



Annual Report 2017

CONTENTS

Vision	2
Mission & Core Values	5
Fund's Information	6
Report of the Directors of the Management Company	7
Fund Manager Report	13
Performance Table	15
Trustee Report to the Unit Holders	16
Review Report to the Unitholders on	17
Statement of Compliance with the best Practices of the Code of Corporate Governance	
Statement of Compliance with the Code of Corporate Governance	18
Independent Auditors' Report to the Unitholders	20
Statement of Assets and Liabilities	22
Income Statement	23
Distribution Statement	24
Statement of Movement in Unit Holders' Fund	25
Cash Flow Statement	26
Notes to the Financial Statements	27
Report of the Directors of the Management Company (Urdu Version)	57
Jama Punji	58

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 14 -MB, DHA Phase-6, Lahore.	
Board of Directors	Sheikh Mukhtar Ahmed Mr. Mohammad Naeem Mukhtar Mr. Muhammad Waseem Mukhtar Mr. Tahir Hasan Qureshi Mr. Kamran Nishat Mr. Muhammad Kamran Shehzad Mr. Alee Khalid Ghaznavi	Chairman CEO/Director
Audit Committee:	Mr. Kamran Nishat Mr. Muhammad Waseem Mukhtar Mr. Muhammad Kamran Shehzad	Chairman Member Member
Human Resource and Remuneration Committee	Mr. Muhammad Waseem Mukhtar Mr. Kamran Nishat Mr. Alee Khalid Ghaznavi	Chairman 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, Shahrah-e-Faisal, Karachi	
Bankers to the Fund:	Allied Bank Limited Bank Al- Falah Limited Faysal Bank Limited JS Bank Limited	
Auditor:	Deloitte Yousuf Adil Chartered Accountants 134-A, Abubakar Block New Garden Town, Lahore.	
Legal Advisor:	Ijaz Ahmed & Associates Advocates & Legal Consultants No. 7, 11th Zamzama Street, Phase V DHA Karachi.	
Registrar:	ABL Asset Management Company Limited. 11 - B, Lalazar, M. T. Khan Road, Karachi.	



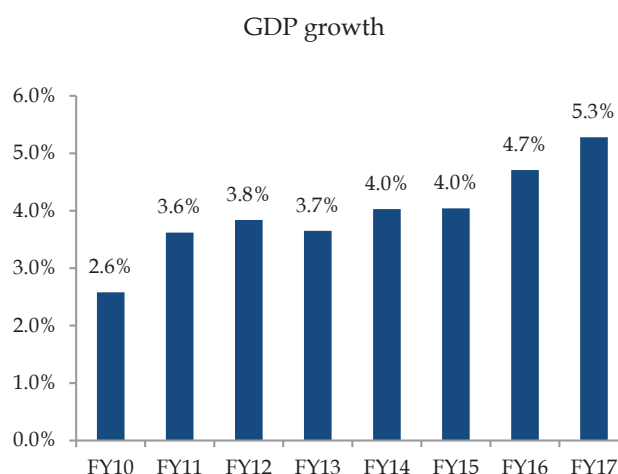
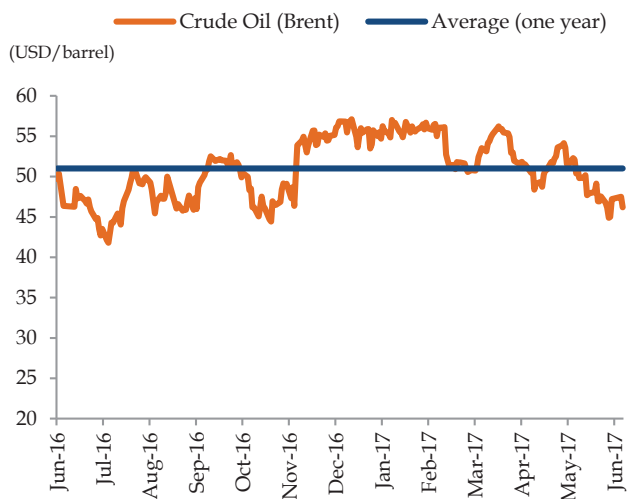
REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of ABL Asset Management Company Limited, the management company of ABL Government Securities Fund (ABL-GSF), is pleased to present the Audited Financial Statements of ABL Government Securities Fund for the year ended June 30, 2017.

ECONOMIC PERFORMANCE REVIEW

Pakistan economic performance continued its upward trajectory in FY17, posting a decade high GDP growth of 5.3% against the target of 5.7%. For the first time in history, Pakistan's economy has crossed USD300 billion mark. This tremendous growth is primarily attributed to services sector growth (5.9%) and industrial sector (5.0%); however, agricultural sector posted a growth of 3.5%. Service sector emerged as the major driver of economic growth in FY17 by surpassing the targeted growth of 5.7%. In contrast to last year's muted growth, agricultural sector rebounded to 3.5% (-0.2% in FY16) on the back of increased support price of crops, significant increase in credit to agriculture sector (PKR704.5 billion, +17.8%YoY), PKR25 billion subsidy on fertilizers, reduction in sales tax on tractors from 10% to 5% and relatively favorable weather conditions. During FY17, industrial sector recorded a growth of 5.0%, decrease of 78bpsYoY; however, Large Scale Manufacturing (LSM) posted growth of 4.6% against 3.3% last year.

During the last 3 years, industrial sector growth remained consistently above 5.0%. On the other hand, inflation clocked-in at 4.2% in FY17 compared to 2.9% in the preceding year. The uptick in the inflation is due to the revival of international commodity prices, particularly oil as evident by 16%YoY increase in Brent Oil to USD50.9/barrel, and increase in domestic demand on the back of rising economic activities. Encouragingly, IMF program, albeit with some hitches, completed in FY17 where Govt., by and large, managed to meet its performance criteria in each quarter which resulted in timely disbursements of USD6.6 billion under Extended Fund Facility (EFF) program.

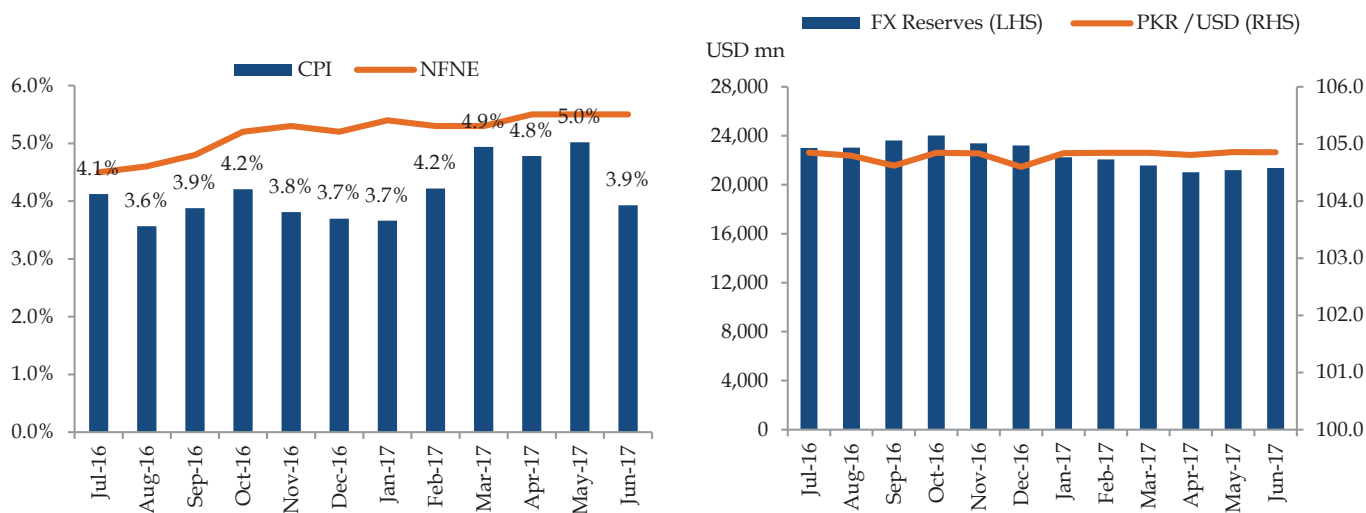


On the external front, current account deficit (CAD) increased by 1.5xYoY to USD12.1 billion in FY17, highest in the last nine years. This significant increase is attributable to the worsening trade account and decline in workers remittances. During the year imports jumped by 18.4% to USD53.0 billion, where major increase is due to machinery imports related to China Pakistan Economic Corridor (CPEC) related projects. Weak commodity prices, subdued global demand (especially in Eurozone) and firm domestic exchange rate compared to regional currencies (REER PKR126.4/USD) resulted in a 1.4%YoY dip in exports to USD21.7 billion during FY17 as compared to USD21.9 billion in FY16.



Moreover, 4.9%YoY increase in the services deficit as a result of lower inflows in lieu of the Coalition Support Fund (CSF) compounded the deterioration of the trade account with the trade deficit for the year widening by 39.4%YoY to USD26.9 billion compared to USD19.3 billion last year. A decline in remittances of 3.1%YoY, to USD19.3 billion due to economic slowdown in MENA region put further pressure on the current account, pushing the deficit to 4.0% of the GDP during FY17 vs. 1.7% in FY16. Moreover, insufficient investments to finance CAD, which remained higher than expectations, coupled with steady decline in workers' remittances weakened country's FX reserves from USD23.1 billion to USD21.4 billion in FY17. Despite decline in FX reserves, country managed to restrict PKR/USD at 104.8 versus 104.4 in FY16.

In order to support economic growth, State Bank of Pakistan (SBP) maintained policy rate at historic low of 5.75%, amidst benign inflationary outlook. Multiyear low interest rates and improved law & order situation translated into uptick in private sector credit offtake to clocked in at PKR747.9 billion (Up 67.6%YoY) during FY17. Similarly, total investment to GDP ratio increased to 15.8% in FY17 as compared to 15.2% in the preceding year. The total savings to GDP ratio slightly decreased to 13.1% in FY17 against 14.3% last year.



On the fiscal front, consolidated budget deficit widened to 3.9% of GDP in 9MFY17 from 3.4% of GDP in the same period last year (SPLY). Lower revenue generation served as a major drag on fiscal performance with total revenue/GDP ratio retreating to 9.4% in 9MFY17 from 10.0% in the SPLY while current expenditures registered a notable reduction from 11.5% to 10.8% of GDP. Provincial surplus clocked in at PKR138 billion or 0.4% of GDP; nevertheless, it remained well below the annual target of PKR339 billion. Pakistan's economy is all-set to see a period of sustained economic growth as the fast-track work on China Pakistan Economic Corridor (CPEC) promises to bring USD62 billion into the economy. CPEC is expected to improve bilateral trade flows and power generation and boost infrastructure buildup, providing an impetus to the economy. Furthermore, improving security situation, continuation of benign oil price outlook and improving power supply situation would bolster overall economic activity going forward. That said, key concerns remain on the external account front vis-à-vis the overvalued currency and mounting external debt.

