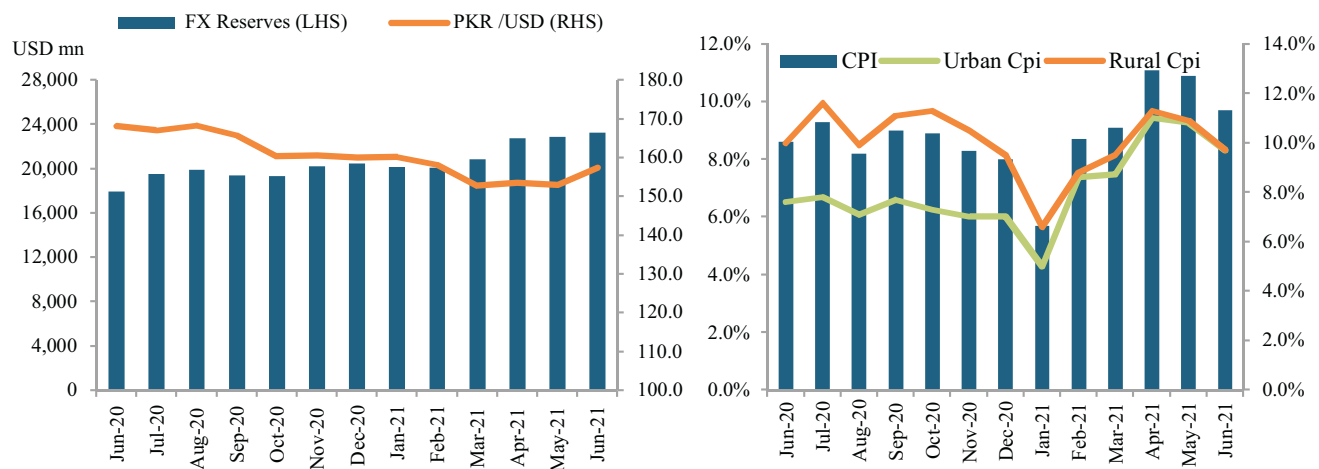


REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

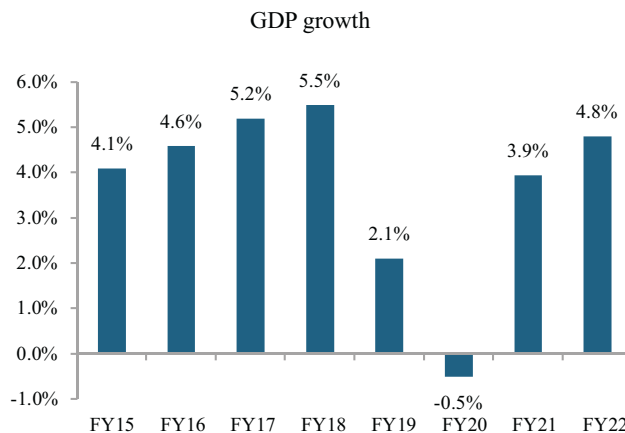
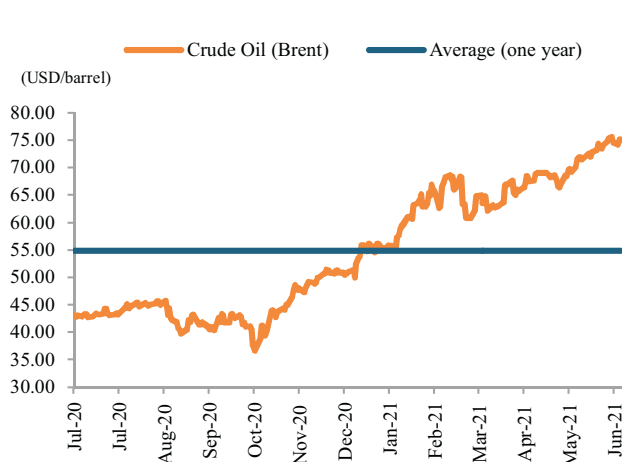
The Board of Directors of ABL Asset Management Company Limited, the management company of ABL Islamic Income Fund (ABL-IIF), is pleased to present the Audited Financial Statements of ABL Islamic Income Fund for the year ended on June 30, 2021.

ECONOMIC PERFORMANCE REVIEW

Lockdown coupled with supply side issues created inflationary pressure in the country as we witnessed a CPI of 8.59%YoY in Jun'20 after achieving 11-month low inflation of 8.22%YoY in May'20. On a monthly basis, inflation inched up by 0.81% compared to 0.32% increase in the preceding month. The food prices witnessed a sharp increase during the month. The average NCPI for FY20 clocked-in at 10.76%YoY against 6.80%YoY in the SPLY. That said, we estimate the average NCPI for FY21 to settle around 7.3%YoY.



The curtailment in current account deficit (CAD) paved the way to a stable BOP position; coming down by 74%YoY to USD 3.28bn during 11MFY20. The imports dropped by 20%YoY to USD 46.63bn while the budgeted by a mere 7%YoY, despite global lockdown, to USD 25.99bn during 11MFY20. However, worker remittances reported an increase of 6%YoY to reach at USD 23.12bn. Threat to worker remittances seems to be over in our view as economic activity is picking up around the globe. However, the CAD may increase in coming months primarily due to higher oil import bill owing to rising international oil prices and permission granted by the Govt. to import furnace oil to cater power demand in the country. Foreign exchange reserves of the country stand at USD 18.79bn as at July 03, 2020; providing an import cover of ~3.09 months. To fight the pandemic, various international institutions including IMF, ADP, WB and the Paris Club along with friendly countries have come forward to help Pakistan resulting in stabilize reserves. On the fiscal side, during FY20, provisional tax collection has reached to PKR 3.98tn, reflecting an increase of ~4%YoY. During the month of Jun'20, tax collection stood at PKR 420bn against its revised target of PKR 398bn.



Pakistan has reported a negative GDP growth -0.4%YoY in FY20 plunging from 3.3%YoY in FY19. The pandemic has severely affected the economic activities in the 2QCY20; thereby economy could not sustain the positive growth. During the period of Jul-Apr 2020, the large scale manufacturing (LSM) decimated significantly by 8.96%YoY compared to a 2.82% decline in the SPLY. The major contributors to decline were the Textile (-8.68%), Coke and Petroleum Products (21.15%), Iron and Steel Products (-15.68%), Automobile (-41.90%), Pharmaceuticals (-5.31%), and Electronics (-19.74%). Envisaging the condition of the industry and the economy, the government decided to pursue a smart lockdown where all major industries have been allowed to operate. We expect this to avoid GDP contraction in the next financial year; however, the growth rate is not expected to be impressive.

Going forward, especially in the short run, the direction of the market will be set by the upcoming results and the situation of coronavirus pandemic in the country; and its impact on the economy. The incentives announced by the government to support the industry are expected to materialize in the rest of CY20. The prominent ones are the grace period on debt principal to help manage the cash flows while the construction package to boost economic activities; and to create jobs in the country. Apart from these, the policy rate has been reduced substantially to 7%, another big relief to leveraged industries and consumers.

MUTUAL FUND INDUSTRY REVIEW

Total Assets under management (AUMs) of open end mutual fund posted a substantial growth of 38% during FY20 from PKR 572bn to PKR 788bn, mainly on account of massive inflow in money market fund and fixed income fund. Money market fund including conventional and Islamic, witnessed immense growth of 92% to close the period at PKR 318bn. AUMs of fixed income fund both conventional and Shariah compliant swelled by 66% during the said period. This growth can primarily be attributed to investor's appetite for earning high profits in contractionary monetary policy environment during 9MFY20. In contrast to fixed income, equity market AUMs have declined by 5% during this period. Lock down in country and incremental number of cases of coronavirus makes investor wary regarding investment in risky assets. Turbulence in equity market due to COVID-19 and uncertainty in international oil prices during FY20 contributed in decreasing AUMs of equity funds.

OBJECTIVE

To provide investors, with an opportunity to earn higher income over medium to long-term by investing in a diversified portfolio consisting of different Money market and debt instruments permissible under the Shariah principles.

ISLAMIC MONEY MARKET REVIEW

Key interest rates throughout the year remained unchanged with policy rate maintained at 7.00%. Interest rates were maintained as a part of accommodative policy measures to ensure revival of growth.

While the interest rates remained unchanged, frequent changes were witnessed in primary market cut-off yields for both T-bills & PIBs. The yield curve remained normal steep due to widening of spreads between shorter & medium tenor instruments. As a result, expansion in KIBOR spreads was also witnessed. During the year 6M KIBOR increased from 7.03% to 7.61%.

On Short term Islamic side, Issuers like K-Electric & HUBCO continued to float Islamic Commercial Papers at spreads between 40 to 80 bps over 6M KIBOR while the short term deposit rates hovered between 6.50% - 7.25% percent. Increased activity was also witnessed in Bai-Muajjal market with placement rates between 6.75% - 7.25% for 1 to 3 month placement.

During the year, GoP issued PKR 52.7 billion worth of Long Term Ijara Sukuks at Fixed rates between 8.37% & 9.45%.

FUND PERFORMANCE

During the FY'21, ABL Islamic Income Fund's posted a return of 5.75%, against the benchmark return of 3.57%, thereby outperforming the benchmark by 218 bps. The outperformance was achieved by generating higher accrual income through placement of funds in bank deposits and TDRs at lucrative rates. AUMs of ABL IIF closed at PKR 4.737 billion as at June 30 2021 as compared to PKR 6.141 billion as at June 30, 2020.

On Asset allocation side, fund had 26.91% of the exposure as Corporate Sukuks, 9.23% as Commercial Paper, 25.02% as COM and Bai-Muajjal placements while 35.82% of the funds exposure was placed as Cash at the end of June'21.

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 employees retirement benefits expenses are borne by the Management Company;
11. The pattern of unit holding as at June 30, 2021 is given in note No. 24 of the Financial Statements.

AUDITORS

M/s A.F. Ferguson & Co. (Chartered Accountants), have been re-appointed as auditors for the year ending June 30, 2022 for ABL Islamic Income Fund (ABL-IIF).

FUND STABILITY RATING

On December 31, 2020: VIS Credit rating Company (VIS) has upgraded the Fund Stability Rating (FSR) of ABL Islamic Income Fund (ABL IIF) to 'A+ (f)' (Single A plus (f)) from 'A (f)' (Single A (f)).

MANAGEMENT QUALITY RATING

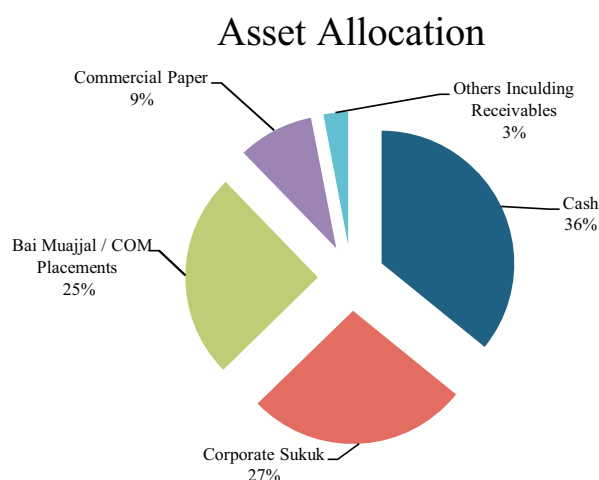
On December 31, 2020: VIS Credit Rating Company Limited (VIS) has maintained the Management Quality Rating (MQR) of ABL Asset Management Company (ABL AMC) at 'AM2++' (AM-Two-Double Plus). Outlook on the assigned rating has been revised from 'Stable' to 'Positive'.

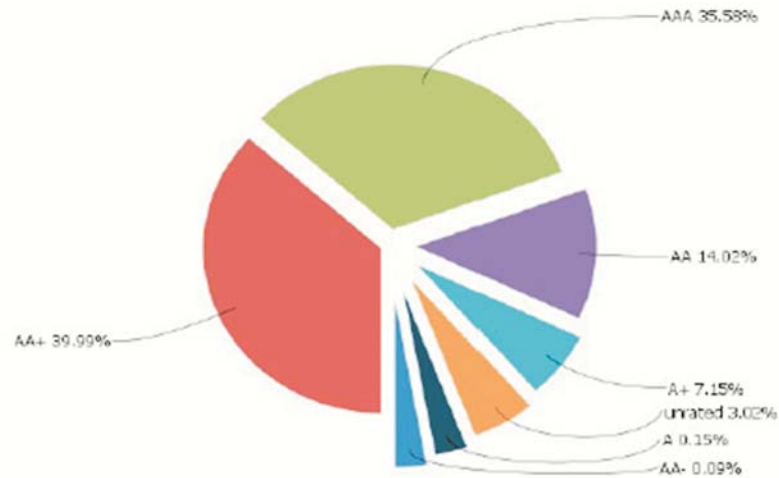
OUTLOOK AND STRATEGY

Despite improving economic numbers and business confidence uncertainty created by the on-going fourth Covid-19 wave in Pakistan and the global spread of new variants resulted in a continued emphasis on supporting the recovery through accommodative monetary policy. As a result policy rate remained unchanged throughout the year at 7%. Going forward we expect the interest rates to be maintained at the current level of 7.00% at least till the end of the second quarter of FY22.