MUTUAL FUND INDUSTRY REVIEW

Total assets under management (AUMs) of Pakistan's open end mutual fund industry posted a stellar growth of 39.9% in FY17 from PKR473 billion to PKR662 billion. This growth was led by Equity and Islamic Equity funds categories which contributed 58.2% of the growth. The Equity sector remained in the limelight due to 1) improving corporate profitability on the back of soft inflation outlook, low discount rate, improving law & order situation and 2) rally on the reclassification from MSCI FM Index to the MSCI EM Index. The industry witnessed increasing investor interest in the Islamic investment opportunities as evident from the fact that 75.1% of the total AUM growth came from Shariah compliant funds.

On cumulative basis, the fixed income category (comprising of Income, Aggressive Income and Money Market funds) registered a decline of 3.6%YoY to close at PKR156 billion in June 2017 compared to PKR162 billion in June 2016. In the fixed income market, with interest rates expected to go up, shorter duration Money Market Funds witnessed an increase of 43.2%YoY to PKR71 billion in FY17. On the other hand Islamic income funds' (comprising of Islamic Income, Islamic Money Market and Islamic Aggressive Income) AUMs increased by 49.9%YoY to PKR58 billion, largely due to increasing investor interest in Islamic investments. Since interest rates have bottomed out, any uptick in interest rates will attract investors to fixed income segment.



MONEY MARKET REVIEW

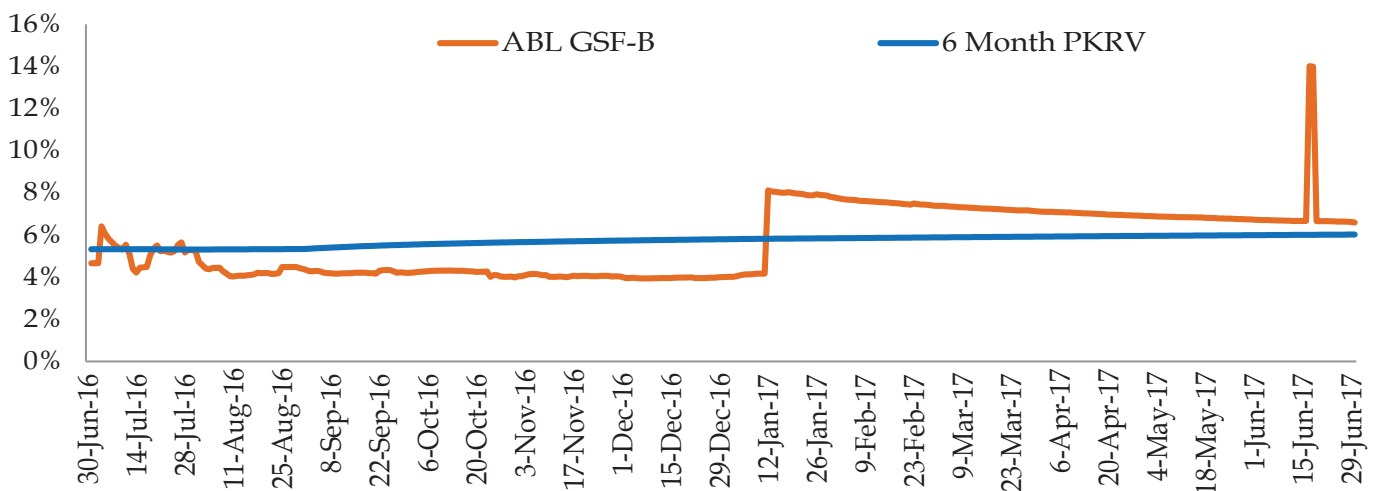
Fixed income market remained range bound during FY17. Controlled inflation allowed the central bank to maintain the policy rate at historic low of 5.75% throughout the year (as opposed to a cumulative cut of 75bps during FY16). Inflation clocked in at 4.2%YoY for FY17 as compared to 2.9%YoY in FY16. This was a result of low base year effect as well as persistent soft commodity prices in the global markets. That said, the widening current account deficit meant the market perceived interest rates as having bottomed out. This resulted in an upward tick in yields in the range of 10bps to 50bps, with a significant tilt of interest in shorter tenor instruments. Money market mostly remained liquid and traded near the policy rate throughout the year as SBP ensured the availability of liquidity via frequent open market operations (OMOs). OMO maturity size swelled to a level of PKR1,505 billion in June 2017 as market increased their exposure in Govt. securities to exploit the arbitrage against policy rate. During the year, massive participation of PKR1,959 billion was reported in Pakistan investment bonds (PIBs). However, the Govt. accepted bids of PKR929 billion against a total auction target of PKR900 billion and maturities worth of PKR1,922 billion. Participation remained heavily tilted towards shorter tenor PIBs as interest in the 10 year PIBs dwindled with 3 year PIBs accounting for 58.5% of the participation and 59.5% of the accepted amount in FY17. This shift towards shorter tenors is apparent in the participation and acceptance amount during 2HFY17 where 3 year PIBs formed 73.2% of the participation and 89.6% of accepted amounts. The Treasury bills (T-Bills) segment witnessed massive participation of PKR11,343 billion. The Ministry of Finance accepted bids worth PKR7,422 billion vs a target of PKR6,416 billion and maturities of PKR6,925 billion. Similar trend to PIBs was also witnessed in T-Bills, where 3-Month and 6-Month T-Bills accounted for 85.2% of the participation and 88.0% of acceptance amounts.

M2 growth for FY17 clocked-in at 13.7% compared to 13.6% in SPLY. Increase in money supply was mainly attributable to increase of 18.3% (up by PKR2,161 billion) in Net Domestic Assets (NDA) as credit to private sector improved by PKR748 billion in FY17 against PKR447 billion in SPLY. Net Foreign Assets (NFA) posted a significant decline of 40.2% to reach at PKR602 billion in FY17 from PKR1,008 billion in SPLY, due to extensive external debt servicing and expanding trade deficit. Govt. borrowing from commercial banks had increased by PKR179 billion in FY17 as compared to an increase of PKR1,278 billion in the SPLY. The Govt. borrowing from SBP increased by PKR908 billion as the completion of the IMF program allowed the Govt. more leeway.

FUND PERFORMANCE

For the Year ended FY'17, annualized return of ABL GSF stood at 6.59% against the benchmark performance of 5.85%, thereby outperforming the benchmark by 238 bps. Throughout the year ABL GSF maintained top position in Income Fund category. During the year, ABL GSF's AUM decreased by 60.04% to PKR 3.794 billion from PKR 9.496 billion as on June 30, 2016. Fund's exceptional return is attributed towards realizing trading gains on the PIBs and Corporate bond portfolio.

At the end of FY'17, the fund substantially reduced its exposure PIBs bringing down the exposure to 6.64% of total assets compared to 23.28% at June end FY'16. The Fund's placement in shorter tenor T-bills stood at 42.67% whereas 40.86% of total assets were placed in cash assets due to high profit rates being offered by top commercial banks at June end.



DIVIDENDS

The Chief Executive Officer of ABL Asset Management Company Limited (ABL AMCL) on behalf of the Board of Directors, on June 19, 2017, has approved the Interim dividend distribution of Rs.0.6657 per unit (6.66% of the par value of Rs.10) for the period ended June 30, 2017.

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

The Board of Directors states that:

1. Financial Statements present fairly the state of affairs, the results of operations, cash flows and the changes in unit holder's fund;
2. Proper books of accounts of the Fund have been maintained.
3. Appropriate accounting policies have been consistently applied in the preparation of the financial statements and accounting estimates are based on reasonable and prudent judgments;
4. 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;
5. The system of internal control is sound in design and has been effectively implemented and monitored;
6. There have been no significant doubts upon the Funds' ability to continue as going concern;
7. There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations;
8. Performance table of the Fund is given on page # 15 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. There have been no trades in the units of the Fund's carried out by the Directors, CEO, CFO, CIA and the Company Secretary and their spouse excepts as disclosed below and in notes to the financial statements;

S. No	Name	Designation	Units Issued	Units Redeemed	Bonus Units	Dividend Units
1	Mr. Alee Khalid Ghaznavi	CEO	-	148,949	-	242

12. During the year, no director on the Board attended training as required under the Code. However, three directors have obtained certification under the 'Board Development Series' program, while one director is exempt from the Director Training Program under the Code. The directors are well conversant with the relevant laws applicable to the Fund and the Management Company, its policies and procedures and provisions of memorandum and articles of association and are aware of their duties and responsibilities.
13. Meetings of the Board of Directors of the Management Company are held at least once in every quarter. During the year four meetings were held. The 48th, 49th, 50th and 51st Board of Directors meetings were held on August 17, 2016, October 28, 2016, February 01, 2017 and April 21, 2017 respectively. Information in respect of attendance by the directors in the meetings is given below:



S. No.	Name of Director	Number of meetings		Leave granted	Meetings not attended
		Held	Attended		
1	Sheikh Mukhtar Ahmed	4	4	-	-
2	Mohammad Naeem Mukhtar	4	2	2	49th and 50th
3	Muhammad Waseem Mukhtar	4	4	-	-
4	Tariq Mahmood*	2	1	1	49th
5	Tahir Hasan Qureshi**	2	2	-	-
6	Kamran Nishat	4	3	1	50th
7	Muhammad Kamran Shehzad	4	4	-	-
8	Alee Khalid Ghaznavi	2	2	-	-

*Resigned on December 31, 2016

**Appointed as director as Director on w. e. f. February 03, 2017.

14. Meetings of the Board's Human Resource and Remuneration of the Management Company needs to be held at least three times in year. During the year two meeting were held. The 19th and 20th meetings of the Board's Human Resource and Remuneration Committee were held on December 15, 2016 and March 20, 2017. Information in respect of attendance by directors in the meetings is given below:

S. No.	Name of Director	Number of meetings		Leave granted	Meetings not attended
		Held	Attended		
1	Mr. Muhammad Waseem Mukhtar	2	2	-	-
2	Mr. Kamran Nishat	2	2	-	-
3	Mr. Alee Khalid Ghaznavi	2	2	-	-

15. Meetings of the Board's Audit Committee of the Management Company are held at least once in every quarter. During the year four meeting were held. The 37th, 38th, 39th and 40th meetings of the Board's Audit Committee were held on August 17, 2016, October 28, 2016, February 01, 2017 and April 21, 2017 respectively. Information in respect of attendance by directors in the meetings is given below:

S. No.	Name of Director	Number of meetings		Leave granted	Meetings not attended
		Held	Attended		
1	Mr. Kamran Nishat	4	4	-	-
2	Mr. Muhammad Waseem Mukhtar	4	4	-	-
3	Mr. M. Kamran Shehzad	4	4	-	-

16. The details as required by the Code of Corporate Governance regarding the pattern of holding in ABL Income Fund, is given hereunder:

S. No.	Particulars	Units Held on June 30, 2017
1	Associated Companies, undertakings and related parties	
	• English Biscuit Manufacturers (Pvt) Ltd	146,036,430
	• Coronet Foods Pvt Ltd.	59,791,796
2	Mutual Funds	-
3	Directors and their spouse(s) and minor children	-
4	Executives	-
5	Public Sector Companies and corporations	55,893,145
6	Others Corporates	28,645,673
7	Bank, DFIs, NBFCs, Insurance Companies, Takaful, Modaraba and Pension Fund	810,608
8	Shareholders holding five percent or more voting rights in the listed company	-



AUDITORS

M/s. A. F. Fergusons & Co. (Chartered Accountants), on the recommendation of the Audit Committee of the Board of Directors being eligible for appointment have been appointed as auditors for the year ending June 30, 2018 for ABL Government Securities Fund (ABL-GSF).

FUND STABILITY RATING

JCR-VIS Credit Rating Company Ltd. (JCR-VIS) on December 30, 2016, has reaffirmed the Fund Stability Rating of ABL Government Securities Fund at 'A(f)' (Single A (f)).

MANAGEMENT QUALITY RATING

On December 30, 2016, JCR-VIS Credit Rating Company Limited as reaffirmed the Management Quality Rating of ABL Asset Management Company Limited (ABL AMC) at 'AM2+' (AM-Two-Plus) with a 'Stable' Outlook.

OUTLOOK AND STRATEGY

While Economic growth remained on track throughout the year, risks related to CPI and Balance of Payments position pose serious challenges to the economy and may dictate the overall direction of monetary and fiscal policies in FY'18. On the external side, widening of trade deficit on account of hike in imports and declining remittances may trigger weaknesses on exchange rate front. Devaluation of PKR may trigger further widening of fiscal deficit along with adverse impact on headline inflation.

Based on the above assumptions, we believe that SBP will maintain a stable policy rate in FY18 Hence; we will maintain a low duration portfolio while optimizing the accrual base via placement of funds in floating rate instruments along with deposit placements with bank and DFIs.

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

■ ■

ALEE KHALID GHAZNAVI

Chief Executive Officer

Lahore, August 23, 2017



FUND MANAGER REPORT

OBJECTIVE

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

MONEY MARKET REVIEW

Fixed income market remained range bound during FY17. Controlled inflation allowed the central bank to maintain the policy rate at historic low of 5.75% throughout the year (as opposed to a cumulative cut of 75bps during FY16). Inflation clocked in at 4.2%YoY for FY17 as compared to 2.9%YoY in FY16. This was a result of low base year effect as well as persistent soft commodity prices in the global markets. That said, the widening current account deficit meant the market perceived interest rates as having bottomed out. This resulted in an upward tick in yields in the range of 10bps to 50bps, with a significant tilt of interest in shorter tenor instruments. Money market mostly remained liquid and traded near the policy rate throughout the year as SBP ensured the availability of liquidity via frequent open market operations (OMOs). OMO maturity size swelled to a level of PKR1,505 billion in June 2017 as market increased their exposure in Govt. securities to exploit the arbitrage against policy rate. During the year, massive participation of PKR1,959 billion was reported in Pakistan investment bonds (PIBs). However, the Govt. accepted bids of PKR929 billion against a total auction target of PKR900 billion and maturities worth of PKR1,922 billion. Participation remained heavily tilted towards shorter tenor PIBs as interest in the 10 year PIBs dwindled with 3 year PIBs accounting for 58.5% of the participation and 59.5% of the accepted amount in FY17. This shift towards shorter tenors is apparent in the participation and acceptance amount during 2HFY17 where 3 year PIBs formed 73.2% of the participation and 89.6% of accepted amounts. The Treasury bills (T-Bills) segment witnessed massive participation of PKR11,343 billion. The Ministry of Finance accepted bids worth PKR7,422 billion vs a target of PKR6,416 billion and maturities of PKR6,925 billion. Similar trend to PIBs was also witnessed in T-Bills, where 3-Month and 6-Month T-Bills accounted for 85.2% of the participation and 88.0% of acceptance amounts.

M2 growth for FY17 clocked-in at 13.7% compared to 13.6% in SPLY. Increase in money supply was mainly attributable to increase of 18.3% (up by PKR2,161 billion) in Net Domestic Assets (NDA) as credit to private sector improved by PKR748 billion in FY17 against PKR447 billion in SPLY. Net Foreign Assets (NFA) posted a significant decline of 40.2% to reach at PKR602 billion in FY17 from PKR1,008 billion in SPLY, due to extensive external debt servicing and expanding trade deficit. Govt. borrowing from commercial banks had increased by PKR179 billion in FY17 as compared to an increase of PKR1,278 billion in the SPLY. The Govt. borrowing from SBP increased by PKR908 billion as the completion of the IMF program allowed the Govt. more leeway.

FUND PERFORMANCE

For the Year ended FY'17, annualized return of ABL GSF stood at 6.59% against the benchmark performance of 5.85%, thereby outperforming the benchmark by 238 bps. Throughout the year ABL GSF maintained top position in Income Fund category. During the year, ABL GSF's AUM decreased by 60.04% to PKR 3.794 billion from PKR 9.496 billion as on June 30, 2016. Fund's exceptional return is attributed towards realizing trading gains on the PIBs and Corporate bond portfolio.

At the end of FY'17, the fund substantially reduced its exposure PIBs bringing down the exposure to 6.64% of total assets compared to 23.28% at June end FY'16. The Fund's placement in shorter tenor T-bills stood at 42.67% whereas 40.86% of total assets were placed in cash assets due to high profit rates being offered by top commercial banks at June end.

OUTLOOK AND STRATEGY

While Economic growth remained on track throughout the year, risks related to CPI and Balance of Payments position pose serious challenges to the economy and may dictate the overall direction of monetary and fiscal policies in FY'18. On the external side, widening of trade deficit on account of hike in imports and declining remittances may trigger weaknesses on exchange rate front. Devaluation of PKR may trigger further widening of fiscal deficit along with adverse impact on headline inflation.

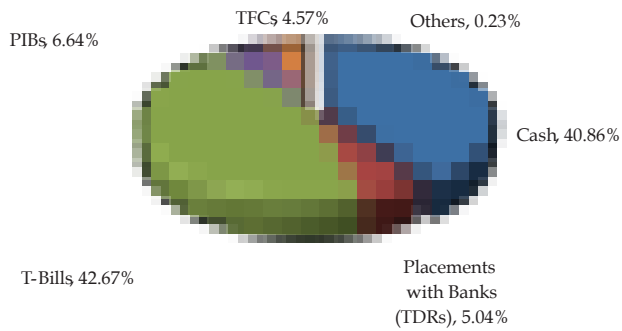
Based on the above assumptions, we believe that SBP will maintain a stable policy rate in FY18 Hence; we will maintain a low duration portfolio while optimizing the accrual base via placement of funds in floating rate instruments along with deposit placements with bank and DFIs.



ABL Government Securities Fund Performance

FY-2017

Yield	6.59%
6 Months PKRV rates	5.85%
Weighted Average Time to Maturity of Net Assets (days)	338
Asset under management as at June 30, 2016 (PKR mn)	3794.28
Closing NAV per unit as on June 30, 2017 (PKR) (Ex-Dividend)	10.018



PERFORMANCE TABLE

	2017	2016	2015	2014	June 2013	June 2012		
	(Rupees in '000)							
Net Assets	3,794,278	9,496,252	9,185,360	4,394,902	1,839,432	34,838,356		
Net Income	212,684	313,465	498,024	217,559	3,889,663	1,828,837		
	(Rupees per unit)							
		Class B	Class B	Class B	Class A	Class B	Class A	Class B
Net Assets value	10.0180	10.0424	10.0324	10.0412	-	10.0095	10.0275	10.0246
Interim distribution	0.6839	0.7935	-	0.8118	0.5503	1.0555	0.4234	0.5023
Final distribution	-	-	1.5242	0.0388	-	0.0830	0.0978	0.0865
Distribution date final	-	-	June 12, 2015	June 23, 2014	June 28, 2013	-	June 25, 2012	-
Closing offer price	10.1683	10.1930	10.1829	10.1918	0.0000	10.0095	10.0275	10.0246
Closing repurchase price	10.0180	10.0424	10.0324	10.0412	0.0000	10.0095	10.0275	10.0246
Highest offer price	10.8257	10.9505	11.8405	10.3917	10.2561	10.234	10.2372	10.2846
Lowest offer price	10.1558	10.1656	10.1552	10.1502	10.0014	10.0012	10.0031	10.0010
Highest repurchase price per unit	10.6657	10.7887	11.6655	10.2381	10.2561	10.234	10.2372	10.2846
Lowest repurchase price per unit	10.0057	10.0154	10.0051	10.0002	10.0014	10.0012	10.0031	10.001
	Percentage							
Total return of the fund								
- capital growth	-0.25%	0.09%	-0.10%	0.66%	5.44%	0.40%	2.25%	0.64%
- income distribution	6.84%	7.94%	15.24%	8.51%	5.50%	11.39%	10.69%	10.04%
Average return of the fund								
First Year	6.59%	8.02%	15.14%	9.17%	10.94%	11.79%	12.94%	10.68%
Second Year	7.57%	12.18%	12.85%	11.02%	11.50%	11.85%	-	-
Third Year	10.86%	11.93%	13.51%	11.48%	11.50%	11.85%	-	-
Fourth Year	11.18%	12.95%	13.75%	-	-	-	-	-
Fifth Year	12.36%	13.37%	-	-	-	-	-	-
Sixth Year / Since inception	12.88%	-	-	-	-	-	-	-
Weighted average Portfolio duration in days	338	234	548	690	117	-	227	-

Distribution History

2017	
Date	Rate Per Unit
July 28, 2016	0.0182
June 19, 2017	0.6657

2016	
Date	Rate Per Unit
June 21, 2016	0.2599
June 23, 2016	0.5336

Monthly Distribution	2014		2013		2012			
	Date of distribution	Distribution Per Unit	Date of distribution	Distribution Per Unit	Date of distribution	Distribution Per Unit	CLASS A	CLASS B
	CLASS A & B	CLASS B	CLASS A & B	CLASS A	CLASS B	CLASS A & B		
1st Interim distribution	30 July 2013	0.0580						
2nd Interim distribution	29 August 2013	0.0454	29 August 2012	0.2561	0.234			
3rd Interim distribution	25 October 2013	0.0556	24 October 2012	0.0698	0.2226			
4th Interim distribution	28 November 2013	0.0713	29 November 2012	0.0895	0.0778			
5th Interim distribution	30 January 2014	0.0790	-	-	-			
6th Interim distribution	27 February 2013	0.0814	28 February 2013	-	0.1843			
7th Interim distribution	30 April 2014	0.2381	30 April 2013	-	0.0916			
8th Interim distribution	30 May 2014	0.0130	30 May 2013	-	0.0721	21 May 2012	0.1862	0.1674

Quarterly Distribution	2014		2013		2012	
	CLASS B		CLASS A	CLASS B	CLASS A	CLASS B
First quarter Interim distribution	0.0286		0.0701	0.0626	-	-
Date of distribution - Interim	27 September, 2013		24 September 2012'			
Second quarter Interim distribution	0.0700		0.0648	0.0558	-	0.0503
Date of distribution - Interim	30 December 2013		27 December 2012'		26 December 2011'	
Third quarter Interim distribution	0.0714		-	0.0547	0.2372	0.2846
Date of distribution - Interim	27 March 2014		22 March 2013'		26 March 2012'	

Final Distribution	2014		2013		2012	
	CLASS B		CLASS A	CLASS B	CLASS A	CLASS B
Final Distribution	0.0388		-	0.0830	0.0978	0.0865
Date of distribution - Final	23 June 2014		28 June 2013'		25 June 2012'	

Disclaimer

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





FINANCIAL REPORT TO THE FUND INVESTORS

THE INVESTMENT PERFORMANCE OF THE FUND

Report of the Trustees (Investment Committee) for the period ending 31st March 2022

The Trustees (Investment Committee) of the Fund have today the pleasure to announce the results of the Fund for the period ending 31st March 2022. The Fund has achieved a return of 10.5% over the period, which is in line with the target return of 10.0%.