ABL Islamic Income Fund will maintain its strategy of investment in freshly issued Islamic instruments by Corporates, GoP and it's entities. In order to generate alpha over bank deposit rates the fund will keep investing in high yield instruments with a tenor of 3-6 months including but not limited to Bai Muajjal transactions and Islamic CP's.

| ABL Islamic Income Fund Performance | FY-2021 |
|---|----------|
| Yield | 5.75% |
| Average of 6 Month Deposit Rate of 3 A rated Islamic Banks | 3.57% |
| Weighted Average Time to Maturity of Net Assets (days) | 398.74 |
| Asset under management as at June 30,2021 (PKR mn) | 4,737.57 |
| Closing NAV per unit as on June 30,2021 (PKR) (Ex-Dividend) | 10.2127 |





ACKNOWLEDGEMENT

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

For & on behalf of the Board

Director
Lahore, August 25, 2021

Alee Khalid Ghaznavi
Chief Executive Officer



FUND MANAGER REPORT

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PERFORMANCE TABLE

| | June 2021 | June 2020 | June 2019 | June 2018 | June 2017 | June 2016 | | | | | | | | | | | | | | | | |
|---|--|---------------|---------------|-----------|---------------|-------------------|---------------|--------|-----------------|--------|--|--|------|--|------|-------------------|---------------|--------|---------------|--------|--|--|
| | ------(Rupees in '000)----- | | | | | | | | | | | | | | | | | | | | | |
| Net Assets | 4,737,569 | 6,141,183 | 3,732,590 | 5,019,570 | 3,967,785 | 3,276,636 | | | | | | | | | | | | | | | | |
| Net Income | 360,902 | 596,195 | 315,631 | 254,092 | 166,526 | 54,160 | | | | | | | | | | | | | | | | |
| | ------(Rupees per unit)----- | | | | | | | | | | | | | | | | | | | | | |
| Net Assets value | 10.2127 | 10.2112 | 10.1965 | 10.6100 | 10.1660 | 10.0175 | | | | | | | | | | | | | | | | |
| Interim distribution* | - | - | 0.4270 | - | - | 0.5946 | | | | | | | | | | | | | | | | |
| Final distribution | 0.5854 | 1.1375 | 0.8481 | - | 0.4200 | - | | | | | | | | | | | | | | | | |
| Final distribution date | June 27, 2021 | June 26, 2020 | June 26, 2019 | - | June 19, 2017 | - | | | | | | | | | | | | | | | | |
| Closing offer price | 10.3904 | 10.3889 | 10.3494 | 10.7692 | 10.3185 | 10.1678 | | | | | | | | | | | | | | | | |
| Closing repurchase price | 10.2127 | 10.2112 | 10.1965 | 10.6100 | 10.1660 | 10.0175 | | | | | | | | | | | | | | | | |
| Highest offer price | 10.9830 | 11.5312 | 11.1966 | 10.7706 | 10.7545 | 10.7545 | | | | | | | | | | | | | | | | |
| Lowest offer price | 10.3875 | 10.3762 | 10.3395 | 10.3186 | 10.1562 | 10.1657 | | | | | | | | | | | | | | | | |
| Highest repurchase price per unit | 10.7952 | 11.3340 | 11.0311 | 10.6114 | 10.5956 | 10.5956 | | | | | | | | | | | | | | | | |
| Lowest repurchase price per unit | 10.2098 | 10.1987 | 10.1867 | 10.1661 | 10.0061 | 10.0155 | | | | | | | | | | | | | | | | |
| | -----Percentage----- | | | | | | | | | | | | | | | | | | | | | |
| Total return of the fund | | | | | | | | | | | | | | | | | | | | | | |
| - capital growth | -0.10% | -0.09% | -4.28% | 4.37% | 1.48% | -0.13% | | | | | | | | | | | | | | | | |
| - income distribution | 5.85% | 11.38% | 12.75% | 0.00% | 4.20% | 5.95% | | | | | | | | | | | | | | | | |
| Average return of the fund | | | | | | | | | | | | | | | | | | | | | | |
| First Year | 5.75% | 11.28% | 8.47% | 4.37% | 5.68% | 5.82% | | | | | | | | | | | | | | | | |
| Second Year | 8.85% | 10.36% | 6.60% | 5.15% | 5.92% | 7.51% | | | | | | | | | | | | | | | | |
| Third Year | 9.22% | 8.66% | 6.55% | 5.57% | 7.18% | 8.41% | | | | | | | | | | | | | | | | |
| Fourth Year | 8.31% | 8.29% | 6.65% | 6.72% | 8.09% | 9.19% | | | | | | | | | | | | | | | | |
| Fifth Year | 8.16% | 8.18% | 7.52% | 7.63% | 8.91% | 10.36% | | | | | | | | | | | | | | | | |
| Sixth Year | 8.17% | 8.86% | 8.30% | 8.48% | 8.63% | - | | | | | | | | | | | | | | | | |
| Seventh Year | 8.85% | 9.54% | 9.09% | 9.63% | - | - | | | | | | | | | | | | | | | | |
| Eighth Year | 9.54% | 10.26% | 10.20% | - | - | - | | | | | | | | | | | | | | | | |
| Ninth Year | 10.29% | 11.35% | - | - | - | - | | | | | | | | | | | | | | | | |
| Tenth Year | 11.38% | - | - | - | - | - | | | | | | | | | | | | | | | | |
| Since Inception | 12.24% | 12.20% | 11.05% | 10.49% | 10.90% | 11.15% | | | | | | | | | | | | | | | | |
| Weighted average Portfolio duration in days | 399 | 788 | 592 | 457 | 573 | 341 | | | | | | | | | | | | | | | | |
| Distribution History* | <table border="1"> <thead> <tr> <th colspan="2">2019</th> </tr> <tr> <th>Date</th> <th>Rate Re. Per Unit</th> </tr> </thead> <tbody> <tr> <td>July 03, 2018</td> <td>0.2970</td> </tr> <tr> <td>August 01, 2018</td> <td>0.1300</td> </tr> </tbody> </table> | | 2019 | | Date | Rate Re. Per Unit | July 03, 2018 | 0.2970 | August 01, 2018 | 0.1300 | <table border="1"> <thead> <tr> <th colspan="2">2016</th> </tr> <tr> <th>Date</th> <th>Rate Re. Per Unit</th> </tr> </thead> <tbody> <tr> <td>June 21, 2016</td> <td>0.0345</td> </tr> <tr> <td>June 24, 2016</td> <td>0.5601</td> </tr> </tbody> </table> | | 2016 | | Date | Rate Re. Per Unit | June 21, 2016 | 0.0345 | June 24, 2016 | 0.5601 | | |
| 2019 | | | | | | | | | | | | | | | | | | | | | | |
| Date | Rate Re. Per Unit | | | | | | | | | | | | | | | | | | | | | |
| July 03, 2018 | 0.2970 | | | | | | | | | | | | | | | | | | | | | |
| August 01, 2018 | 0.1300 | | | | | | | | | | | | | | | | | | | | | |
| 2016 | | | | | | | | | | | | | | | | | | | | | | |
| Date | Rate Re. Per Unit | | | | | | | | | | | | | | | | | | | | | |
| June 21, 2016 | 0.0345 | | | | | | | | | | | | | | | | | | | | | |
| June 24, 2016 | 0.5601 | | | | | | | | | | | | | | | | | | | | | |

Disclaimer

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

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahra-e-Faisal
Karachi - 74400, Pakistan.

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

Fax: (92-21) 34326021 - 23

URL: www.cdcpakistan.com

Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ABL ISLAMIC INCOME FUND

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

We Central Depository Company of Pakistan Limited, being the Trustee of ABL Islamic 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, 2021 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 15, 2021



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ



September 23, 2021

The purpose of this report is to provide an opinion on the Shariah Compliance of the Fund's investment and operational activities with respect to Shariah guidelines provided.

It is the core responsibility of the Management Company to operate the Fund and invest the amount of money in such a manner which is in compliance with the Shariah principles as laid out in the Shariah guidelines. In the capacity of the Shariah Advisor, our responsibility lies in providing Shariah guidelines and ensuring compliance with the same by review of activities of the fund. We express our opinion based on the review of the information, provided by the management company, to an extent where compliance with the Shariah guidelines can be objectively verified.

Our review of Fund's activities is limited to enquiries of the personnel of Management Company and various documents prepared and provided by the management company.

Keeping in view the above; we certify that:

We have reviewed all the investment and operational activities of the fund including all transactions and found them to comply with the Shariah guidelines. On the basis of information provided by the management company, all operations of the fund for the year ended June 30, 2021 comply with the provided Shariah guidelines. Therefore, it is resolved that investments in ABL Islamic Income Fund (ABL-IIF) managed by ABL Asset Management Company are halal and in accordance with Shariah principles.

May Allah (SWT) bless us and forgive our mistakes and accept our sincere efforts in accomplishment of cherished tasks and keep us away from sinful acts.

For and on behalf of Shariah Supervisory Council of Al-Hilal Shariah Advisors (Pvt.) Limited.

Mufti Irshad Ahmad Aijaz
Member Shariah Council



Faraz Younus Bandukda, CFA
Chief Executive

Al-Hilal Shariah Advisors (Pvt) Limited

807 8th Floor Horizon Tower, Khayban-e-Saadi, Block - 3 Clifton,
Karachi, Pakistan. Tel :+92-21-35305931-37, Web: www.alhilalsa.com



INDEPENDENT REASONABLE ASSURANCE REPORT TO THE UNIT HOLDERS OF ABL ISLAMIC INCOME FUND ON THE STATEMENT OF COMPLIANCE WITH THE SHARIAH PRINCIPLES

Introduction

We were engaged by the Board of Directors of **ABL Asset Management Company Limited** (the Management Company) to report on the Management Company's assessment of compliance with the Shariah Principles of **ABL Islamic Income Fund** (the Fund), as set out in the annexed Statement of Compliance with the Shariah Principles (the Statement) prepared by the Management Company for the year ended June 30, 2021, in the form of an independent reasonable assurance conclusion about whether the annexed statement reflects, in all material respects the status of compliance of the Fund with the Shariah Principles as specified in the Trust Deed and the guidelines issued by the Shariah Advisor. Our engagement was conducted by a team of assurance practitioners.

Applicable Criteria

The criteria for the assurance engagement against which the annexed Statement has been assessed comprises of the Shariah Principles as specified in the Trust Deed and the guidelines issued by the Shariah Advisor (the Shariah Principles).

Management's Responsibility for Shariah Compliance

The Management Company of the Fund is responsible for preparation of the annexed Statement that is free from material misstatement. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation of the annexed Statement that is free from material misstatement, whether due to fraud or error. It also includes ensuring the overall compliance of the Fund with the Shariah Principles.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The Firm applies International Standard on Quality Control (ISQC) 1, "Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements" and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibility and summary of work performed

Our responsibility is to examine the annexed Statement and to report thereon in the form of an independent reasonable assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000, "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the International Auditing and Assurance Standards Board. That Standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the annexed statement reflects the status of compliance of the Fund with the Shariah Principles as specified in the Trust Deed and the guidelines issued by the Shariah Advisor, in all material respects.



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The procedures selected depend on our judgment, including the assessment of the risks of material non-compliances with the Shariah Principles, whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to the Fund's compliance with the Shariah Principles, in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing a conclusion as to the effectiveness of the Management Company's internal control over the Fund's compliance with the Shariah Principles. A system of internal control, because of its nature, may not prevent or detect all instances of non-compliance with Shariah Principles, and consequently cannot provide absolute assurance that the objective of compliance with the Shariah Principles, will be met. Also, projection of any evaluation of effectiveness to future periods is subject to the risk that the controls may become inadequate or fail.

The procedures performed primarily comprised the following:

- checking compliance of specific guidelines relating to charity, maintaining bank accounts and for making investments of the Fund.
- checking that the Shariah Advisor has certified that the operations of the Fund, its investments and placements made during the year ended June 30, 2021 are in compliance with the Shariah Principles.

We believe that the evidences we have obtained through performing our procedures were sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on the procedures performed during our reasonable assurance engagement, we report that in our opinion, the annexed Statement presents fairly, in all material respects, the status of the Fund's compliance with the Shariah Principles specified in the Trust Deed and in the guidelines issued by the Shariah Advisor for the year ended June 30, 2021.

A.F. Ferguson & Co.

A.F. Ferguson & Co.

Chartered Accountants

Dated: September 28, 2021

Karachi

INDEPENDENT AUDITOR'S REPORT

To the Unitholders of ABL Islamic Income Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of ABL Islamic Income Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2021, and the income statement, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2021, 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, 2021 amounted to Rs. 1,724.814 million and Rs. 2,950.076 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, 2021 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, 2021 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. |

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Other Matter

The financial statements of the Fund for the year ended June 30, 2020 were audited by another firm of Chartered Accountants who had expressed an unmodified opinion thereon vide their report dated September 25, 2020.

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.

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- 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.

A.F. Ferguson & Co.
Chartered Accountants
Karachi

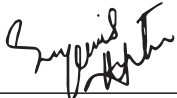
Date: September 28, 2021

ABL ISLAMIC INCOME FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2021


| | Note | 2021 | 2020 |
|--|------|---------------------------|--------------------|
| | | -----Rupees in '000'----- | |
| Assets | | | |
| Bank balances | 4 | 1,724,814 | 1,903,788 |
| Investments | 5 | 2,950,076 | 4,215,191 |
| Deposit and other receivable | 6 | 53,844 | 19,747 |
| Profit receivable | 7 | 53,677 | 86,105 |
| Receivable against sale of units | | 32,448 | 3,516 |
| Total assets | | 4,814,859 | 6,228,347 |
| Liabilities | | | |
| Payable to ABL Asset Management Company Limited - Management Company | 8 | 19,835 | 24,010 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 9 | 383 | 436 |
| Payable to the Securities and Exchange Commission of Pakistan | 10 | 1,265 | 1,109 |
| Payable against redemption of units | | 26,550 | 6,561 |
| Dividend payable | | - | 853 |
| Accrued expenses and other liabilities | 11 | 29,257 | 54,195 |
| Total liabilities | | 77,290 | 87,164 |
| NET ASSETS | | 4,737,569 | 6,141,183 |
| UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED) | | 4,737,569 | 6,141,183 |
| CONTINGENCIES AND COMMITMENTS | 12 | | |
| | | -----Number of units----- | |
| NUMBER OF UNITS IN ISSUE | | 463,889,233 | 601,413,865 |
| | | -----Rupees----- | |
| NET ASSET VALUE PER UNIT | | 10.2127 | 10.2112 |

The annexed notes from 1 to 32 form an integral part of these financial statements.

For ABL Asset Management Company Limited
(Management Company)



Saqib Matin
Chief Financial Officer



Alek Khalid Ghaznavi
Chief Executive Officer



Pervaiz Iqbal Butt
Director


ABL ISLAMIC INCOME FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2021

| | Note | 2021 | 2020 |
|---|------|--------------------------|-----------|
| | | -----Rupees in '000----- | |
| Income | | | |
| Profit earned | 13 | 459,921 | 698,248 |
| Loss on sale of investments - net | | (222) | (34,750) |
| Unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net | 5.7 | 2,153 | 19,380 |
| | | 1,931 | (15,370) |
| Total income | | 461,852 | 682,878 |
| Expenses | | | |
| Remuneration of ABL Asset Management Company Limited - Management Company | 8.1 | 63,227 | 55,453 |
| Punjab Sales Tax on remuneration of the Management Company | 8.2 | 10,116 | 8,872 |
| Accounting and operational charges | 8.4 | 5,088 | 5,544 |
| Selling and marketing expenses | 8.5 | 10,715 | 7,413 |
| Remuneration of the Central Depository Company of Pakistan - Trustee | 9.1 | 4,742 | 4,159 |
| Sindh Sales Tax on remuneration of the Trustee | 9.2 | 616 | 541 |
| Annual fees to the Securities and Exchange Commission of Pakistan | 10.1 | 1,265 | 1,109 |
| Securities transaction costs | | 2,288 | 1,807 |
| Auditors' remuneration | 14 | 571 | 506 |
| Annual rating fee | | 261 | 249 |
| Legal and professional charges | | 141 | 90 |
| Annual listing fee | | 47 | 28 |
| Shariah advisory fee | | 358 | 493 |
| Printing charges | | 75 | 100 |
| Settlement and bank charges | | 1,440 | 319 |
| Total operating expenses | | 100,950 | 86,683 |
| Net income for the year before taxation | | 360,902 | 596,195 |
| Taxation | 16 | - | - |
| Net income for the year after taxation | | 360,902 | 596,195 |
| Other comprehensive income for the year | | - | - |
| Total comprehensive income for the year | | 360,902 | 596,195 |
| Earnings per unit | 17 | | |
| Allocation of net income for the year | | | |
| Net income for the year after taxation | | 360,902 | 596,195 |
| Income already paid on units redeemed | | (235,524) | (326,277) |
| | | 125,378 | 269,918 |
| Accounting income available for distribution: | | | |
| - Relating to capital gains | | 1,931 | - |
| - Excluding capital gains | | 123,447 | 269,918 |
| | | 125,378 | 269,918 |

The annexed notes from 1 to 32 form an integral part of these financial statements.

For ABL Asset Management Company Limited
(Management Company)


 Saqib Matin
 Chief Financial Officer


 Alec Khalid Ghaznavi
 Chief Executive Officer


 Pervaiz Iqbal Butt
 Director


ABL ISLAMIC INCOME FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2021

| | 2021 | | | 2020 | | |
|---|------------------|----------------------|------------------|------------------|----------------------|------------------|
| | Capital value | Undistributed income | Total | Capital value | Undistributed income | Total |
| ----- Rupees in '000 ----- | | | | | | |
| Net assets at the beginning of the year | 6,033,748 | 107,435 | 6,141,183 | 3,652,035 | 80,555 | 3,732,590 |
| Issue of 1,919,660,805 (2020: 1,734,661,643) units | | | | | | |
| - Capital value (at ex - net asset value per unit) | 19,602,040 | - | 19,602,040 | 17,687,471 | - | 17,687,471 |
| - Element of income | 461,864 | - | 461,864 | 1,096,498 | - | 1,096,498 |
| Total proceeds on issuance of units | 20,063,904 | - | 20,063,904 | 18,783,969 | - | 18,783,969 |
| Redemption of 2,057,185,437 (2020: 1,499,313,719) units | | | | | | |
| - Capital value (at ex - net asset value per unit) | 21,006,332 | - | 21,006,332 | 15,287,747 | - | 15,287,747 |
| - Element of loss | 317,984 | 235,524 | 553,508 | 703,669 | 326,277 | 1,029,946 |
| Total payments on redemption of units | 21,559,840 | 235,524 | 21,559,840 | 15,991,416 | 326,277 | 16,317,693 |
| Total comprehensive income for the year | - | 360,902 | 360,902 | - | 596,195 | 596,195 |
| Distribution for the year ended June 30, 2021 @ Re. 0.5854 per unit on June 27, 2021 (2020: @ Rs. 1.1375 per unit on June 26, 2020) | (129,944) | (138,636) | (268,580) | (410,840) | (243,038) | (653,878) |
| Net assets at the end of the year | 4,407,868 | 94,177 | 4,737,569 | 6,033,748 | 107,435 | 6,141,183 |
| Undistributed income brought forward | | | | | | |
| - Realised income | | 88,055 | | | 80,555 | |
| - Unrealised income | | 19,380 | | | - | |
| | | 107,435 | | | 80,555 | |
| Accounting income available for distribution | | | | | | |
| - Relating to capital gains | | 1,931 | | | - | |
| - Excluding capital gains | | 123,447 | | | 269,918 | |
| | | 125,378 | | | 269,918 | |
| Distribution for the year | | (138,636) | | | (243,038) | |
| Undistributed income carried forward | | 94,177 | | | 107,435 | |
| Undistributed income carried forward | | | | | | |
| - Realised income | | 92,024 | | | 88,055 | |
| - Unrealised income | | 2,153 | | | 19,380 | |
| | | 94,177 | | | 107,435 | |
| | | | (Rupees) | | | (Rupees) |
| Net assets value per unit at beginning of the year | | | <u>10.2112</u> | | | <u>10.1965</u> |
| Net assets value per unit at end of the year | | | <u>10.2127</u> | | | <u>10.2112</u> |

The annexed notes from 1 to 32 form an integral part of these financial statements.

For ABL Asset Management Company Limited
(Management Company)


 Saqib Matin
 Chief Financial Officer


 Alec Khalid Ghaznavi
 Chief Executive Officer

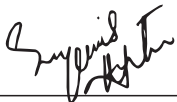

 Pervaiz Iqbal Butt
 Director

**ABL ISLAMIC INCOME FUND
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2021**


| | 2021 | 2020 |
|---|----------------------------|--------------|
| Note | ----- Rupees in '000 ----- | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income for the year before taxation | 360,902 | 596,195 |
| Adjustments for: | | |
| Profit earned | (459,921) | (698,248) |
| Unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net | 5.7 (2,153) | (19,380) |
| | (462,074) | (717,628) |
| Increase in assets | | |
| Deposit and other receivable | (34,097) | (17,483) |
| (Decrease) / increase in liabilities | | |
| Payable to ABL Asset Management Company Limited - Management Company | (4,175) | 8,666 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | (53) | 57 |
| Payable to the Securities and Exchange Commission of Pakistan | 156 | (1,798) |
| Accrued expenses and other liabilities | (24,938) | 33,651 |
| | (29,010) | 40,576 |
| | (164,279) | (98,340) |
| Profit received | 492,349 | 678,394 |
| Net amount received / (paid) on purchase and sale of investments | 1,808,527 | (3,069,707) |
| Net cash generated from / (used in) operating activities | 2,136,597 | (2,489,653) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Cash pay-out against distribution | (139,489) | (242,264) |
| Receipts from issuance of units - net of refund of element | 19,905,028 | 18,369,613 |
| Net payments against redemption of units | (21,539,851) | (16,374,495) |
| Net cash (used in) / generated from financing activities | (1,774,312) | 1,752,854 |
| Net increase / (decrease) in cash and cash equivalents | 362,285 | (736,799) |
| Cash and cash equivalents at the beginning of the year | 1,903,788 | 2,640,587 |
| Cash and cash equivalents at the end of the year | 18 2,266,073 | 1,903,788 |

The annexed notes from 1 to 32 form an integral part of these financial statements.

For ABL Asset Management Company Limited
(Management Company)



Saqib Matin
Chief Financial Officer



Aleee Khalid Ghaznavi
Chief Executive Officer



Pervaiz Iqbal Butt
Director

ABL ISLAMIC INCOME FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 ABL Islamic Income Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered into on June 23, 2010 between ABL Asset Management Company Limited (ABL AMCL) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed has been revised through the First Supplemental Trust Deed dated July 29, 2011 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, Seventh, Eighth, Ninth and Tenth supplements dated September 27, 2011, December 20, 2011, February 13, 2012, July 13, 2013, July 9, 2015, October 6, 2016, September 26, 2016, October 2, 2020, March 22, 2021 and June 24, 2021 respectively with the approval of the SECP. The SECP authorised constitution of the Trust Deed vide letter no. NBFC-II/DD/ABLAMC/492 dated June 11, 2010 in accordance with the requirement of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

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

1.2 The Fund has been categorised as an open ended Islamic 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 and are transferable and redeemable by surrendering them to the Fund.

1.3 The objective of the Fund is to provide investors with an opportunity to earn higher income over medium to long term by investing in money market and debt instruments permissible under the Shariah principles. The investment objectives and policies are explained in the Fund's offering document.

1.4 The title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as trustee of the Fund.

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

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

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

2.2 Standards, interpretations and amendments to published 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 annual accounting period beginning on July 1, 2020. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these financial statements.

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

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

| Standards, interpretations and amendments | Effective date (accounting periods beginning on or after) |
|--|---|
| - IAS 1 - 'Presentation of financial statements' (amendment) | January 1, 2023 |
| - IAS 8 - 'Accounting policies, change in accounting estimates and errors' (amendment) | January 1, 2023 |

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

2.3.1 There are certain other standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2021 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are, therefore, not disclosed in these financial statements.

2.4 Critical accounting estimates and judgments

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

The estimates and judgments that have a significant effect on these financial statements of the Fund relate to classification and valuation of financial assets (notes 3.2 and 5), provision for SWWF (note 11.1), provision for FED (note 8.3) and provision for taxation (notes 3.14 and 16).

2.5 Accounting convention

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

2.6 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistan Rupee, 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
- at fair value through other comprehensive income "(FVOCI)"
- at fair value through profit or loss (FVTPL)

based on the business model of the entity.

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

3.2.3 Impairment

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

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

3.2.4 Impairment loss on debt securities

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

3.2.5 Regular way contracts

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

3.3.2 Derecognition

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

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 application during business hours of that day. The redemption price is equal to the 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 assets 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 will be 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.
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are recorded in the year in which these arise.
- Income from investments in sukuk certificates, term deposit receipts, commercial paper, bai muajjal and certificate of musharakah is recognised on an accrual basis using effective interest method.
- Profit on bank balances is recognised on an accrual basis.

3.11 Expenses

All expenses including management fee and trustee fee are recognised in the Income Statement on an accrual basis.

3.12 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund. These costs are being amortised over a period of 5 years in accordance with the requirements set out in the Trust Deed of the Fund.

3.13 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistan 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.

3.14 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.

3.15 Earnings per unit

Earnings / (loss) per unit is calculated by dividing the net income of the year before 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 | 2021 | 2020 |
|--------------------------|------|-----------|-----------|
| -----Rupees in '000----- | | | |
| 4 BANK BALANCES | | | |
| Balances with banks in: | | | |
| Savings accounts | 4.1 | 1,700,687 | 1,792,363 |
| Current accounts | 4.2 | 24,127 | 111,425 |
| | | 1,724,814 | 1,903,788 |

- 4.1 These include a balance of Rs 1,681.448 million (2020: 1,607.207 million) maintained with Allied Bank Limited (a related party) that carries profit at the rate of 6.95% (2020: 7.65%) per annum. Other savings accounts of the Fund carry profit rates ranging from 4.00% to 6.60% (2020: 6.00% to 14.20%) per annum.
- 4.2 This represents balance maintained with Allied Bank Limited (a related party).

| 5 INVESTMENTS | Note | 2021 | 2020 |
|---|------|--------------------------|------------------|
| | | -----Rupees in '000----- | |
| At fair value through profit or loss | | | |
| Government securities | 5.1 | - | - |
| Corporate sukuk certificates | 5.2 | 1,295,662 | 3,683,405 |
| Bai muajjal receivable | 5.3 | 668,694 | - |
| Islamic commercial papers | 5.4 | 444,461 | 531,786 |
| Term deposit receipts | 5.5 | - | - |
| Certificates of musharakah | 5.6 | 541,259 | - |
| | | <u>2,950,076</u> | <u>4,215,191</u> |

5.1 Government Securities

| Name of the security | Profit payments/ principal redemptions | Issue date | Maturity date | Profit rate | As at July 1, 2020 | Purchases during the year | Sales / redemptions during the year | As at June 30, 2021 | Carrying value as at June 30, 2021 | Market value as at June 30, 2021 | Unrealised appreciation / (diminution) | Percentage in relation to | |
|--|---|---------------|---------------|---|--------------------|---------------------------|-------------------------------------|---------------------|------------------------------------|----------------------------------|--|---------------------------|------------------|
| | | | | | | | | | | | | Number of certificates | (Rupees in '000) |
| GoP Ijarah Sukuk Certificates - XX (note 5.1.1) | Semi-annually | May 29, 2020 | May 29, 2025 | Weighted average 6 months T-Bills | - | 10,000 | 10,000 | - | - | - | - | - | - |
| GoP Ijarah Sukuk Certificates - XX (note 5.1.1) | Semi-annually | July 29, 2020 | July 29, 2025 | Weighted average 6 months T-Bills | - | 30,000 | 30,000 | - | - | - | - | - | - |
| Pakistan Energy Sukuk II (AAA, PACRA) (note 5.1.1) | Semi-annually | May 21, 2020 | May 21, 2030 | 6 months KIBOR minus base rate of 0.10% | 300,000 | 88,000 | 388,000 | - | - | - | - | - | - |
| Total as at June 30, 2021 | | | | | | | | | - | - | - | - | - |
| Total as at June 30, 2020 | | | | | | | | | - | - | - | - | - |

- 5.1.1 The nominal value of these sukuk certificates is Rs 5,000 each.