- (i) The Fund has achieved a return of 10.5% over the period ending 31st March 2022.
- (ii) The Fund has achieved a return of 10.5% over the period ending 31st March 2022.
- (iii) The Fund has achieved a return of 10.5% over the period ending 31st March 2022.

Investment Committee
Trustees of the Fund
Investment Committee of the Fund

Report prepared on 31st March 2022



MEMORANDUM TO THE BOARD OF DIRECTORS AND THE MANAGEMENT OF THE COMPANY FROM THE INTERNAL AUDITORS ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

The Internal Auditors have examined the financial statements of the Company for the year ended 31 December 2014, in accordance with the terms of the engagement letter dated 15 October 2013, and have issued their report to the Board of Directors on 15 January 2015. The Internal Auditors have also issued their report to the Management on 15 January 2015. The Internal Auditors have also issued their report to the Board of Directors on 15 January 2015. The Internal Auditors have also issued their report to the Management on 15 January 2015.

The Internal Auditors have also examined the financial statements of the Company for the year ended 31 December 2014, in accordance with the terms of the engagement letter dated 15 October 2013, and have issued their report to the Board of Directors on 15 January 2015. The Internal Auditors have also issued their report to the Management on 15 January 2015. The Internal Auditors have also issued their report to the Board of Directors on 15 January 2015. The Internal Auditors have also issued their report to the Management on 15 January 2015.

The Internal Auditors have also examined the financial statements of the Company for the year ended 31 December 2014, in accordance with the terms of the engagement letter dated 15 October 2013, and have issued their report to the Board of Directors on 15 January 2015. The Internal Auditors have also issued their report to the Management on 15 January 2015. The Internal Auditors have also issued their report to the Board of Directors on 15 January 2015. The Internal Auditors have also issued their report to the Management on 15 January 2015.

The Internal Auditors have also examined the financial statements of the Company for the year ended 31 December 2014, in accordance with the terms of the engagement letter dated 15 October 2013, and have issued their report to the Board of Directors on 15 January 2015. The Internal Auditors have also issued their report to the Management on 15 January 2015. The Internal Auditors have also issued their report to the Board of Directors on 15 January 2015. The Internal Auditors have also issued their report to the Management on 15 January 2015.

The Internal Auditors have also examined the financial statements of the Company for the year ended 31 December 2014, in accordance with the terms of the engagement letter dated 15 October 2013, and have issued their report to the Board of Directors on 15 January 2015. The Internal Auditors have also issued their report to the Management on 15 January 2015. The Internal Auditors have also issued their report to the Board of Directors on 15 January 2015. The Internal Auditors have also issued their report to the Management on 15 January 2015.

Deloitte & Touche LLP
Internal Auditors

Deloitte & Touche LLP
1100 Market Street, Suite 2000
Philadelphia, PA 19102

Deloitte & Touche LLP
1100 Market Street, Suite 2000
Philadelphia, PA 19102



STATEMENT OF COMPLIANCE BY ABL GOVERNMENT SECURITIES FUND WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2017

This statement is being presented to comply with the Code of Corporate Governance ("the Code") contained in Regulation No. 5.19 of the listing regulations of the Pakistan Stock Exchange Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of Corporate Governance.

The Board of Directors ("the Board") of ABL Asset Management Company Limited ("the Management Company"), an un-listed public company, manages the affairs of ABL Government Securities Fund ("the Fund"). The Fund, being a unit trust open ended scheme, does not have its own Board of Directors. The Management Company has applied the principles contained in the Code to the Fund, whose units are listed as a security on the Pakistan Stock Exchange, in the following manner:

1. The Management Company encourages representation of independent, non-executive directors. At June 30, 2017 the Board includes:

Category	Name
Independent Directors	Mr. Kamran Nishat Mr. Muhammad Kamran Shehzad
Non-Executive Directors	Sheikh Mukhtar Ahmed Mr. Mohammad Naeem Mukhtar Mr. Muhammad Waseem Mukhtar Mr. Tahir Hasan Qureshi
Executive Director	Mr. Alee Khalid Ghaznavi

The independent directors meet the criteria of independence under clause 5.19.1. (b) of the Code.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including the Management Company.
3. All the resident directors of the Management Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a broker of a stock exchange, has been declared as a defaulter by that stock exchange.
4. A casual vacancies occurring on the board on July 04, 2016 and December 30, 2016 was filled up by the directors within 90 days. During the year Mr. Alee Khalid Ghaznavi was appointed as CEO/Director and Mr. Tahir Hassan Qureshi was appointed a Non-Executive Director on the board.
5. The Management Company has prepared a 'Code of Conduct' and has ensured that appropriate steps have been taken to disseminate it throughout the Management Company along with its supporting policies and procedures.
6. The Board of Directors of the Management Company has developed a vision / mission statement, overall corporate strategy and significant policies of the Fund. A complete record of particulars of significant policies along with the dates on which these were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.



9. As at June 30, 2017, three directors have obtained certification under the 'Board Development Series' while one director is exempt from the Director Training Program under the Code. The Management Company will arrange training program for the remaining directors by June 30, 2018. The directors are well conversant with the relevant laws applicable to the Fund and the Management Company, its policies and procedures and provisions of memorandum and articles of association and are aware of their duties and responsibilities.
10. No change in the position of the Chief Financial Officer (CFO) & Company Secretary were made during this financial year. However, due to resignation of Mr. Mubeen Ashraf (Chief Internal Auditor) was occurred which was filled by the Board of the Company simultaneously.
11. The Directors' Report of the Fund for the year ended June 30, 2017 has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
12. The financial statements of the Fund were duly endorsed by the CEO and CFO of the Management Company before approval of the Board.
13. The directors, CEO and executives do not hold any interest in the units of the Fund other than those disclosed in the Directors' Report, pattern of unit holding and notes to the financial statements.
14. The Management Company has complied with all the applicable corporate and financial reporting requirements of the Code.
15. The Board has formed an Audit Committee. It comprises of three members, all of whom are non-executive directors of the Management Company, including the Chairman of the Committee who is an independent director.
16. The meetings of the Audit Committee were held once in every quarter and prior to the approval of interim and final results of the Fund as required by the Code. The terms of reference of the Audit Committee have been approved in the meeting of the Board and the Committee has been advised to ensure compliance with those terms of reference.
17. The Board has formed Human Resource and Remuneration Committee. It comprises three members, of whom two are non-executive directors and the chairman of the Committee is a non-executive director.
18. The Board has set up an effective internal audit function within the Management Company. The internal audit team is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Fund and they are involved in the internal audit function on a full time basis.
19. The statutory auditors of the Fund have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partner of the firm, their spouse and minor children do not hold units of the Fund and that the firm and all its partners are in compliance with the International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The "closed period", prior to the announcement of interim / final results, and business decisions, which may materially affect the NAV of the Fund's units, was determined and intimated to directors, employees and the Stock Exchange.
22. Material / price sensitive information has been disseminated among all market participants at once through the Stock Exchange.
23. The Management Company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.
24. We confirm that all other material principles enshrined in the Code have been complied with.

For and on behalf of the Board

Lahore, August 23, 2017

■ ■
ALEE KHALID GHAZNAVI
Chief Executive Officer



MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED 2014

Business Performance Overview

Our 2014 business performance shows a strong return to the Strategic Roadmap for the year, with a significant increase in operating income and a strong contribution to the overall performance of the company. This was achieved through a combination of factors, including a strong performance in our core business, a successful execution of our growth strategy, and a focus on operational excellence.

Operating Income Performance and Key Business Metrics

Our 2014 operating income performance was strong, reflecting a 15% increase over 2013. This was driven by a combination of factors, including a strong performance in our core business, a successful execution of our growth strategy, and a focus on operational excellence. Key business metrics for 2014 include a 10% increase in revenue, a 5% increase in operating income, and a 2% increase in EBITDA.

Market Segments

Our 2014 performance was strong across all market segments, with a particular focus on our core business. This was achieved through a combination of factors, including a strong performance in our core business, a successful execution of our growth strategy, and a focus on operational excellence.

Our 2014 performance was strong across all market segments, with a particular focus on our core business. This was achieved through a combination of factors, including a strong performance in our core business, a successful execution of our growth strategy, and a focus on operational excellence. Key business metrics for 2014 include a 10% increase in revenue, a 5% increase in operating income, and a 2% increase in EBITDA.

Our 2014 performance was strong across all market segments, with a particular focus on our core business. This was achieved through a combination of factors, including a strong performance in our core business, a successful execution of our growth strategy, and a focus on operational excellence.

Outlook

Our 2015 outlook is positive, with a focus on continued growth and operational excellence. We expect to continue to execute our growth strategy and focus on operational excellence, which will drive our performance over the next year.

Deloitte & Touche
1100 Market Street
Philadelphia, PA 19102



Financial Statements and Regulatory Requirements

The financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and the applicable laws and regulations of the jurisdiction in which the entity is incorporated.

Notes to the Financial Statements

The financial statements are prepared on the basis of the accounting policies set out in the notes to the financial statements. The accounting policies are applied consistently throughout the period.

Deloitte Asset Management

Deloitte Asset Management

Deloitte Asset Management



ABL GOVERNMENT SECURITIES FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2017

	Note	June 30, 2017	June 30, 2016
----- Rupees in '000 -----			
ASSETS			
Balances with banks	4	2,430,075	7,374,681
Investments	5	3,504,803	2,298,906
Profit receivable	6	11,777	100,810
Preliminary expenses and floatation costs	7	-	414
Other receivable	8	900	738
Total assets		5,947,554	9,775,549
LIABILITIES			
Payable to ABL Asset Management Company Limited - Management Company	9	53,973	59,843
Payable to the Central Depository Company of Pakistan Limited - Trustee	10	350	621
Payable to the Securities and Exchange Commission of Pakistan	11	5,078	7,312
Dividend payable		50	362
Accrued expenses and other liabilities	12	64,127	178,168
Payable against purchase of securities		2,029,572	-
Payable against redemption of units		126	32,991
Total liabilities		2,153,276	279,297
NET ASSETS		3,794,278	9,496,252
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		3,794,278	9,496,252
CONTINGENCIES AND COMMITMENTS	13		
----- Total number of units -----			
NUMBER OF UNITS IN ISSUE	14	378,744,304	945,612,021
----- Rupees -----			
NET ASSET VALUE PER UNIT		10.0180	10.0424
FACE VALUE PER UNIT		10.0000	10.0000

The annexed notes from 1 to 29 form an integral part of these financial statements.