5.2 Corporate Sukuk Certificates

| Name of the security | Profit payments/ principal redemptions | Maturity date | Profit rate | As at July 1, 2020 | Purchases during the year | Sales / redemptions during the year | As at June 30, 2021 | Carrying value as at June 30, 2021 | Market value as at June 30, 2021 | Unrealised appreciation / (diminution) | Percentage in relation to | |
|--|---|--------------------|---------------------------------------|--------------------|---------------------------|-------------------------------------|---------------------|------------------------------------|----------------------------------|--|---------------------------|------------------|
| | | | | | | | | | | | Number of certificates | (Rupees in '000) |
| COMMERCIAL BANKS | | | | | | | | | | | | |
| Dubai Islamic Bank Pakistan Limited (AA-, VIS, non-traded) (Face value of Rs 1,000,000 per certificate) | Semi-annually | July 14, 2027 | 6 months KIBOR plus base rate of 0.5% | 333 | 933 | 933 | 333 | 342,120 | 342,313 | 193 | 7.23% | 11.60% |
| Meezan Bank Limited (AA+, VIS, non-traded) (Face value of Rs 1,000,000 per certificate) | Semi-annually | September 22, 2026 | 6 months KIBOR plus base rate of 0.5% | 16 | - | - | 16 | 16,400 | 16,570 | 170 | 0.35% | 0.56% |

| Name of the security | Profit payments / principal redemptions | Maturity date | Profit rate | As at July 1, 2020 | Purchases during the year | Sales / redemptions during the year | As at June 30, 2021 | Carrying value as at June 30, 2021 | Market value as at June 30, 2021 | Unrealised appreciation / (diminution) | Percentage in relation to | |
|----------------------|---|---------------|-------------|--------------------|---------------------------|-------------------------------------|------------------------|------------------------------------|----------------------------------|--|---------------------------|----------------------------------|
| | | | | | | | | | | | Net assets of the Fund | Total market value of investment |
| | | | | | | | Number of certificates | (Rupees in '000) | | % | | |

FERTILIZER

| | | | | | | | | | | | | |
|---|---------------|-------------------|--|-------|-------|-------|-------|-------|-------|------|-------|-------|
| Fatima Fertilizer Company Limited (AA-, PACRA, non-traded) (Face value of Rs 500 per certificate) | Semi-annually | November 28, 2021 | 6 months KIBOR plus base rate of 1.10% | 6,976 | - | - | 6,976 | 3,549 | 3,499 | (50) | 0.07% | 0.12% |
| Dawood Hercules Corporation Limited I (AA, PACRA, traded) (Face value of Rs 50,000 per certificate) | Quarterly | November 16, 2022 | 3 months KIBOR plus base rate of 1.00% | 7,229 | 1,467 | 8,696 | - | - | - | - | - | - |
| Dawood Hercules Corporation Limited II (AA, PACRA, traded) (Face value of Rs 60,000 per certificate) | Quarterly | March 01, 2023 | 3 months KIBOR plus base rate of 1.00% | 4,143 | 190 | 6,113 | - | - | - | - | - | - |

POWER GENERATION & DISTRIBUTION

| | | | | | | | | | | | | |
|--|---------------|-------------------|---|-------|--------|--------|-------|---------|---------|---------|--------|--------|
| K-Electric Limited (AA+, VIS, traded) (Face value of Rs 5,000 per certificate) | Quarterly | August 3, 2027 | 3 months KIBOR plus base rate of 1.70% | - | 10,000 | 9,800 | 200 | 1,015 | 1,016 | 1 | 0.02% | 0.03% |
| The Hub Power Company Limited (AA+, PACRA, non-traded) (Face value of Rs 100,000 per certificate) | Quarterly | August 22, 2023 | 3 months KIBOR plus base rate of 1.90% | 3,500 | 2,450 | 327 | 5,623 | 574,732 | 573,515 | (1,217) | 12.11% | 19.44% |
| The Hub Power Company Limited (AA+, PACRA, non-traded) (Face value of Rs 100,000 per certificate) | Semi-annually | March 19, 2024 | 12 months KIBOR plus base rate of 1.90% | 2,650 | 250 | 1,640 | 1,260 | 126,492 | 129,024 | 2,532 | 2.72% | 4.37% |
| The Hub Power Company Limited Sukuk - 4 (AA+, PACRA, non-traded) (Face value of Rs 100,000 per certificate) | Semi-annually | November 19, 2020 | 6 months KIBOR plus base rate of 1.95% | 2,300 | 15,600 | 17,900 | - | - | - | - | - | - |

CHEMICALS

| | | | | | | | | | | | | |
|---|---------------------------|------------------|--|-------|-------|-----|-------|---------|---------|-----|-------|-------|
| Engro Polymer and Chemicals Limited (AA, PACRA, traded) (Face value of Rs 100,000 per certificate) | Quarterly / Semi-annually | January 11, 2026 | 3 months KIBOR plus base rate of 0.90% | 1,050 | 1,750 | 550 | 2,250 | 229,201 | 229,725 | 524 | 4.85% | 7.79% |
|---|---------------------------|------------------|--|-------|-------|-----|-------|---------|---------|-----|-------|-------|

MISCELLANEOUS

| | | | | | | | | | | | | |
|---|---------------------|-------------|--|-----|---|-----|---|---|---|---|---|---|
| International Brands Limited (AA, VIS, non-traded) (Face value of Rs 41,022 per certificate) | Quarterly / Monthly | May 5, 2022 | 3 months KIBOR plus base rate of 0.50% | 100 | - | 100 | - | - | - | - | - | - |
|---|---------------------|-------------|--|-----|---|-----|---|---|---|---|---|---|

Total as at June 30, 2021

1,293,509 1,295,662 2,153 27.35% 43.91%

Total as at June 30, 2020

3,664,025 3,683,405 19,380 59.99% 87.38%

5.3 Bai Muajjal Receivable

| Name of the Investee | Maturity date | Profit rate | Total Transaction Price | Deferred Income | Accrued Profit | Carrying value |
|----------------------|---------------|-------------|-------------------------|-----------------|----------------|----------------|
| | | | (Rupees in '000) | | | |

DEVELOPMENT FINANCIAL INSTITUTIONS

| | | | | | | |
|--|-----------------|-------|----------------|---------------|--------------|----------------|
| Pak Brunei Investment Company Limited (AA+, VIS) | August 23, 2021 | 7.17% | 450,356 | 7,909 | 3,303 | 445,750 |
| Pak Oman Investment Company Limited (AA+, VIS) | August 17, 2021 | 7.15% | 224,980 | 3,898 | 1,862 | 222,944 |
| Total as at June 30, 2021 | | | 675,336 | 11,807 | 5,165 | 668,694 |
| Total as at June 30, 2020 | | | - | - | - | - |

5.3.1 These Bai Muajjal transactions are carried out against commercial papers of K-Electric Limited which were issued on February 10, 2021.

5.4 Islamic Commercial Papers

| Name of Investee Company | Face value (Rupees in '000) | | | | Rupees in '000 | | Market value as a percentage of net assets | Market value as a percentage of total investments |
|---|-----------------------------|---------------------------|---------------------------------------|---------------------|------------------------------------|----------------------------------|--|---|
| | As at July 1, 2020 | Purchased during the year | Disposed of / matured during the year | As at June 30, 2021 | Carrying value as at June 30, 2021 | Market value as at June 30, 2021 | | |
| K-Electric Limited ICP-7 (A-1+, PACRA) | 389,000 | 304,000 | 693,000 | - | - | - | - | - |
| K-Electric Limited ICP-8 (A-1+, VIS) | 150,000 | - | 150,000 | - | - | - | - | - |
| K-Electric Limited ICP-12 (A-1+, PACRA) | - | 130,000 | 130,000 | - | - | - | - | - |
| K-Electric Limited ICP-14 (A-1+, VIS) | - | 875,000 | 675,000 | 200,000 | 198,322 | 198,322 | 4.19% | 6.72% |
| K-Electric Limited ICP-16 (A-1+, PACRA) | - | 250,000 | - | 250,000 | 246,139 | 246,139 | 5.20% | 8.34% |
| Total as at June 30, 2021 | | | | | 444,461 | 444,461 | 9.39% | 15.06% |
| Total as at June 30, 2020 | | | | | 531,786 | 531,786 | 8.66% | 12.62% |

5.4.1 These carry yield ranging from 7.49% to 7.96% per annum and are due to mature latest by September 16, 2021.

5.5 Term Deposit Receipts

| Name of the security | Maturity date | Profit rate | As at July 1, 2020 | Placed during the year | Matured during the year | As at June 30, 2021 | Carrying value as at June 30, 2021 | Market value as at June 30, 2021 | Market value as a percentage of net assets | Market value as a percentage of total investments |
|------------------------------------|-------------------|-------------|--------------------|------------------------|-------------------------|---------------------|------------------------------------|----------------------------------|--|---|
| ----- Rupees in '000 ----- % ----- | | | | | | | | | | |
| UBL Ameen Islamic Banking | November 5, 2020 | 6.25% | - | 700,000 | 700,000 | - | - | - | - | - |
| UBL Ameen Islamic Banking | March 1, 2021 | 6.65% | - | 500,000 | 500,000 | - | - | - | - | - |
| UBL Ameen Islamic Banking | April 1, 2021 | 6.90% | - | 450,000 | 450,000 | - | - | - | - | - |
| BankIslami Pakistan Limited | December 29, 2020 | 6.50% | - | 750,000 | 750,000 | - | - | - | - | - |
| Total as at June 30, 2021 | | | | | | | | | | |
| Total as at June 30, 2020 | | | | | | | | | | |

5.6 Certificates of Musharakah

| Name of the investee company | Maturity date | Profit rate | As at July 1, 2020 | Placed during the year | Matured during the year | As at June 30, 2021 | Percentage in relation to | |
|--------------------------------------|--------------------|-------------|--------------------|------------------------|-------------------------|---------------------|---------------------------|----------------------------------|
| | | | | | | | Net assets of the Fund | Total market value of investment |
| ----- (Rupees in '000) ----- % ----- | | | | | | | | |
| First Habib Modaraba | October 13, 2020 | 7.00% | - | 250,000 | 250,000 | - | - | - |
| First Habib Modaraba | March 11, 2021 | 7.00% | - | 254,315 | 254,315 | - | - | - |
| First Habib Modaraba | March 22, 2021 | 7.00% | - | 204,350 | 204,350 | - | - | - |
| First Habib Modaraba | June 9, 2021 | 7.25% | - | 261,582 | 261,582 | - | - | - |
| First Habib Modaraba | August 30, 2021 | 7.25% | - | 100,000 | - | 100,000 | 2.11% | 3.39% |
| First Habib Modaraba | September 20, 2021 | 7.25% | - | 175,000 | - | 175,000 | 3.69% | 5.93% |
| First Habib Modaraba | September 7, 2021 | 7.25% | - | 266,259 | - | 266,259 | 5.62% | 9.03% |
| Total as at June 30, 2021 | | | | 1,511,506 | 970,247 | 541,259 | 11.42% | 18.35% |
| Total as at June 30, 2020 | | | | | | | | |

| | Note | 2021 | 2020 |
|--|-------------------------------|--------------------------|---------------|
| | | -----Rupees in '000----- | |
| 5.7 Unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net | | | |
| Market value of investments | 5.1, 5.2, 5.3, 5.4, 5.5 & 5.6 | 2,950,076 | 4,215,191 |
| Less: Carrying value of investments | 5.1, 5.2, 5.3, 5.4, 5.5 & 5.6 | 2,947,923 | 4,195,811 |
| | | <u>2,153</u> | <u>19,380</u> |

6 DEPOSIT AND OTHER RECEIVABLE

| | | | |
|--|-----|---------------|---------------|
| Security deposit with Central Depository Company of Pakistan Limited * | | 100 | 100 |
| Balance in IPS account * | | 92 | - |
| Advance tax | 6.1 | 53,652 | 19,647 |
| | | <u>53,844</u> | <u>19,747</u> |

* related party balances

- 6.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, withholding taxes on profit on bank deposits and other debt investments to the Fund were 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 withholders. The tax withheld on profit on bank balances and profit on debt securities amounts to Rs 53.652 million (2020: Rs 19.647 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 taxes deducted on profit received by the Fund on bank balances and debt securities have been shown as other receivable as at June 30, 2021 as, in the opinion of the management, the amount of tax deducted at source will likely be refunded.

| | Note | 2021 | 2020 |
|----------------------------|------|--------------------------|---------------|
| | | -----Rupees in '000----- | |
| 7 PROFIT RECEIVABLE | | | |
| Profit receivable on: | | | |
| Bank balances | | 25,464 | 21,330 |
| Certificates of musharakah | | 2,107 | - |
| Sukuk certificates | | 26,106 | 64,775 |
| | | <u>53,677</u> | <u>86,105</u> |

8 PAYABLE TO ABL ASSET MANAGEMENT COMPANY LIMITED - MANAGEMENT COMPANY - RELATED PARTY

| | | | |
|---|-----|---------------|---------------|
| Management fee payable | 8.1 | 4,536 | 5,151 |
| Punjab Sales Tax payable on remuneration of the Management Company | 8.2 | 1,961 | 2,059 |
| Federal Excise Duty payable on remuneration of the Management Company | 8.3 | 8,366 | 8,366 |
| Accounting and operational charges payable | 8.4 | - | 3,058 |
| Selling and marketing expenses payable | 8.5 | 4,926 | 4,587 |
| Sales and transfer load payable | | 46 | 789 |
| | | <u>19,835</u> | <u>24,010</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 rate of 1% (2020: 1%) per annum of the average net assets of the Fund during the year ended June 30, 2021. The remuneration is payable to the Management Company monthly in arrears.
- 8.2 During the year, an amount of Rs 10.116 million (2020: Rs 8.872 million) was charged on account of sales tax on management fee levied through the Punjab Sales Tax on Services Act, 2012 at the rate of 16% (2020: 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 was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013

a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 01, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 8.366 million is being retained in these financial statements 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, 2021 would have been higher by Re 0.018 (2020: Re 0.014) per unit.

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

The Management Company has currently fixed a maximum capping of 0.1% (2020: 0.1%) of the average annual net assets of the scheme for allocation of such expenses to the Fund.

- 8.5** The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except fund of funds) initially for a period of three years (i.e from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense was 0.4% per annum of the net assets of the Fund or actual expenses whichever is lower.

During the year ended June 30, 2020, the SECP through its circular 11 dated July 5, 2019 had revised the conditions for charging of selling and marketing expenses to a Fund. As per the revised guidelines, the maximum cap of 0.4% per annum had been lifted and the asset management company was required to set a maximum limit for charging of such expense to the Fund and the same should be approved by the Board of Directors of the Management Company as part of annual plan. Furthermore, the time limit of three years had also been removed in the revised conditions.

Accordingly, the Management Company has currently charged such expenses at the rate of 0.15% (2020: 0.15%) from July 1, 2020 to March 31, 2021 and 0.25% from April 1, 2021 to June 30, 2021 which is applied to average annual net assets of the Fund. This has also been approved by the Board of Directors of the Management Company.

| | Note | 2021 | 2020 |
|--------------------------|--|------|------|
| -----Rupees in '000----- | | | |
| 9 | PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN - TRUSTEE - RELATED PARTY | | |
| | Trustee fee payable | 340 | 387 |
| | Sindh Sales Tax payable on trustee fee | 43 | 49 |
| | | 383 | 436 |

- 9.1** The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed at the rate of 0.075% (2020: 0.075%) per annum of net assets. Accordingly the Fund has charged trustee fee at the above mentioned rate during the year.

- 9.2** During the year, an amount of Rs. 0.616 million (2020: Rs. 0.541 million) was charged on account of sales tax at the rate of 13% (2020: 13%) on remuneration of the Trustee levied through Sindh Sales Tax on Services Act, 2011.

| | Note | 2021 | 2020 |
|--------------------------|--|-------|-------|
| -----Rupees in '000----- | | | |
| 10 | PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN | | |
| | Annual fee payable | 1,265 | 1,109 |

- 10.1** In accordance with the NBFC Regulations 2008, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP) at the rate of 0.02% (2020: 0.02%) of the daily net assets of the Fund.

| | Note | 2021 | 2020 |
|--------------------------|---|------|------|
| -----Rupees in '000----- | | | |
| 11 | ACCRUED EXPENSES AND OTHER LIABILITIES | | |
| | Auditors' remuneration payable | 318 | 250 |
| | Printing charges payable | 65 | 78 |
| | Brokerage fee payable | 43 | 804 |
| | Shariah advisory fee payable | 30 | 44 |
| | Legal and professional charges payable | 86 | - |

| | Note | 2021 | 2020 |
|---|------|--------------------------|---------------|
| | | -----Rupees in '000----- | |
| Settlement charges payable | | - | 100 |
| Withholding tax payable | | 21,972 | 35,656 |
| Capital gain tax payable | | 2,064 | 12,584 |
| Provision for Sindh Workers' Welfare Fund | 11.1 | 4,679 | 4,679 |
| | | <u>29,257</u> | <u>54,195</u> |

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

The Fund has made provision for SWWF from May 21, 2015 till June 30, 2017 amounting to Rs 4.679 million as the decision in this respect is pending to date. The Fund has not made any provision for SWWF after July 1, 2017 as the registered office of the Management Company of the Fund has been relocated from the Province of Sindh to the Province of Punjab.

Subsequent to the year ended June 30, 2021, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds, for the period from May 21, 2015 to June 30, 2017, on August 13, 2021. The SECP has given its concurrence for prospective reversal of provision for SWWF.

Had the provision for SWWF been reversed in these financial statements, the net asset value of the Fund as at June 30, 2021 would have been higher by Re. 0.010 (2020: Re 0.008) per unit.

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2021 and June 30, 2020.

| | 2021 | 2020 |
|----------------------------|--------------------------|----------------|
| | -----Rupees in '000----- | |
| 13 PROFIT EARNED | | |
| Profit on: | | |
| Savings accounts | 171,832 | 386,612 |
| Term deposit receipts | 20,925 | 2,815 |
| Islamic commercial papers | 16,725 | 49,956 |
| Bai muajjal | 18,037 | 11,435 |
| Certificates of musharakah | 25,700 | - |
| Sukuk certificates | 206,702 | 247,430 |
| | <u>459,921</u> | <u>698,248</u> |

14 AUDITORS' REMUNERATION

| | | |
|---|------------|------------|
| Annual audit fee | 295 | 260 |
| Half yearly review of condensed interim financial information | 170 | 150 |
| Fee for other certifications | 44 | 40 |
| Out of pocket expenses | 62 | 56 |
| | <u>571</u> | <u>506</u> |

15 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2021 is 1.60% (2020: 1.56%) which includes 0.19% (2020: 0.19%) representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an 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, 2021 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 as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

| 18 CASH AND CASH EQUIVALENTS | Note | 2021 ----- Rupees in '000 ----- | 2020 |
|---|------|------------------------------------|------------------|
| Bank balances | 4 | 1,724,814 | 1,903,788 |
| Certificates of musharakah (with original maturity of three months or less) | 5 | 541,259 | - |
| | | <u>2,266,073</u> | <u>1,903,788</u> |

19 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

19.1 Connected persons include ABL Asset Management Company being the Management Company, the Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes managed by the Management Company, any entity in which the Management Company, its CISs or their connected persons have material interest, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund, directors and their close family members and key management personnel of the Management Company.

19.2 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.

19.3 Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008.

19.4 Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.

19.5 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.

19.6 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:

| | 2021 -----'Rupees in '000----- | 2020 |
|--|-----------------------------------|---------|
| ABL Asset Management Company Limited - Management Company | | |
| Remuneration of the Management Company | 63,227 | 55,453 |
| Punjab Sales Tax on remuneration of the Management Company | 10,116 | 8,872 |
| Accounting and operational charges | 5,088 | 5,544 |
| Selling and marketing expenses | 10,715 | 7,413 |
| Issue of 7,289,627 (2020: 30,975,543) units | 74,979 | 321,944 |
| Redemption of 7,289,627 (2020: 32,106,553) units | 75,983 | 351,051 |
| Central Depository Company of Pakistan Limited - Trustee | | |
| Remuneration of the Trustee | 4,742 | 4,159 |
| Sindh Sales Tax on remuneration of the Trustee | 616 | 541 |
| Settlement charges incurred | 921 | 163 |
| Security deposit | 100 | 100 |
| Balance in IPS account | 92 | - |

| | 2021 | 2020 |
|--|---------------------------|-----------|
| | -----'Rupees in '000----- | |
| Allied Bank Limited | | |
| Profit on savings account | 63,672 | 6,428 |
| Bank charges | 459 | - |
| Profit receivable on savings account | 13,857 | - |
| ABL Islamic Financial Planning Fund - Active Allocation Plan | | |
| Issue of 16,178,278 (2020: 18,198,600) units | 171,792 | 190,685 |
| Redemption of 8,302,346 (2020: 38,299,208) units | 88,318 | 408,880 |
| Outstanding 12,763,505 (2020: 4,887,573) units | 130,350 | 49,908 |
| ABL Islamic Financial Planning Fund - Conservative Allocation Plan | | |
| Issue of 208,071 (2020: 3,853,995) units | 2,125 | 41,789 |
| Redemption of 1,539,015 (2020: 1,268,867) units | 16,281 | 13,579 |
| Outstanding 3,837,485 (2020: 5,168,429) units | 39,191 | 52,776 |
| ABL Islamic Financial Planning Fund - Aggressive Allocation Plan | | |
| Issue of 195,248 (2020: 1,041,063) units | 2,093 | 10,911 |
| Redemption of 1,817,046 (2020: 3,422,554) units | 19,066 | 36,388 |
| Outstanding 245,440 (2020: 1,867,238) units | 2,507 | 19,067 |
| ABL Islamic Financial Planning Fund - Strategic Allocation Plan I | | |
| Issue of 6,380,233 (2020: 10,460,534) units | 66,923 | 108,881 |
| Redemption of 4,857,051 (2020: 25,634,993) units | 51,036 | 272,446 |
| Outstanding 5,804,034 (2020: 4,280,852) units | 59,275 | 43,713 |
| ABL Islamic Financial Planning Fund - Strategic Allocation Plan II | | |
| Issue of Nil (2020: 12,062,316) units | - | 125,000 |
| Redemption of Nil (2020: 28,194,215) units | - | 292,823 |
| ABL Islamic Financial Planning Fund - Strategic Allocation Plan III | | |
| Issue of 1,029,687 (2020: 10,733,262) units | 10,895 | 111,535 |
| Redemption of 1,075,460 (2020: 36,148,638) units | 11,275 | 378,783 |
| Outstanding 965,176 (2020: 1,010,949) units | 9,857 | 10,323 |
| ABL Islamic Financial Planning Fund - Strategic Allocation Plan IV | | |
| Issue of Nil (2020: 9,835,606) units | - | 102,000 |
| Redemption of Nil (2020: 36,680,348) units | - | 382,537 |
| ABL Islamic Financial Planning Fund - Capital Preservation Plan I | | |
| Issue of 8,570,492 (2020: 14,950,662) units | 89,595 | 154,627 |
| Redemption of 23,729,358 (2020: 25,671,153) units | 251,035 | 272,410 |
| Outstanding 8,299,978 (2020: 23,458,844) units | 84,765 | 239,543 |
| Hamdard Laboratories (Waqf) Pakistan | | |
| Issue of 2,330,816 (2020: 105,581,284) units | 23,800 | 1,173,199 |
| Redemption of 15,764,130 (2020: 57,740,697) units | 165,000 | 654,433 |
| Outstanding 50,162,226 (2020: 63,595,540) units | 512,292 | 649,387 |
| Directors and key management personnel of the Management Company | | |
| Aizid Razzaq Gill | | |
| Issue of 211,870 (2020: Nil) units | 2,182 | - |
| Redemption of 191,871 (2020: Nil) units | 1,575 | - |
| Outstanding 19,999 (2020: 297,613) units | 204 | - |

| | 2021 | 2020 |
|---|--------------------------|-------|
| | -----Rupees in '000----- | |
| Saqib Matin * | | |
| Issue of 24 (2020: 504,569) units | - | 5,529 |
| Redemption of 260,191 (2020: 259,445) units | 2,675 | 2,810 |
| Outstanding 24 (2020: 260,191) units | - | 2,657 |
| * Nil figures due to rounding off difference. | | |

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

20 FINANCIAL INSTRUMENTS BY CATEGORY

| | 2021 | | |
|----------------------------------|----------------------------|--------------------------------------|------------------|
| | At amortised cost | At fair value through profit or loss | Total |
| | ----- Rupees in '000 ----- | | |
| Financial assets | | | |
| Bank balances | 1,724,814 | - | 1,724,814 |
| Investments | - | 2,950,076 | 2,950,076 |
| Deposit and other receivable | 192 | - | 192 |
| Profit receivable | 53,677 | - | 53,677 |
| Receivable against sale of units | 32,448 | - | 32,448 |
| | <u>1,811,131</u> | <u>2,950,076</u> | <u>4,761,207</u> |

| | 2021 | |
|--|----------------------------|---------------|
| | At amortised cost | Total |
| | ----- Rupees in '000 ----- | |
| Financial liabilities | | |
| Payable to ABL Asset Management Company Limited - Management Company | 19,835 | 19,835 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 383 | 383 |
| Payable against redemption of units | 26,550 | 26,550 |
| Accrued expenses and other liabilities | 542 | 542 |
| | <u>47,310</u> | <u>47,310</u> |

| | 2020 | | |
|----------------------------------|----------------------------|--------------------------------------|------------------|
| | At amortised cost | At fair value through profit or loss | Total |
| | ----- Rupees in '000 ----- | | |
| Financial assets | | | |
| Bank balances | 1,903,788 | - | 1,903,788 |
| Investments | - | 4,215,191 | 4,215,191 |
| Deposit and other receivable | 100 | - | 100 |
| Profit receivable | 86,105 | - | 86,105 |
| Receivable against sale of units | 3,516 | - | 3,516 |
| | <u>1,993,509</u> | <u>4,215,191</u> | <u>6,208,700</u> |

| | 2020 | |
|--|----------------------------|---------------|
| | At amortised cost | Total |
| | ----- Rupees in '000 ----- | |
| Financial liabilities | | |
| Payable to ABL Asset Management Company Limited - Management Company | 24,010 | 24,010 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 436 | 436 |
| Payable against redemption of units | 6,561 | 6,561 |
| Dividend payable | 853 | 853 |
| Accrued expenses and other liabilities | 1,276 | 1,276 |
| | <u>33,136</u> | <u>33,136</u> |

21 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.