For ABL Asset Management Company Limited
(Management Company)

■ ■
ALEE KHALID GHAZNAVI
Chief Executive Officer


MUHAMMAD KAMRAN SHEHZAD
Director



 ABL Asset Management
Discover the potential

ABL GOVERNMENT SECURITIES FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2017

	Note	June 30, 2017	June 30, 2016
Rupees in '000			
INCOME			
Profit on deposits with banks		78,429	104,870
Income from term deposit receipts		25,771	62,668
Income from term finance certificates		9,481	-
Income from letters of placements		8,972	3,471
Income from government securities		304,915	516,468
Capital (loss) / gain on sale of government securities - net		(22,778)	176,611
		404,789	864,088
Unrealised gain on re-measurement of investments classified as financial assets at fair value through profit or loss - net	5.6	181	15,658
Total income		404,970	879,746
EXPENSES			
Remuneration of ABL Asset Management Company Limited - Management Company	9.1	84,629	121,871
Sindh sales tax on remuneration of the Management Company	9.2	11,126	19,792
Federal excise duty on remuneration of the Management Company	9.3	-	19,499
Accounting and operational charges	9.4	6,754	1,443
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	10.1	5,827	7,998
Sindh sales tax on remuneration of the Trustee	10.2	761	1,120
Annual fee - Securities and Exchange Commission of Pakistan	11.1	5,078	7,312
Brokerage and securities transaction costs		2,195	5,086
Bank & Settlement charges		326	458
Auditors' remuneration	15	511	454
Amortisation of preliminary expenses and floatation costs	7	414	1,000
Printing charges		390	234
Listing fee		55	50
Legal and professional charges		-	274
Rating fee		260	257
Other expenses		-	-
Total operating expenses		118,327	186,848
Net income for the year from operating activities		286,643	692,898
Element of loss and capital losses included in prices of units issued less those in units redeemed - net		(194,658)	(379,433)
Reversal of provision for Workers' Welfare Fund	12.1	131,308	-
Provision for Sindh Workers' Welfare Fund	12.1	(10,609)	-
Net income for the year before taxation		212,684	313,465
Taxation	16	-	-
Net income for the year after taxation		212,684	313,465
Other comprehensive income for the year		-	-
Total comprehensive income for the year		212,684	313,465
Earnings per unit	17		

The annexed notes from 1 to 29 form an integral part of these financial statements.

For ABL Asset Management Company Limited
(Management Company)

ALEE KHALID GHAZNAVI
Chief Executive Officer

MUHAMMAD KAMRAN SHEHZAD
Director



ABL GOVERNMENT SECURITIES FUND
DISTRIBUTION STATEMENT
FOR THE YEAR ENDED JUNE 30, 2017

	June 30, 2017	June 30, 2016
	----- Rupees in '000 -----	
Undistributed income brought forward comprising of:		
- Realised income	24,385	48,886
- Unrealised income / (loss)	15,658	(19,318)
	40,043	29,568
Distributions during the year		
Issue of nil (2016: Rs. 0.2599 per unit on June 21, 2016)	-	(183,747)
Cash distribution @ Re 0.0182 per unit on July 28, 2016	(16,008)	-
Cash distribution class - B @ Re 0.6657 per unit on June 19, 2017 (2016: Rs 0.5336 per unit on June 23, 2016)	(213,595)	(95,369)
	(229,603)	(279,116)
Element of loss and capital losses included in the prices of units issued less those in units redeemed - net	(16,376)	(23,874)
Net income for the year after taxation	212,684	313,465
Undistributed income carried forward	6,747	40,043
Undistributed income carried forward comprising of:		
- Realised income	6,566	24,385
- Unrealised income	181	15,658
	6,747	40,043

The annexed notes from 1 to 29 form an integral part of these financial statements.

For ABL Asset Management Company Limited
(Management Company)

ALEE KHALID GHAZNAVI
Chief Executive Officer

MUHAMMAD KAMRAN SHEHZAD
Director



 ABL Asset Management
Discover the potential

ABL GOVERNMENT SECURITIES FUND
STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2017

	June 30, 2017	June 30, 2016
	----- Rupees in '000 -----	
Net assets at the beginning of the year	9,496,252	9,185,360
Issue of 1,052,728,099 units (2016: 2,541,508,636 units)	10,590,017	26,000,466
Redemption of 1,619,595,816 units (2016: 2,528,046,494 units)	(16,469,729)	(26,277,915)
	(5,879,712)	(277,449)
Issue of nil bonus units (2016: 16,579,269 units)	-	174,559
Element of loss and capital losses included in the prices of units issued less those in units redeemed - net		
- amount representing loss and capital losses - transferred to income statement	194,658	379,433
- amount representing loss and capital losses - transferred to distribution statement	16,376	23,874
	211,034	403,307
Capital (loss) / gain on sale of government securities - net	(22,778)	176,611
Unrealised gain on re-measurement of investments classified as financial assets at fair value through profit or loss - net	181	15,658
Other net income for the year	235,281	121,196
Net Income for the year	212,684	313,465
Distributions during the year		
Issue of nil (2016: Rs. 0.2599 per unit on June 21, 2016)	-	(183,747)
Cash distribution @ Re 0.0182 per unit on July 28, 2016	(16,008)	-
Cash distribution class - B @ Re 0.6657 per unit on June 19, 2017 (2016: Rs 0.5336 per unit on June 23, 2016)	(213,595)	(95,369)
	(229,603)	(279,116)
Element of loss and capital losses included in the prices of units issued less those in units redeemed - net	(16,376)	(23,874)
Net assets as at the end of the year	3,794,278	9,496,252

The annexed notes from 1 to 29 form an integral part of these financial statements.

For ABL Asset Management Company Limited
(Management Company)

ALEE KHALID GHAZNAVI
Chief Executive Officer

MUHAMMAD KAMRAN SHEHZAD
Director



ABL GOVERNMENT SECURITIES FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2017

	June 30, 2017	June 30, 2016
	Note	Rupees in '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year	212,684	313,465
Adjustments for non-cash and other items		
Profit on bank deposits	(78,429)	(104,870)
Income from letters of placements	(8,972)	(3,471)
Income from term deposit receipts	(25,771)	(62,668)
Income from term finance certificates	(9,481)	
Amortisation of preliminary expenses and floatation costs	414	1,000
Unrealised gain on re-measurement of investments classified as financial assets at fair value through profit or loss - net	(181)	(15,658)
Element of loss and capital losses included in prices of units issued less those in units redeemed - net	194,658	379,433
Federal excise duty on remuneration of the Management Company	-	19,499
Provision for Sindh Workers' Welfare Fund	10,609	
Reversal of provision for Workers' Welfare Fund	(131,308)	-
	(48460)	213,265
Decrease / (increase) in assets		
Profit receivable	82,010	36,141
Other receivable	(162)	(738)
	81,849	35,403
(Decrease) / increase in liabilities		
Payable to ABL Asset Management Company Limited - Management Company	(5,870)	718
Payable to the Central Depository Company of Pakistan Limited - Trustee	(271)	(22)
Payable to the Securities and Exchange Commission of Pakistan	(2,234)	726
Accrued expenses and other liabilities	6,658	(4,492)
	(1,717)	(3,070)
Profit received on deposits with banks	86,299	102,756
Income received from letters of placements	8,972	3,471
Income received from term deposit receipts	25,660	62,668
Income received from term finance certificates	8,745	-
Net amount received on purchase and sale of investments	1,100,484	3,258,161
Net cash from operating activities	1,474,514	3,986,119
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	10,590,017	26,000,466
Payments against redemption of units	(16,502,594)	(26,248,078)
Advance received against issuance of units	-	2,540
Cash distribution paid including withholding tax	(229,916)	(134,461)
Net cash used in financing activities	(6,142,493)	(379,533)
Net (decrease) / increase in cash and cash equivalents	(4,667,978)	3,606,586
Cash and cash equivalents at the beginning of the year	7,398,053	3,791,467
Cash and cash equivalents at the end of the year	2,730,075	7,398,053

The annexed notes from 1 to 29 form an integral part of these financial statements.

For ABL Asset Management Company Limited
(Management Company)

ALEE KHALID GHAZNAVI
Chief Executive Officer

MUHAMMAD KAMRAN SHEHZAD
Director



 ABL Asset Management
Discover the potential

ABL GOVERNMENT SECURITIES FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2017

1 LEGAL STATUS AND NATURE OF BUSINESS

ABL Government Securities Fund (the Fund) was established under a Trust Deed executed on November 01, 2011 between ABL Asset Management Company Limited (ABL AMCL) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Securities and Exchange Commission of Pakistan (SECP) authorised constitution of the Trust Deed vide letter no. NBFC-II/ABLAMC/439/2011 dated October 31, 2011 in accordance with the requirement of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate issued by the SECP on December 07, 2007. The registered office of the Management Company was changed from 11-B Lalazar, M.T. Khan Road, Karachi to Plot No. 14, Main Boulevard, DHA Phase 6, Lahore with effect from March 15, 2017.

The Fund is an open-end mutual Fund and is listed on the Pakistan Stock Exchange Limited. The units of the Fund are offered to the public for subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.

The Fund has been categorised as an open-ended income scheme as per the criteria laid down by the SECP for categorisation of Collective Investment Schemes (CISs).

The objective of the Fund is to deliver optimal risk adjusted returns by investing mainly in a mix of short to long term government securities and other debt instruments.

JCR-VIS Credit Rating Company Limited has assigned management quality rating of AM2+ (stable outlook) to the Management Company and fund stability rating of A(f) to the Fund as at December 30, 2016.

The assets of the Fund are held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. The approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

2.2 New accounting standards / amendments and IFRS interpretations that are effective for the year ended June 30, 2017

The following standards, amendments and interpretations are effective for the year ended June 30, 2017. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.



Amendments to IFRS 10 'Consolidated Financial Statements', IFRS 12 'Disclosure of Interests in Other Entities' and IAS 28 'Investments in Associates and Joint Ventures' - Investment Entities: Applying the consolidation exception	Effective from accounting period beginning on or after 1 January 2016
Amendments to IFRS 11 'Joint Arrangements' - Accounting for acquisitions of interests in joint operations	Effective from accounting period beginning on or after 1 January 2016
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure initiative	Effective from accounting period beginning on or after 1 January 2016
Amendments to IAS 16 'Property Plant and Equipment' and IAS 38 'Intangible Assets' - Clarification of acceptable methods of depreciation and amortization	Effective from accounting period beginning on or after 1 January 2016
Amendments to IAS 16 'Property Plant and Equipment' and IAS 41 'Agriculture' - Measurement of bearer plants	Effective from accounting period beginning on or after 1 January 2016
Amendments to IAS 27 'Separate Financial Statements' - Equity method in separate financial statements	Effective from accounting period beginning on or after 1 January 2016

2.3 New accounting standards / amendments and IFRS interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Amendments to IFRS 2 'Share-based Payment' - Clarification on the classification and measurement of share-based payment transactions	Effective from accounting period beginning on or after 1 January 2018
Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' - Sale or contribution of assets between an investor and its associate or joint venture	Effective from accounting period beginning on or after a date to be determined. Earlier application is permitted.
Amendments to IAS 7 'Statement of Cash Flows' - Amendments as a result of the disclosure initiative	Effective from accounting period beginning on or after 1 January 2017
Amendments to IAS 12 'Income Taxes' - Recognition of deferred tax assets for unrealised losses	Effective from accounting period beginning on or after 1 January 2017
Amendments to IAS 40 'Investment Property': Clarification on transfers of property to or from investment property	Effective from accounting period beginning on or after 1 January 2018. Early application is permitted.
IFRIC 22 'Foreign Currency Transactions and Advance Consideration': Provides guidance on transactions where consideration against non-monetary prepaid asset / deferred income is denominated in foreign currency.	Effective from accounting period beginning on or after 1 January 2018. Early application is permitted.