21.1 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, 2021, the Fund is exposed to such risk on bank balances, sukuk certificates, bai muajjal receivable, commercial papers and certificate of musharakah. 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 balances with bank balances, KIBOR based sukuk certificates and certificates of musharakah 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. 35.376 million (2020: Rs. 54.758 million).

b) Sensitivity analysis for fixed rate instruments

As at June 30, 2021, the Fund holds commercial papers and bai muajjal receivable 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 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. 11.132 million (2020: Rs. 5.318 million).

The composition of the Fund's investment portfolio, KIBOR rates and the rates announced by the Financial Markets Association of Pakistan are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2021 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

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

The Fund's interest rate sensitivity related to financial assets and financial liabilities as at June 30, 2021 can be determined as follows:

| | Effective profit rate (%) | 2021 | | | Not exposed to yield / interest rate risk | Total |
|--|---------------------------|-------------------------------------|---|--------------------|---|-----------|
| | | Exposed to yield / profit rate risk | | | | |
| | | Up to three months | More than three months and up to one year | More than one year | | |
| ----- Rupees in '000 ----- | | | | | | |
| Financial assets | | | | | | |
| Bank balances | 4.00% - 6.95% | 1,700,687 | - | - | 24,127 | 1,724,814 |
| Investments | 6.90% - 10.13% | 2,817,553 | 132,523 | - | - | 2,950,076 |
| Deposit and other receivable | | - | - | - | 192 | 192 |
| Profit receivable | | - | - | - | 53,677 | 53,677 |
| Receivable against sale of units | | - | - | - | 32,448 | 32,448 |
| | | 4,518,240 | 132,523 | - | 110,444 | 4,761,207 |
| Financial liabilities | | | | | | |
| Payable to ABL Asset Management Company Limited - Management Company | | - | - | - | 19,835 | 19,835 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | - | - | - | 383 | 383 |
| Payable against redemption of units | | - | - | - | 26,550 | 26,550 |
| Accrued expenses and other liabilities | | - | - | - | 542 | 542 |
| | | - | - | - | 47,310 | 47,310 |
| On-balance sheet gap | | 4,518,240 | 132,523 | - | 63,134 | 4,713,897 |
| Total interest rate sensitivity gap | | 4,518,240 | 132,523 | - | | |
| Cumulative interest rate sensitivity gap | | 4,518,240 | 4,650,763 | 4,650,763 | | |

| Effective profit rate (%) | 2020 | | | Not exposed to yield / interest rate risk | Total |
|--|-------------------------------------|---|--------------------|---|------------------|
| | Exposed to yield / profit rate risk | | | | |
| | Up to three months | More than three months and up to one year | More than one year | | |
| ----- Rupees in '000 ----- | | | | | |
| Bank balances | 1,792,363 | - | - | 111,425 | 1,903,788 |
| Investments | 2,062,190 | 2,153,001 | - | - | 4,215,191 |
| Deposit and other receivable | - | - | - | 100 | 100 |
| Profit receivable | - | - | - | 86,105 | 86,105 |
| Receivable against sale of units | - | - | - | 3,516 | 3,516 |
| | <u>3,854,553</u> | <u>2,153,001</u> | <u>-</u> | <u>201,146</u> | <u>6,208,700</u> |
| Financial liabilities | | | | | |
| Payable to ABL Asset Management Company Limited - Management Company | - | - | - | 24,010 | 24,010 |
| Payable to Central Depository Company of Pakistan Limited- Trustee | - | - | - | 436 | 436 |
| Payable against redemption of units | - | - | - | 6,561 | 6,561 |
| Dividend payable | - | - | - | 853 | 853 |
| Accrued expenses and other liabilities | - | - | - | 1,276 | 1,276 |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>33,136</u> | <u>33,136</u> |
| On-balance sheet gap | <u>3,854,553</u> | <u>2,153,001</u> | <u>-</u> | <u>168,010</u> | <u>6,175,564</u> |
| Total interest rate sensitivity gap | <u>3,854,553</u> | <u>2,153,001</u> | <u>-</u> | | |
| Cumulative interest rate sensitivity gap | <u>3,854,553</u> | <u>6,007,554</u> | <u>6,007,554</u> | | |

(ii) Currency risk

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

(iii) Price risk

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

Equity price risk is the risk that the fair value of equity instruments decreases as a result of changes in the level of equity indices and the value of individual stocks. The Fund does not have any investment in equity securities as of June 30, 2021.

21.2 Liquidity risk

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

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

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

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

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

| 2021 | | | | | | |
|----------------|---|--|--|-------------------|--|-------|
| 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 | 1,724,814 | - | - | - | - | 1,724,814 |
| Investments | - | 1,654,414 | 146,878 | 789,647 | 359,137 | 2,950,076 |
| Deposit and other receivable | 92 | - | - | - | 100 | 192 |
| Profit receivable | 53,677 | - | - | - | - | 53,677 |
| Receivable against sale of units | 32,448 | - | - | - | - | 32,448 |
| | 1,811,031 | 1,654,414 | 146,878 | 789,647 | 359,137 | 4,761,207 |

Financial liabilities

| | | | | | | |
|--|--------|-----|---|---|---|--------|
| Payable to ABL Asset Management Limited - Management Company | 19,835 | - | - | - | - | 19,835 |
| Payable to Central Depository Company Limited - Trustee | 383 | - | - | - | - | 383 |
| Payable against redemption of units | 26,550 | - | - | - | - | 26,550 |
| Accrued expenses and other liabilities | 224 | 318 | - | - | - | 542 |
| | 46,992 | 318 | - | - | - | 47,310 |

Net financial assets

| | | | | | | | |
|--|-----------|-----------|---------|---------|---------|-----|-----------|
| | 1,764,039 | 1,654,096 | 146,878 | 789,647 | 359,137 | 100 | 4,713,897 |
|--|-----------|-----------|---------|---------|---------|-----|-----------|

| 2020 | | | | | | |
|----------------|---|--|--|-------------------|--|-------|
| 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 | 1,903,788 | - | - | - | - | 1,903,788 |
| Investments | - | 384,310 | 147,476 | 1,718,643 | 1,964,762 | 4,215,191 |
| Deposit and other receivable | - | - | - | - | 100 | 100 |
| Profit receivable | 86,105 | - | - | - | - | 86,105 |
| Receivable against sale of units | 3,516 | - | - | - | - | 3,516 |
| | 1,993,409 | 384,310 | 147,476 | 1,718,643 | 1,964,762 | 6,208,700 |

Financial liabilities

| | | | | | | |
|--|--------|-----|---|---|---|--------|
| Payable to ABL Asset Management Limited - Management Company | 24,010 | - | - | - | - | 24,010 |
| Payable to Central Depository Company Limited - Trustee | 436 | - | - | - | - | 436 |
| Payable against redemption of units | 6,561 | - | - | - | - | 6,561 |
| Dividend payable | 853 | - | - | - | - | 853 |
| Accrued expenses and other liabilities | 1,026 | 250 | - | - | - | 1,276 |
| | 32,886 | 250 | - | - | - | 33,136 |

Net financial assets

| | | | | | | | |
|--|-----------|---------|---------|-----------|-----------|-----|-----------|
| | 1,960,523 | 384,060 | 147,476 | 1,718,643 | 1,964,762 | 100 | 6,175,564 |
|--|-----------|---------|---------|-----------|-----------|-----|-----------|

21.3 Credit risk

21.3.1 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:

| | 2021 | | 2020 | |
|----------------------------------|--|---------------------------------|--|---------------------------------|
| | 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 | | Rupees in '000 | |
| Bank balances | 1,724,814 | 1,724,814 | 1,903,788 | 1,903,788 |
| Investments | 2,950,076 | 2,950,076 | 4,215,191 | 4,215,191 |
| Deposit and other receivable | 192 | 192 | 100 | 100 |
| Profit receivable | 53,677 | 53,677 | 86,105 | 86,105 |
| Receivable against sale of units | 32,448 | 32,448 | 3,516 | 3,516 |
| | <u>4,761,207</u> | <u>4,761,207</u> | <u>6,208,700</u> | <u>6,208,700</u> |

21.3.2 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, Islamic commercial papers, sukuk certificates, term deposit receipts, certificates of musharakah and mark-up accrued thereon. The credit rating profile of balances with banks, accrued profit, sukuk certificates, term deposit receipts, bai muajjal receivable, certificates of musharakah and islamic commercial papers is as follows:

| Rating | % of financial assets exposed to credit risk | |
|-----------------------------------|--|---------------|
| | 2021 | 2020 |
| Bank balances | | |
| AAA | 35.44% | 28.09% |
| AA+ | 0.10% | 0.07% |
| A+ | 0.05% | 0.17% |
| AA | 0.05% | 2.63% |
| A | 0.21% | 0.03% |
| Sukuk Certificates | | |
| AAA | - | 24.16% |
| AA+ | 15.16% | 13.99% |
| AA | 4.85% | 15.50% |
| AA- | 7.43% | 5.67% |
| Islamic Commercial papers | | |
| A-1+ | 9.23% | 8.57% |
| Bai Muajjal Receivable | | |
| AA+ | 13.89% | - |
| Certificates of musharakah | | |
| AA+ | 11.29% | - |
| | <u>97.70%</u> | <u>98.88%</u> |

22 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 statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Fair value 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, 2021 and June 30, 2020, the Fund held the following financial instruments measured at fair values:

| | 2021 | | | |
|---|-----------------------|------------------|----------|------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| At fair value through profit or loss | Rupees in '000 | | | |
| Corporate sukuk certificates | - | 1,295,662 | - | 1,295,662 |
| Islamic commercial papers * | - | 444,461 | - | 444,461 |
| Bai muajjal receivable * | - | 668,694 | - | 668,694 |
| Certificates of musharakah ** | - | 541,259 | - | 541,259 |
| | <u>-</u> | <u>2,950,076</u> | <u>-</u> | <u>2,950,076</u> |

| | 2020 | | | |
|---|-----------------------|------------------|----------|------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| At fair value through profit or loss | Rupees in '000 | | | |
| Corporate sukuk certificates | - | 3,683,405 | - | 3,683,405 |
| Islamic commercial papers * | - | 531,786 | - | 531,786 |
| | <u>-</u> | <u>4,215,191</u> | <u>-</u> | <u>4,215,191</u> |

* The valuation of commercial papers and bai muajjal has been done based on amortisation to their fair value as per the guidelines given in Circular 33 of 2012 since the residual maturity of these investments are less than six months and are placed with counterparties which have high credit rating.

** 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.

23 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 21, the Fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short-term borrowings, where necessary.

24 UNIT HOLDING PATTERN OF THE FUND

| Category | 2021 | | | 2020 | | |
|--------------------------|------------------------|------------------------------------|---------------------|------------------------|------------------------------------|---------------------|
| | Number of unit holders | Investment amount (Rupees in '000) | Percentage of total | Number of unit holders | Investment amount (Rupees in '000) | Percentage of total |
| Individuals | 2,333 | 1,858,310 | 39.22% | 2,396 | 3,003,728 | 48.92% |
| Associated companies | 6 | 325,945 | 6.88% | 6 | 415,330 | 6.76% |
| Insurance companies | 10 | 813,175 | 17.17% | 10 | 758,600 | 12.35% |
| Retirement funds | 29 | 935,555 | 19.75% | 28 | 877,020 | 14.28% |
| Public limited companies | 9 | 235,451 | 4.97% | 10 | 279,549 | 4.55% |
| Others | 15 | 569,133 | 12.01% | 16 | 806,956 | 13.14% |
| | <u>2,402</u> | <u>4,737,569</u> | <u>100.00%</u> | <u>2,466</u> | <u>6,141,183</u> | <u>100.00%</u> |

25 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

| ----- 2021 ----- | | ----- 2020 ----- | |
|--|-------------------------------|-------------------------------------|-------------------------------|
| Name of broker | Percentage of commission paid | Name of broker | Percentage of commission paid |
| JS Global Capital Limited | 76.50% | Next Capital Limited | 30.09% |
| Next Capital Limited | 13.71% | Paramount Capital (Private) Limited | 27.56% |
| KASB Securities Limited | 4.75% | BIPL Securities Limited | 15.58% |
| C & M Management (Private) Limited | 2.50% | JS Global Capital Limited | 14.06% |
| Elixir Securities Pakistan (Private) Limited | 1.29% | Invest One Markets Limited | 10.25% |
| Paramount Capital (Private) Limited | 1.16% | Optimus Markets (Private) Limited | 2.46% |
| Arif Habib Limited | 0.03% | | |
| Invest One Markets Limited | 0.03% | | |
| Magenta Capital (Private) Limited | 0.02% | | |
| Vector Capital (Private) Limited | 0.02% | | |

25.1 The fund has traded with only the above mentioned 10 brokers / dealers (2020: 6 brokers / dealers) during the year ended June 30, 2021.

26 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) |
|----------------------|-----------------------------|---------------|-------------------------------|
| Alee Khalid Ghaznavi | Chief Executive Officer | MBA | 20 |
| Saqib Matin | CFO & Company Secretary | FCA & FPFA | 22 |
| Fahad Aziz | Head of Fixed Income | MBA | 15 |
| Ali Ahmed Tiwana | Head of Equity | CIMA | 11 |
| M. Tahir Saeed | Head of Risk Management | CFA | 9 |
| M. Abdul Hayee | Fund Manager - Equity | MBA & CFA | 13 |
| Abdul Rehman Tahir | Fund Manager - Fixed Income | MBA & CFA | 10 |

27 NAME AND QUALIFICATION OF THE FUND MANAGER

| Name | Designation | Qualification | Other Funds managed by the Fund Manager |
|--------------------|-----------------------------|---------------|---|
| Abdul Rehman Tahir | Fund Manager - Fixed Income | MBA & CFA | ABL Islamic Asset Allocation Fund and ABL Islamic Cash Fund |

28 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The 64th, 65th, 66th and 67th Board of Directors meetings were held on August 18, 2020, October 27, 2020, February 11, 2021 and April 12, 2021, 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 | 64th |
| 3 | Muhammad Waseem Mukhtar | 4 | 3 | 1 | 65th |
| 4 | Tahir Hasan Qureshi * | 2 | - | 2 | 64th & 65th |
| 5 | Muhammad Kamran Shehzad | 4 | 4 | - | - |
| 6 | Pervaiz Iqbal Butt | 4 | 4 | - | - |
| 7 | Aizid Razzaq Gill ** | 2 | 2 | - | - |
| 8 | Saira Shahid Hussain*** | 1 | 1 | - | - |
| 9 | Alee Khalid Ghaznavi (CEO) | 4 | 4 | - | - |
| Other persons | | | | | |
| 10 | Saqib Matin**** | 4 | 4 | - | - |

* Tahir Hassan Qureshi resigned on December 31, 2020

** Aizid Razzaq Gill has been appointed as the director with effect from January 1, 2021

*** Saira Shahid Hussain has been elected as the director in the 13th AGM dated March 31, 2021

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

29 RATING OF THE MANAGEMENT COMPANY

VIS Credit Rating Company Limited has determined the asset manager rating of the Management Company of AM2++ (2020: AM2++) on December 31, 2020. 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 upgraded the stability rating of the Fund to "A+(f)" (2020: A(f)) on December 31, 2020.

30 CORRESPONDING FIGURES

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

31 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on 25 August 2021.

32 GENERAL

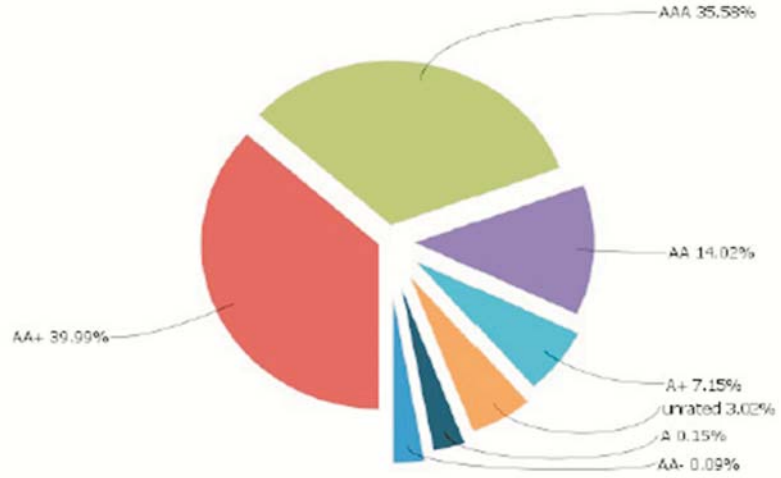
32.1 Figures have been rounded off to the nearest thousand Rupee unless otherwise stated.

For ABL Asset Management Company Limited
(Management Company)


Saqib Matin
Chief Financial Officer


Alee Khalid Ghaznavi
Chief Executive Officer


Pervaiz Iqbal Butt
Director



اعتراف

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

بورڈ کی طرف سے اور بورڈ کے لئے

ڈائریکٹر

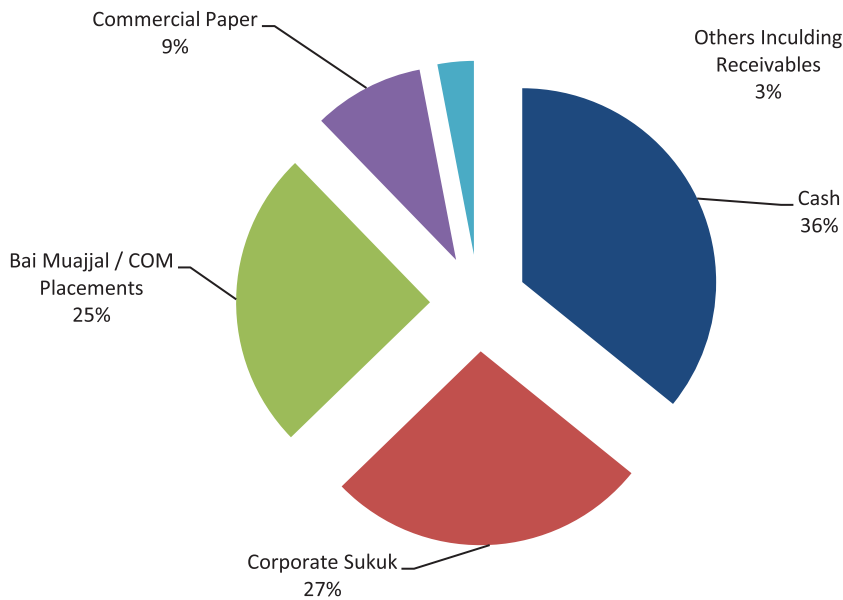
لاہور، 25 اگست، 2021

علی خالد غزنوی
چیف ایگزیکٹو آفیسر

اے بی ایل اسلامی انکم فنڈ کارپوریٹس ، جی او پی اور اس کے اداروں کی طرف سے تازہ جاری کردہ اسلامی آلات میں سرمایہ کاری کی اپنی حکمت عملی کو برقرار رکھے گا۔ بینک ڈپازٹ ریٹ پر الفہ پیدا کرنے کے لیے فنڈ 3-6 ماہ کی مدت کے ساتھ اعلیٰ پیداوار والے آلات میں سرمایہ کاری کرتا رہے گا جس میں بانٹی موجل لین دین اور اسلامی سی پی تک محدود نہیں ہے۔

| FY-2021 | اے بی ایل اسلامک انکم فنڈ کی کارکردگی |
|----------|--|
| 5.75% | پیداوار |
| 3.57% | 3 اے درجہ بند اسلامی بینکوں کی 6 ماہ کے بینک ڈپازٹ کی اوسط شرح |
| 398.74 | نیٹ اثاثوں کی میعاد ختم ہونے کا اوسط وزن (دن) |
| 4,737.57 | اثاثہ زیر انتظام 30 جون 2021 تک (PKR MN) |
| 10.2127 | 30 جون 2021 (PKR) کے مطابق فی یونٹ (EX Dividend NAV) |

Asset Allocation



4. مالی بیانات کی تیاری میں مناسب اکاؤنٹنگ پالیسیاں مستقل طور پر لاگو ہوتی ہیں اور محاسبہ کا تخمینہ معقول اور محتاط فیصلوں پر مبنی ہوتا ہے۔

5. متعلقہ بین الاقوامی اکاؤنٹنگ معیارات ، جیسا کہ پاکستان میں لاگو ہوتا ہے ، غیر بینکاری فنانس کمپنیوں (اسٹیبلشمنٹ اینڈ ریگولیشن) رولز 2003 اور نان بینکنگ فنانس کمپنیوں اور مطلع شدہ اداروں کے ضوابط ، 2008 کی دفعات ، ٹرسٹ ڈیڈ کی شرائط اور جاری کردہ ہدایات مالیاتی بیانات کی تیاری میں سیکیورٹیز 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. فنڈ 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 ، 2021 کو یونٹ ہولڈنگز کا پیٹرن مالیاتی گوشوارے کے نوٹ نمبر 24 میں دیا گیا ہے۔

آڈیٹر

میسرز اے ایف فرگوسن اینڈ کمپنی (چارٹرڈ اکاؤنٹنٹس) ، کو اے بی ایل اسلامک انکم فنڈ (اے بی ایل - آئی آئی ایف) کے لئے 30 جون 2022 کو ختم ہونے والے سال کے لئے آڈیٹر مقرر کیا گیا ہے۔

فنڈ استحکام کی درجہ بندی

31 دسمبر 2020 کو: VIS کریڈٹ ریٹنگ کمپنی (VIS) نے ABL اسلامی انکم فنڈ (ABL IIF) کی فنڈ اسٹیبلٹی ریٹنگ (FSR) کو A (f) ' (سنگل A) سے A+ (f) ' (سنگل A پلس f) میں اپ گریڈ کیا ہے۔

مینجمنٹ کمپنی کی کوالٹی کی درجہ بندی

31 دسمبر ، 2020 کو ، JCR-VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ (JCR-VIS) نے اے بی ایل ایسٹ مینجمنٹ کمپنی لمیٹڈ (ABL AMC) کی 'AM-two-Double Plus' (AM2++) کی مینجمنٹ کوالٹی ریٹنگ کی تصدیق کردی ہے۔ (اے ایم ٹو پلس پلس) تفویض کردہ درجہ بندی پر آؤٹ لک 'مستحکم' ہے۔

آؤٹ لک اور اسٹریٹیجی

معاشی تعداد میں بہتری اور کاروباری اعتماد کی غیر یقینی صورتحال کے باوجود پاکستان میں جاری چوتھی کوویڈ 19 کی لہر اور نئی شکلوں کے عالمی پھیلاؤ کے نتیجے میں رہائشی مالیاتی پالیسی کے ذریعے بحالی کی حمایت پر مسلسل زور دیا گیا۔ نتیجے کے طور پر پالیسی کی شرح سال بھر میں بغیر کسی تبدیلی کے 7 فیصد رہی۔ آگے بڑھتے ہوئے ہم توقع کرتے ہیں کہ شرح سود 7.00 فیصد کی موجودہ سطح پر کم از کم مالی سال 22 کی دوسری سہ ماہی کے اختتام تک برقرار رہے گی۔

شرعی اصولوں کے تحت مختلف منی مارکیٹ اور قرض کے آلات پر مشتمل متنوع پورٹ فولیو میں سرمایہ کاری کر کے سرمایہ کاروں کو درمیانی مدت سے طویل مدت تک زیادہ آمدنی حاصل کرنے کا موقع فراہم کرنا۔

اسلامی منی مارکیٹ کا جائزہ

سال بھر میں کلیدی شرح سود میں کوئی تبدیلی نہیں کی گئی اور پالیسی کی شرح 7.00% پر برقرار ہے۔ شرح سود کو ترقی کے احیاء کو یقینی بنانے کے لیے مناسب پالیسی اقدامات کے ایک حصے کے طور پر برقرار رکھا گیا۔

اگرچہ شرح سود میں کوئی تبدیلی نہیں کی گئی ، ٹی بل اور پی آئی بی دونوں کے لیے پرائمری مارکیٹ کٹ آف پیداوار میں بار بار تبدیلیاں دیکھی گئیں۔ چھوٹے اور درمیانی درجے کے آلات کے درمیان پھیلاؤ کو وسیع کرنے کی وجہ سے پیداوار کا وکر عام کھڑا رہا۔ اس کے نتیجے میں ، KIBOR اسپریڈز میں توسیع بھی دیکھی گئی۔ سال کے دوران 6M KIBOR 7.03% سے بڑھ کر 7.61% ہو گیا۔

قلیل مدتی اسلامی پہلو پر ، K -Electric اور HUBCO جیسے جاری کرنے والے 6M KIBOR سے 40 سے 80 bps کے درمیان اسپریڈ پر اسلامی کمرشل پیپرز جاری کرتے رہے جبکہ قلیل مدتی ڈپازٹ کی شرح 6.50% - 7.25% کے درمیان رہی۔ بانئ موجد مارکیٹ میں بڑھتی ہوئی سرگرمیوں کا مشاہدہ کیا گیا جہاں 1 سے 3 ماہ کی جگہ کے لیے پلیسمنٹ کی شرح 6.75% - 7.25% کے درمیان ہے۔

سال کے دوران ، GoP نے 52.7 بلین روپے کے طویل المیعاد اجارہ سکوکس 8.37% اور 9.45% کے درمیان مقررہ شرح پر جاری کیے۔