IFRIC 23 'Uncertainty over Income Tax Treatments': Clarifies the accounting treatment in relation to determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 'Income Taxes'.

Effective from accounting period beginning on or after 1 January 2019

Certain annual improvements have also been made to a number of IFRSs.

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 9 – Financial Instruments
- IFRS 14 – Regulatory Deferral Accounts
- IFRS 15 – Revenue from Contracts with Customers
- IFRS 16 – Leases
- IFRS 17 – Insurance Contracts

2.4 Critical accounting estimates and judgments

The preparation of the financial statements in conformity with the approved accounting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise the judgment in the application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are 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 areas involving a degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements are as follows:

- Classification and valuation of investment (notes 3.2 and 5)
- Impairment of financial assets (note 3.2.5)

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except for certain investments which have been carried at fair value.

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied unless otherwise stated.

3.1 Cash and cash equivalents

Cash and cash equivalents comprise of balances with banks and short-term highly liquid investments with original maturities of three months or less.



3.2 Financial assets

3.2.1 Classification

The Fund classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables and available for sale. The classification depends on the purpose for which the financial assets were acquired. The management determines the appropriate classification of its financial assets at initial recognition and re-evaluates this classification on a regular basis.

Investments are categorised as follows:

a) Financial assets at fair value through profit or loss

Financial assets that are acquired principally for the purpose of generating profits from short-term fluctuations in prices are classified as financial assets at fair value through profit or loss category. These include held for trading investments and such other investments that, upon initial recognition, are designated under this category.

b) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

c) Available for sale

Available for sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as (a) loans and receivables or (b) financial assets at fair value through profit or loss. These are intended to be held for an indefinite period of time which may be sold in response to the needs for liquidity or change in price.

3.2.2 Regular way contracts

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Fund commits to purchase or sell the asset.

3.2.3 Initial recognition and measurement

Financial assets 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 while the related transaction costs are expensed out in the income statement.

3.2.4 Subsequent measurement

a) Financial assets at fair value through profit or loss and available for sale

Subsequent to initial recognition, financial assets at fair value through profit or loss and available for sale are carried at fair value. These are valued as follows:

- Basis of valuation of debt securities

The investment of the Fund in debt securities (comprising any security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital and includes term finance certificates, bonds, debentures, sukuks and commercial papers etc.) is valued on the basis of rates determined by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the SECP for valuation of debt securities. In determining the rates the MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

- Basis of valuation of government securities

The investment of the Fund in government securities is valued on the basis of rates published by the MUFAP.

Net gains and losses arising from the changes in the fair value and on sale of financial assets at fair value through profit or loss are taken to the 'income statement'.



Net gains and losses arising from the changes in the fair value of available for sale financial assets are taken to the 'other comprehensive income' until these are derecognised or impaired. At this time, the cumulative gain or loss previously recognised in the 'other comprehensive income' is shown as part of net income for the year.

b) Loans and receivables

Subsequent to initial recognition financial assets classified as loans and receivables are carried at amortised cost using the effective interest method.

Gains or losses on these instruments are recognised in the income statement when the financial assets carried at amortised cost are derecognised or impaired.

3.2.5 Impairment

The Fund assesses at each reporting date whether there is an objective evidence that the financial asset or a group of financial assets is impaired. The carrying values of the Fund's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

The amount of provision for certain debt securities is determined based on the provisioning criteria specified by the SECP.

For certain other financial assets, a provision for impairment is established when there is an objective evidence that the Fund will not be able to collect all amounts due according to the original terms. The provision against these amounts is made as per the provisioning policy duly formulated and approved by the Board of Directors of the Management Company in accordance with the requirements of the Securities and Exchange Commission of Pakistan.

3.2.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Fund has transferred substantially all the risks and rewards of ownership.

3.3 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognised at fair value and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

3.4 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amounts are 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 realise the assets and settle the liabilities simultaneously.

3.5 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 five years in accordance with the requirements set out in the Trust Deed of the Fund.

3.6 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 amount of the obligation can be made. Provisions, if any, are regularly reviewed and adjusted to reflect the current best estimate.

3.7 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 as cash dividend.



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.

The Fund provides for deferred taxation using the balance sheet liability method on all major temporary differences between the amounts used for financial reporting purposes and amounts used for taxation purposes. In addition, the Fund also records deferred tax asset on unutilized tax losses to the extent that it is no longer probable that the related tax benefit will be realised. However, the Fund has not recognised deferred tax, if any, in these financial statements as the Fund has distributed at least ninety percent of its accounting income as cash dividend for the year as reduced by capital gains, whether realised or unrealised, to its unit holders every year.

3.8 Proposed distributions

Distributions declared subsequent to the year end are considered as non-adjusting events and are recognised in year in which such distributions are declared.

3.9 Issue and redemption of units

Units issued are recorded at the offer price as per constitutive documents. The offer price is determined by the Management Company after realisation of subscription money.

The offer price represents the net asset value per unit as of the close of the business day. The Fund also recovers the allowance for sales load, provision for transaction costs and any provision for duties and charges, if applicable.

Units redeemed are recorded at the redemption price, as per the constitutive documents, applicable to units for which the distributors receive redemption requests during the business hours of that day. The redemption price represents the net asset value per unit as of the close of the business day less any back-end load, provision for transaction costs and any provision for duties and charges, if applicable.

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

An equalisation account called the 'element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed' is created in order to prevent the dilution of per unit income and distribution of income already paid out on redemption.

The Fund records that portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting year which pertains to unrealised gains / (losses) held in the unit holder's funds and undistributed income in a separate reserve account and any amount remaining in this reserve account at the end of an accounting year (whether gain or loss) is included in the amount available for distribution to the unit holders.

The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting year is recognised in the income statement.

3.11 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.

3.12 Revenue recognition

- Realised capital gains / (losses) arising on sale of investments are included in the income statement on the date at which the sale transaction takes place.
- Unrealised capital gain / (losses) in the value of investments classified as 'Financial assets at fair value through profit or loss' are included in the income statement in the year in which they arise.
- Profit on bank deposits and on investments is recognised on an accrual basis.
- Income on government securities, debt securities, reverse repurchase transactions and placements is recognised on an accrual basis, using the effective interest rate method.

3.13 Expenses

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



4	BALANCES WITH BANKS	Note	June 30,	June 30,
			2017	2016
			----- Rupees in '000 -----	
	Saving accounts	4.1 & 4.2	2,430,075	7,374,681

4.1 These saving accounts carry profit at rates ranging from 4.00% to 6.75% (2016: 5.75% to 6.75%) per annum.

4.2 Deposits in savings accounts include Rs 38.649 million (2016: Rs 2,633.541 million maintained with Allied Bank Limited, a related party, and carry mark up at the rate of 6.75% (2016: 6.75%) per annum.

4.3	Cash and cash equivalents	Note	June 30,	June 30,
			2017	2016
			----- Rupees in '000 -----	
	Saving accounts	4	2,430,075	7,374,681
	Term deposit receipt		300,000	-
	Market Treasury Bill with original maturity of less than 3 months	5.1	-	23,372
			2,730,075	7,398,053

5 INVESTMENTS

Financial assets at fair value through profit or loss - net

Government securities

- Market treasury bills	5.1	2,537,726	23,869
- GoP ijarah sukuks	5.2	-	-
- Term Finance Certificates	5.3	271,872	-
- Pakistan investment bonds	5.4	395,205	2,275,037
- Other sukuks	5.5	-	-

Loan and receivable

	3,204,803	2,298,906
	300,000	-
	3,504,803	2,298,906

5.1 Government securities - market treasury bills:

Tenor	Face Value				As at June 30, 2017			Market value as a percentage of net Assets	Market value as a percentage of total market value of investment
	As at July 1, 2016	Purchased during the period	Disposed / matured during the period	As at June 30, 2017	Carrying Value	Market value	Appreciation / (diminution)		
----- Rupees in '000 -----									
Three Months	23,500	26,955,500	24,793,000	2,186,000	2,163,849	2,163,773	(76)	57.03%	61.74%
Six Months	-	13,079,685	12,729,685	350,000	349,088	349,088	(0.4)	9.20%	9.96%
Twelve Months	500	13,196,340	13,171,840	25,000	24,873	24,865	(7)	0.66%	0.71%
Total - June 30, 2017	24,000	53,231,525	50,694,525	2,561,000	2,537,810	2,537,726	(84)	67%	72.41%
Total - June 30, 2016					23,864	23,869	5		

Market treasury bills carry effective interest rates ranging from 5.97% to 6.00% per annum (2016: 6.19% to 6.94% per annum).

5.2 Government securities - GoP Ijarah Sukuk:

Issue date	Tenor	Face Value				As at June 30, 2017			Market value as a percentage of net Assets	Market value as a percentage of total market value of investment
		As at July 1, 2016	Purchased during the period	Disposed / matured during the period	As at June 30, 2017	Carrying Value	Market value	Appreciation / (diminution)		
----- Rupees in '000 -----										
GOP Ijara / June 25, 2014	3.89 / 3 Years	-	800,000	800,000	-	-	-	-	-	
Total - June 30, 2017		-	800,000	800,000	-	-	-	-	-	
Total - June 30, 2016					-	-	-			



5.3 Term Finance Certificate

Particulars of the issue / issue date	Coupon rate in % / Tenor	Face Value				As at June 30, 2017			Market value as a percentage of the net assets	Market value as a percentage of total market value of the investments
		As at July 1, 2016	Purchased during the year	Disposed of / matured during the year	As at June 30, 2017	Carrying value	Market value	Gain / (loss)		
Rupees in '000										
Bank Al-Falah Ltd / December 02, 2009	6 months KIBOR + 2.5 / 8 Years	-	29,922	14,961	14,961	15,275	15,031	(244)	0.40%	0.43%
NIB Bank Limited / June 19, 2014	6 months KIBOR + 1.15 / 8 Years	-	149,850	149,850	-	-	-	-	0.00%	0.00%
Standard Chartered / June 29, 2012	6 months KIBOR + 1.15 / 8 Years	-	18,000	-	18,000	18,009	18,045	36	0.48%	0.51%
Bank of Punjab / December 23, 2016	6 months KIBOR + 1.15 / 8 Years	-	221,000	44	220,956	223,055	223,497	441	5.89%	6.38%
Askari Bank Ltd. - TFC V September 30, 2014	6 months KIBOR + 1.20 / 10 Years	-	15,000	-	15,000	15,300	15,299	(1)	0.40%	0.44%
Total - June 30, 2017		-	433,772	164,855	268,917	271,639	271,872	233	7.17%	7.76%
Total - June 30, 2016										