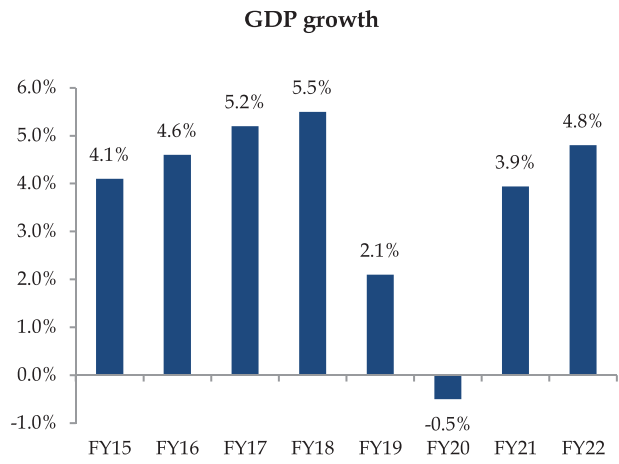
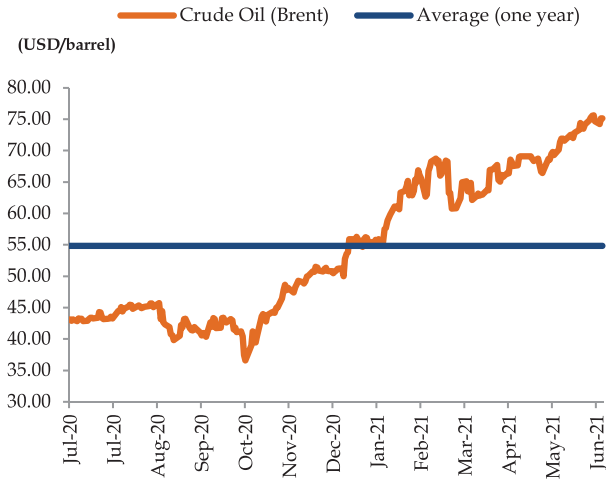
فنڈ کی کارکردگی

مالی سال 21 کے دوران ، اے بی ایل اسلامک انکم فنڈ نے 5.75 فیصد کی واپسی شائع کی ، 3.57 فیصد کے بینچ مارک ریٹرن کے مقابلے میں ، اس طرح بینچ مارک کو 218 بی پی ایس سے بہتر کیا۔ منافع بخش نرخوں پر بینک ڈپازٹس اور ٹی ڈی آر میں فنڈز کی تعیناتی کے ذریعے زیادہ آمدنی پیدا کر کے حاصل کیا گیا۔ اے بی ایل IIF کی 30 AUMs جون 2020 کے 6.141 PKR بلین کے مقابلے میں 30 جون 2021 تک 4.737 بلین روپے پر بند ہوئی۔

اثاثوں کی تقسیم کی طرف ، فنڈ میں کارپوریٹ سکوکس کے طور پر نمائش کا 26.91 فیصد ، کمرشل پیپر کے طور پر 9.23 فیصد ، COM اور بانئ موجد کی جگہوں پر 25.02 فیصد جبکہ فنڈز کی نمائش کا 35.82 فیصد جون 21 کے آخر میں نقد رقم کے طور پر رکھا گیا تھا۔

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۔



پاکستان نے مالی سال 20 میں جی ڈی پی منفی 0.4 فیصد سالانہ رپورٹ کی ہے جو مالی سال 19 میں 3.3 فیصد تھی۔ وبائی بیماری نے 2020 میں معاشی سرگرمیوں کو شدید متاثر کیا ہے۔ اس طرح معیشت مثبت نمو کو برقرار نہیں رکھ سکتی۔ جولائی اپریل 2020 کی مدت کے دوران ، بڑے پیمانے پر مینوفیکچرنگ (8.96% LSM) نمایاں طور پر گھٹ گئی جبکہ SPLY میں 2.82 فیصد کمی آئی۔ کم کرنے میں اہم حصہ ٹیکسٹائل (-8.68%) ، کوک اور پٹرولیم مصنوعات (21.15%) ، اٹرن اور سٹیل مصنوعات (-15.68%) ، اٹوموبائل (-41.90%) ، دواسازی (-5.31%) ، اور الیکٹرانکس (-19.7%)۔ صنعت اور معیشت کی حالت کو دیکھتے ہوئے حکومت نے سمارٹ لاک ڈاؤن کا فیصلہ کیا جہاں تمام بڑی صنعتوں کو کام کرنے کی اجازت دی گئی ہے۔ ہم توقع کرتے ہیں کہ یہ اگلے مالی سال میں جی ڈی پی سکڑنے سے بچ جائے گا۔ تاہم ، ترقی کی شرح متاثر کن ہونے کی توقع نہیں ہے۔

آگے بڑھتے ہوئے ، خاص طور پر مختصر مدت میں ، مارکیٹ کی سمت آنے والے نتائج اور ملک میں کورونا وائرس وبائی امراض کی صورتحال سے طے کی جائے گی۔ اور معیشت پر اس کے اثرات حکومت کی جانب سے انڈسٹری کو سپورٹ کرنے کے لیے اعلان کردہ ترغیبات CY20 کے باقی حصوں میں پوری ہونے کی توقع ہے۔ نمایاں ہیں قرض کے پرنسپل پر رعایت کی مدت نقد بہاؤ کو منظم کرنے میں مدد کے لیے جبکہ تعمیراتی پیکیج معاشی سرگرمیوں کو فروغ دینے کے لیے۔ اور ملک میں روزگار کے مواقع پیدا کریں۔ ان کے علاوہ ، پالیسی کی شرح کو کافی حد تک کم کر کے 7 فیصد کر دیا گیا ہے ، جو لیوریجڈ صنعتوں اور صارفین کے لیے ایک اور بڑی راحت ہے۔

میوچل فنڈ انڈسٹری کا جائزہ

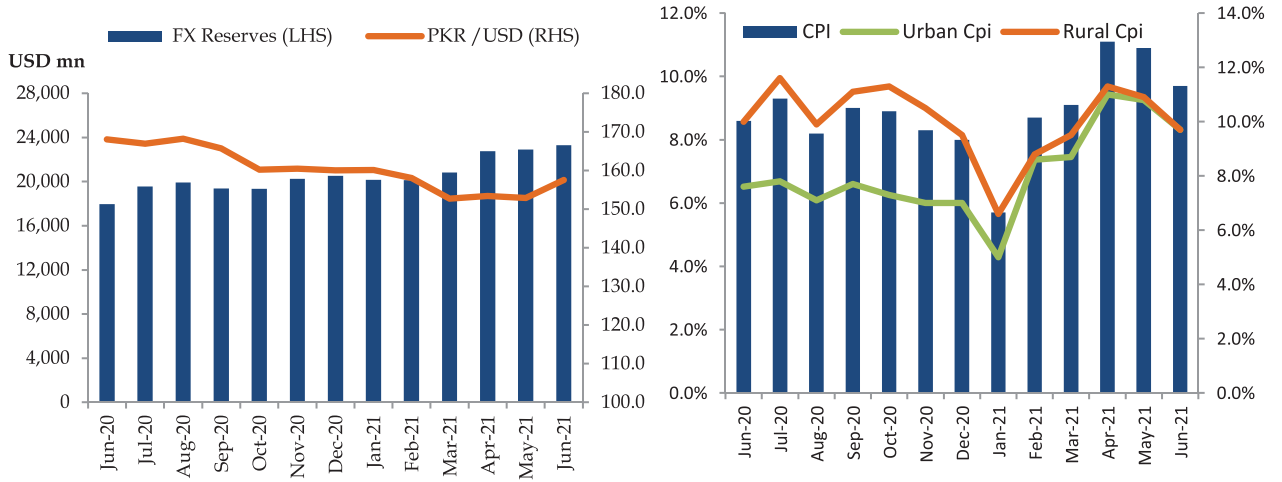
اوپن اینڈ میوچل فنڈ کے زیر انتظام کل اثاثے (AUMs) مالی سال 20 کے دوران PKR 572bn سے PKR 788bn تک 38 فیصد کی نمایاں اضافہ ہوا ، بنیادی طور پر منی مارکیٹ فنڈ اور فیکسڈ انکم فنڈ میں بڑے پیمانے پر آمد کی وجہ سے۔ منی مارکیٹ فنڈ بشمول روایتی اور اسلامی ، پی کے آر 318 bn پر مدت کو بند کرنے کے لیے 92 فیصد کی زبردست ترقی دیکھی گئی۔ مذکورہ مدت کے دوران فیکسڈ انکم فنڈ کے AUMs میں روایتی اور شریعت کے مطابق فنڈ کے AUMs میں 66 فیصد اضافہ ہوا۔ اس ترقی کو بنیادی طور پر 9MFY20 کے دوران سکڑنے والی مانیٹری پالیسی کے ماحول میں زیادہ منافع کمانے کے لیے سرمایہ کاروں کی بھوک سے منسوب کیا جا سکتا ہے۔ مقررہ آمدنی کے برعکس ، اس مدت کے دوران ایکویٹی مارکیٹ AUMs میں 5 فیصد کمی واقع ہوئی ہے۔ ملک میں لاک ڈاؤن اور کورونا وائرس کے کیسز کی بڑھتی ہوئی تعداد سرمایہ کاروں کو خطرناک اثاثوں میں سرمایہ کاری کے حوالے سے محتاط کر دیتی ہے۔ کوویڈ 19 کی وجہ سے ایکویٹی مارکیٹ میں ہنگامہ آرائی اور مالی سال 20 کے دوران تیل کی بین الاقوامی قیمتوں میں غیر یقینی صورتحال نے ایکویٹی فنڈز کی اے یو ایم کو کم کرنے میں اہم کردار ادا کیا۔

مینجمنٹ کمپنی کے ڈائریکٹرز کی رپورٹ

اے بی ایل اسلامی انکم فنڈ (اے بی ایل - IIF) کی انتظامیہ کمپنی ، اے بی ایل ایسٹ مینجمنٹ کمپنی لمیٹڈ کے بورڈ آف ڈائریکٹرز 30 جون ، 2021 کو ختم ہونے والے سال کے لئے اے بی ایل اسلامک انکم فنڈ کے آڈٹ شدہ فنانشل اسٹیٹمنٹ پیش کرنے پر خوش ہیں۔

اقتصادی کارکردگی کا جائزہ

لاک ڈاؤن نے سپلائی کے مسائل کے ساتھ ملک میں افراط زر کا دباؤ پیدا کیا کیونکہ ہم نے مئی 20 میں 8.22 فیصد YoY کی 11 ماہ کی کم افراط زر کو حاصل کرنے کے بعد جون 20 میں 8.59 فیصد YoY کا CPI دیکھا۔ ماہانہ بنیادوں پر ، افراط زر میں 0.81 فیصد اضافہ ہوا جبکہ پچھلے مہینے میں 0.32 فیصد اضافہ ہوا۔ مہینے کے دوران اشیائے خوردونوش کی قیمتوں میں زبردست اضافہ دیکھنے میں آیا۔ مالی سال 20 کے لیے اوسط NCPI این سی پی اے 10.76 فیصد سالانہ ہے جبکہ SPLY میں 6.80 فیصد سالانہ ہے۔ مطلب یہ کہ ، ہم مالی سال 21 کے لئے اوسط NCPI این سی پی اے کا تخمینہ لگاتے ہیں جو YoY 7.3 فیصد سالانہ ہے۔



کرنٹ اکاؤنٹ خسارہ (CAD) میں کمی بی او پی کی مستحکم پوزیشن کی راہ ہموار کرتی ہے۔ 11MFY20 کے دوران Y YoY 74 سے کم ہو کر 3.28 بلین امریکی ڈالر رہ گیا۔ درآمدات 20 فیصد کم ہو کر 46.63 بلین ڈالر رہ گئیں جبکہ عالمی لاک ڈاؤن کے باوجود صرف 7 فیصد YoY کی وجہ سے 11MFY20 کے دوران 25.99bn ڈالر رہ گئی۔ تاہم ، کارکنوں کی ترسیلات زر میں سالانہ 6 فیصد اضافے کی اطلاع 23.12 بلین امریکی ڈالر تک پہنچ گئی۔ مزدوروں کی ترسیلات کو خطرہ ہمارے خیال میں ختم ہو گیا ہے کیونکہ دنیا بھر میں معاشی سرگرمیاں بڑھ رہی ہیں۔ تاہم ، آنے والے مہینوں میں بنیادی طور پر تیل کی درآمدی بل کی وجہ سے CAD میں اضافہ ہوسکتا ہے کیونکہ تیل کی بین الاقوامی قیمتوں میں اضافہ اور حکومت کی طرف سے اجازت دی گئی ہے۔ ملک میں بجلی کی طلب کو پورا کرنے کے لیے فرانس اٹل درآمد کرنا۔ 03 جولائی 2020 کو ملک کے زرمبادلہ کے ذخائر 18.79 بلین ڈالر ہیں۔ 3.09 ماہ کا درآمدی کور فراہم کرنا۔ وبائی مرض سے لڑنے کے لیے ، مختلف بین الاقوامی ادارے بشمول آئی ایم ایف ، اے ڈی پی ، ڈبلیو بی اور پیرس کلب دوست ممالک کے ساتھ مل کر پاکستان کی مدد کے لیے آگے آئے ہیں جس کے نتیجے میں ذخائر مستحکم ہوئے ہیں۔ مالی پہلو پر ، مالی سال 20 کے دوران ، عارضی ٹیکس وصولی 3.98 ٹن روپے تک پہنچ گئی ہے ، جو کہ سالانہ 4 فیصد اضافے کی عکاسی کرتی ہے۔ جون 20 کے مہینے کے دوران ، ٹیکس کی وصولی PKR 420bn رہی جو اس کے نظر ثانی شدہ PKR 398bn کے ہدف کے مقابلے میں تھی۔



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