5.4 Government securities - Pakistan investment bonds:

Issue date	Tenor	Face Value				As at June 30, 2017			Market value as a percentage of net Assets	Market value as a percentage of total market value of investment
		As at July 1, 2016	Purchased during the period	Disposed / matured during the period	As at June 30, 2017	Carrying Value	Market value	Gain / (loss)		
Rupees in '000										
July 18, 2013	3 Years	667,500	2,534,000	3,201,500	-	-	-	-	-	-
April 21, 2016	3 Years	-	3,344,000	3,344,000	-	-	-	-	-	-
December 29, 2016	3 Years	-	100,000	100,000	-	-	-	-	-	-
April 21, 2016	3 Years	-	390,000	-	390,000	395,173	395,205	32	10.42%	11.28%
July 17, 2014	5 Years	840,800	250,000	1,090,800	-	-	-	-	-	-
March 26, 2015	5 Years	-	1,310,000	1,310,000	-	-	-	-	-	-
April 21, 2016	5 Years	610,000	5,177,000	5,787,000	-	-	-	-	-	-
July 22, 2010	10 Years	-	6,400	6,400	-	-	-	-	-	-
July 19, 2012	10 Years	-	200,000	200,000	-	-	-	-	-	-
April 21, 2016	10 Years	-	2,900,000	2,900,000	-	-	-	-	-	-
September 3, 2009	10 Years	-	30,100	30,100	-	-	-	-	-	-
June 10, 2004	15 Years	-	2,000	2,000	-	-	-	-	-	-
Total - June 30, 2017		2,118,300	16,243,500	17,971,800	390,000	395,173	395,205	32	10.42%	11.28%
Total - June 30, 2016						2,259,384	2,275,037	15,653		

Pakistan investment bonds carry effective interest rates ranging from 5.98% to 8.1% per annum (2016: 6.00% to 6.98% per annum).

5.5 Other Sukuk Certificates:

Particulars of the issue / issue date	Coupon rate in % / Tenor	Face Value				As at June 30, 2017			Market value as a percentage of net Assets	Market value as a percentage of total market value of investment
		As at July 1, 2016	Purchased during the period	Disposed / matured during the period	As at June 30, 2017	Carrying Value	Market value	Gain / (loss)		
Rupees in '000										
Meezan Bank / September 22, 2016	6.56 / 10 Years	-	374,000	374,000	-	-	-	-	-	-
Fatima Fertilizer November 28, 2016	5.97 / 5 Years	-	30,650	30,650	-	-	-	-	-	-
Total - June 30, 2017		-	404,650	404,650	-	-	-	-	-	-
Total - June 30, 2016										

Note June 30, 2017 June 30, 2016
----- Rupees in '000 -----

5.6 Loan and receivables

Term deposit receipt.

5.6.1 300,000 -



5.6.1 Unrealised gain on re-measurement of investments classified as financial assets at fair value through profit or loss - net	Note	June 30, 2017 ----- Rupees in '000 -----	June 30, 2016 -----
Market value of securities		3,204,803	2,298,906
Less: carrying value of securities		(3,204,622)	(2,283,248)
		<u>181</u>	<u>15,658</u>
6 PROFIT RECEIVABLE			
On bank deposits		5,634	13,504
On term deposits		111	-
On term financial certificate		736	-
On Pakistan Investment Bonds		5,296	87,306
		<u>11,777</u>	<u>100,810</u>
7 PRELIMINARY EXPENSES AND FLOATATION COSTS			
Opening balance		414	1,414
Less: amortisation during the year	7.1	(414)	(1,000)
Closing balance		<u>-</u>	<u>414</u>
7.1	Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund. These costs are being amortised over five years in accordance with the requirements set out in the Trust Deed and the Non Banking Finance Companies and Notified Entities Regulation, 2008.		
8 OTHER RECEIVABLE			
Balance in IPS account		345	738
Advance Tax		455	-
Security Deposit		100	-
		<u>900</u>	<u>738</u>
9 PAYABLE TO ABL ASSET MANAGEMENT COMPANY LIMITED - MANAGEMENT COMPANY			
Remuneration of the Management Company	9.1	4,144	8,051
Sindh Sales Tax on remuneration of the Management Company	9.2	6,814	7,278
Federal excise duty on remuneration of the Management Company	9.3	41,987	41,987
Accounting and operational charges payable to the Management Company	9.4	1,028	1,443
Preliminary expenses and floatation costs		-	1,000
Sales load		-	84
		<u>53,973</u>	<u>59,843</u>
9.1	As per the NBFC regulation 2008, Management Company can charge fee maximum upto 1.5% of the average annual net assets of the Fund. The Management Company has charged remuneration at the rate of 1.25% (2016: 1.25%) per annum based on the daily net assets of the Fund. The amount of remuneration is being paid monthly in arrears.		
9.2	The Government of Sindh and Punjab has levied Sindh and Punjab Sales Tax at the rate of 13% (2016: 14%) and 16% (2016: 16%) on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011 and Punjab Sales Tax on Services Act, 2012 (as amended from time to time).		
9.3	Through Finance Act, 2013, Federal Excise Duty (FED) was made applicable at the rate of 16% on the remuneration of the Management Company, effective from June 13, 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax as explained in note 6.2, further levy of FED results in double taxation, which does not appear to be the spirit of the law. The matter has been collectively taken up by the Management Company jointly with other asset management companies and trustees of respective collective investment schemes (CISs), through a constitutional petition filed in the Honorable Sindh High Court (SHC) during September 2013. In this respect, the SHC had issued a stay order against the recovery of FED due to which the Fund has not accrued FED w.e.f July 01, 2016 and has not made any payments since inception.		

On June 30, 2016 the Honorable Sindh High Court of Pakistan has passed the Judgment that after the 18th amendment in the Constitution of Pakistan, the Provinces alone have the legislative power to levy a tax on rendering or providing services, therefore, chargeability and collection of Federal Excise Duty after July 01, 2011 is ultra vires to the Constitution of Pakistan. On September 23, 2016, the Federal Board of Revenue (FBR) filed an appeal in the Supreme Court of Pakistan (SCP) against above judgement, which is pending adjudication. Pending



the adjudication in the SCP, the Management Company, as a matter of abundant caution, has maintained full provision for FED (since June 13, 2013) aggregating to Rs. 41.987 million. Had the provision not been made, the net asset value per unit of the Fund as at June 30, 2017 would have been higher by Re. 0.1109 (June 30, 2016: Re. 0.0444) per unit.

Further, through Finance Act, 2016, FED on services rendered by Non-Banking Financial Institutions (NBFI) including Asset Management Companies, which are already subject to provincial sales tax, has been withdrawn. Therefore, provision for FED is not required for current year.

- 9.4 This represents reimbursement of certain expenses to the Management Company. As per regulation 60(3)(s) of the amended NBFC Regulations dated November 25, 2015, fee and expenses pertaining to registrar services, accounting, operation and valuation services related to a Collective Investment Scheme (CIS) are chargeable to the scheme, maximum up to 0.1% of the average annual net assets or the actual cost whichever is lower. Accordingly, the Management Company has charged 0.1% of the average annual net assets, being the lower amount, to the Fund during the period.

10	PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	June 30,	June 30,
			2017	2016
			Rupees in '000	
	Trustee fee	10.1	310	545
	Sindh sales tax on trustee remuneration	10.2	40	76
			350	621

- 10.1 Under the provisions of the Trust Deed, the Trustee is entitled to a remuneration, to be paid monthly in arrears, as per the following tariff structure. There is no change in the tariff structure in the current year.

The tariff structure applicable to the Fund as at June 30, 2017 is as follows:

Net assets value	Tariff per annum
Upto Rs. 1,000 million	Rs. 0.15% per annum of Net asset value.
Exceeding Rs. 1,000 million	Rs. 1.5 million plus 0.075% per annum of Net asset value exceeding Rs. 1,000 million.
Over Rs 10 billion	Rs. 8.25 million plus 0.06% per annum of Net asset value exceeding Rs. 10,000 million

- 10.2 The Sindh Revenue Board through Circular No. SRB 3-4/TP/01/2015/86554 dated June 13, 2015 has amended the definition of services and has levied Sindh Sales Tax on custodianship services. Accordingly, Sindh Sales Tax of 13% (2016: 14%) is charged on Trustee fee under section 2(79A) of the Sindh Finance Bill, 2010 with effect from July 01, 2015.

11	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	June 30,	June 30,
			2017	2016
			Rupees in '000	
	Annual fee	11.1	5,078	7,312

- 11.1 Under the provisions of the NBFC Regulations, 2008, a collective investment scheme classified as income scheme is required to pay as an annual fee to the SECP, an amount equal to 0.075% per annum (2016: 0.075% per annum) of the average annual net assets of the scheme.

12	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	June 30,	June 30,
			2017	2016
			Rupees in '000	
	Auditors' remuneration		283	260
	Brokerage		22	650
	Printing charges		150	100
	Withholding tax		52,441	42,689
	Advance against issue of units		-	2,540
	Provision for Workers' Welfare Fund	12.1	-	131,308
	Provision for Sindh Workers' Welfare Fund	12.1	10,609	-
	Other payable		621	621
			64,127	178,168

- 12.1 Provision for Workers' Welfare Fund (WWF) and Sindh Workers' Welfare Fund (SWWF)

The Finance Act, 2008 had introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance) as a result of which it was construed that all Collective Investment Schemes (CISs) / mutual funds whose



income exceeded Rs 0.5 million in a tax year were brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever was higher. In light of this, the Mutual Funds Association of Pakistan (MUFAP) filed a constitutional petition in the Honourable Sindh High Court (SHC) challenging the applicability of WWF on CISs which is pending adjudication. Similar cases were disposed of by the Peshawar and the Lahore High Courts in which these amendments were declared unlawful and unconstitutional. However, these decisions were challenged in the Supreme Court of Pakistan.

Subsequently, the Finance Act, 2015 introduced an amendment under which CISs / mutual funds have been excluded from the definition of "industrial establishment" subject to WWF under the WWF Ordinance. Consequently, mutual funds are not subject to this levy after the introduction of this amendment which is applicable from tax year 2016. Accordingly, no further provision in respect of WWF was made with effect from July 1, 2015.

On November 10, 2016 the Supreme Court of Pakistan (SCP) has passed a judgment declaring the amendments made in the Finance Acts 2006 and 2008 pertaining to WWF as illegal citing that WWF was not in the nature of tax and could, therefore, not have been introduced through money bills. Accordingly, the aforesaid amendments have been struck down by the SCP. The Federal Board of Revenue has filed a petition in the SCP against the said judgment, which is pending hearing. While the petitions filed by the CISs on the matter are still pending before the SHC, the Mutual Funds Association of Pakistan (MUFAP) (collectively on behalf of the asset management companies and their CISs) has taken legal and tax opinions on the impact of the SCP judgement on the CISs petition before the SHC. Both legal and tax advisors consulted were of the view that the judgment has removed the very basis on which the demands were raised against the CISs. Therefore, there was no longer any liability against the CISs under the WWF Ordinance and that all cases pending in the SHC or lower appellate forums will now be disposed of in light of the earlier judgement of the SCP.

Furthermore, as a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies (including the Management Company of the Fund) whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have mutual funds excluded from the applicability of SWWF.

In view of the above developments regarding the applicability of WWF and SWWF on CISs / mutual Funds, MUFAP has recommended the following to all its members on January 12, 2017:

- based on legal opinion, the entire provision against the Federal WWF held by the CISs till June 30, 2015, to be reversed on January 12, 2017; and
- as a matter of abundant caution, the provision in respect of SWWF should be made with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015) on January 12, 2017.

Accordingly, on January 12, 2017 the provision for WWF was reversed and the provision for SWWF was made for the period from May 21, 2015 to January 12, 2017. Thereafter, the provision for SWWF is being made on a daily basis going forward.

The above decisions were communicated to the SECP and the Pakistan Stock Exchange Limited on January 12, 2017 and the SECP vide its letter dated February 1, 2017 has advised MUFAP that the adjustments relating to the above should be prospective and supported by adequate disclosures in the financial statements of the CISs/ mutual funds.

The total provision for SWWF till June 30, 2017 is amounting to Rs 10.609 million. Had the provision not been made the net assets value per unit of the Fund as at June 30, 2017 would have been higher by Re 0.0003 per unit.

13 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2017 and as at June 30, 2016.

14 NUMBER OF UNITS IN ISSUE

Total units in issue at the beginning of the year
 Add: units issued during the year
 Less: units redeemed during the year
 Total units in issue at the end of the year

----- As at June 30, 2017 -----		
Class A (Note 14.1)	Class B	Total
-	945,612,021	945,612,021
-	1,052,728,099	1,052,728,099
-	(1,619,595,816)	(1,619,595,816)
-	378,744,304	378,744,304



	----- As at June 30, 2016 -----		
	Class A	Class B	Total
	(Note 14.1)		
Total units in issue at the beginning of the year	-	915,570,610	915,570,610
Add: units issued during the year	-	2,541,508,636	2,541,508,636
Add: bonus units issued during the year	-	16,579,269	16,579,269
Less: units redeemed during the year	-	(2,528,046,494)	(2,528,046,494)
Total units in issue at the end of the year	-	945,612,021	945,612,021

14.1 The Management Company had suspended the offering of Class "A" Units with effect from February 10, 2014.

	June 30, 2017	June 30, 2016
	----- Rupees in '000 -----	
15 AUDITORS' REMUNERATION		
Annual audit fee	243	220
Half yearly review fee	120	110
Other certifications	40	40
Out of pocket expenses	108	84
	511	454

16 TAXATION

The income of the Fund is exempt from income tax as per 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. The Management Company will distribute through cash 90% of the Fund's net accounting income earned during the year to its unit holders. Accordingly, no provision in respect of taxation has been made in these financial statements.

The Fund is also exempt from the provision 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 the cumulative weighted average number of outstanding units for calculating EPU is not practicable.

18 TOTAL EXPENSE RATIO

In accordance with the Directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the Total Expense Ratio of the Fund for the year ended June 30, 2017 is 1.91% which includes 0.41% representing government levy and SECP fee.

19 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Connected person / related parties include the Management Company, its parent and the related subsidiaries of the parent, associated companies / undertakings of the Management Company, other funds managed by the Management Company, post employment benefit funds of the Management Company, employment funds of the parent, subsidiaries and its associated undertakings. It also includes Central Depository Company of Pakistan Limited being the Trustee of the Fund, the directors and officers of the Management Company and any person or Company beneficially owning directly or indirectly 10% or more of the units in issue / net assets of the Fund.

19.1 Transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with the market rates.

19.2 Remuneration of the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

19.3 Remuneration of the Trustee is determined in accordance with the provisions of the Trust Deed.



19.4 Transactions with related parties / connected persons

June 30, June 30,
2017 2016
----- Rupees in '000 -----

ABL Asset Management Company Limited - Management Company

Issue of 86,135,827 (2016: 24,024,611) units	861,953	248,859
Bonus of Nil (2016: 88,851) units	-	935
Redemption of 86,135,827 (2016: 24,113,462) units	862,271	251,846
Preliminary expenses and floatation costs	414	1,000
Remuneration	84,629	121,871
Sindh sales tax on remuneration of the Management Company	11,126	19,792
Federal excise duty on remuneration of the Management Company	-	19,499
Accounting and operational charges	6,754	1,443
Sales load paid	100	1,688

Central Depository Company of Pakistan Limited

Remuneration	5,827	7,998
Sindh sales tax on remuneration of the Trustee	761	1,120

Allied Bank Limited

Mark-up income on bank deposits	22,678	3,744
Amount placed in term deposit receipts	-	1,300,000
Income on term deposit receipts	-	14,096
Bank charges	92	128

ABL Islamic Income Fund - Common Management *

Sale of Meezan Bank Limited Sukuk (Face Value 374,000,000)	374,538	-
Sale of Fatima Fertilizer Sukuk (Face Value 30,650,000)	31,263	-

CFA Association of Pakistan **

Issue of Nil (2016: 1,147,057) units	-	11,511
Redemption of Nil (2016: 1,147,057) units	-	11,516
Getz Pharma (Private) Limited **		

Pioneer Cement Limited

Issue of 685,553 (2016: 13,363,906) units	6,866	134,720
Bonus of Nil (2016: 2,560,424) units	-	26,958
Redemption of 105,800,000 (2016: Nil) units	1,102,508	-
Cash distribution	44,720	44,720

D.G. Khan Cement Company Limited **

Issue of Nil (2016: 115,801,928) units	-	1,200,000
Redemption of Nil (2016: 432,094,170) units	-	4,381,337

English Biscuit Manufacturers (Private) Limited

Issue of 7,132,868 (2016: 221,195,532) units	71,341	2,244,097
Bonus of Nil (2016: 1,817,487) units	-	19,136
Redemption of Nil (2016: 84,109,458) units	-	885,534

Haleeb Foods Limited *

Issue of 150,499,034 (2016: Nil) units	1,511,477	-
Redemption of 221,581,955 (2016: Nil) units	2,268,135	-

Coronet Foods Pvt Ltd. *

Issue of 2,920,415 (2016: Nil) units	29,209	-
--------------------------------------	--------	---

KEY MANAGEMENT PERSONNEL**Former Chief Executive Officer ****

Issue of Nil (2016: 7,464,267) units	-	75,691
Bonus of Nil (2016: 95,640) units	-	1,007
Redemption of Nil (2016: 6,764,175) units	-	70,370

Chief Executive Officer *

Issue of 242 (2016: Nil) units	2	-
Redemption of 148,949 (2016: Nil) units	1,519	-



	June 30, 2017	June 30, 2016
	----- Rupees in '000 -----	
EXECUTIVE **		
Issue of Nil (2016: 423,333) units	-	4,249
Redemption of Nil (2016: 423,333) units	-	4,250
* Prior year comparatives have not been presented as the entity was not classified as a related party / connected person as at June 30, 2016.		
** Current year figure has not been presented as the person is not classified as a related party / connected person of the Fund as at June 30, 2017.		

19.5 Balances with related parties / connected persons

ABL Asset Management Company Limited - Management Company

	June 30, 2017	June 30, 2016
	----- Rupees in '000 -----	
Preliminary expenses and floatation costs payable	-	1,000
Remuneration payable	4,144	8,051
Sindh sales tax on remuneration of the Management Company	6,814	7,278
Federal excise duty on remuneration of the Management Company	41,987	41,987
Accounting and operational charges payable to the Management Company	1,028	1,443
Sales load payable	-	84

Central Depository Company of Pakistan Limited - Trustee

Remuneration payable	310	545
Sindh sales tax on remuneration of the Trustee	40	76
Balance in IPS account	345	738

Allied Bank Limited

Balances held in saving accounts	38,649	2,633,541
Mark-up accrued on deposits with banks	775	2,326

English Biscuit Manufacturers (Private) Limited

Outstanding 146,036,430 (2016: 138,903,561) units	1,462,993	1,394,925
---	-----------	-----------

Pioneer Cement Limited

Outstanding 11,102,494 (2016: 116,216,941) units	111,225	1,167,097
--	---------	-----------

Coronet Foods Pvt Ltd.

Outstanding 59,791,796 (2016: Nil) units	598,994	-
--	---------	---

KEY MANAGEMENT PERSONNEL

Former Chief Executive Officer

Outstanding nil (2016: 4,380,292) units	-	43,989
---	---	--------

20 PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER

Details of the members of the investment committee of the Fund as at June 30, 2017 are as follows:

S. No.	Name	Designation	Experience in Years	Qualification
1	Alee Khalid Ghaznavi	Chief Executive Officer	16	MBA
2	Kashif Rafi	Chief Investment Officer	15	MBA-Finance
3	Saqib Matin	CFO & Company Secretary	18	ACA & APA
4	Fahad Aziz	Fund Manager - Fixed Income	11	MBA-Finance
5	Naresh Kumar	Fund Manager-Equity	8	ACCA & CFA
6	M. Abdul Hayee	Fund Manager - Equity	9	MBA-Executive & CFA
7	Wahaj Ahmed	Fund Manager-Fixed Income	6	MBA - Banking & Finance

20.1 Fahad Aziz is the Fund Manager of the Fund. He is also managing ABL Cash Fund and ABL Income Fund.



21 TRANSACTIONS WITH BROKERS / DEALERS

List of top 10 brokers by percentage of commission charged during the year ended June 30, 2017

S. No.	Particulars	Percentage
1	C & M Management (Private) Limited	26.82%
2	Invest Capital Markets Limited	16.15%
3	Next Capital Limited	13.54%
4	Bright Capital (Pvt.) Ltd.	8.37%
5	Invest & Finance Securities Limited	7.25%
6	Invest One Markets Limited	6.23%
7	Magenta Capital (Private) Limited	5.9%
8	KASB Securities (Pvt.) Ltd.	5.85%
9	Icon Securities (Pvt.) Ltd.	4.71%
10	Paramount Capital	3.14%

List of top 10 brokers by percentage of commission charged during the year ended June 30, 2016

S. No.	Particulars	Percentage
1	Invest Capital Markets Limited	25.88%
2	Next Capital Limited	14.79%
3	Invest One Markets Limited	10.25%
4	Invest & Finance Securities Limited	8.62%
5	Magenta Capital (Private) Limited	7.57%
6	C & M Management (Private) Limited	7.35%
7	JS Global Capital Limited	6.45%
8	Vector Capital (Private) Limited	4.56%
9	Global Securities Pakistan Limited	3.06%
10	Icon Securities (Private) Limited	2.64%

22 PATTERN OF UNIT HOLDING

Particulars	-----As at June 30, 2017-----			
	Number of Unit holders	Number of Unit held	Net asset value of the amount invested Rupees in '000	Percentage of total investment %
Individuals	833	87,566,653	877,247	23.12 %
Associated companies / directors	-	-	-	-
Insurance companies	1	810,608	8,121	0.21 %
Retirement Fund	9	10,066,337	100,845	2.66 %
Public limited companies*	4	55,893,145	559,940	14.76%
Others**	20	224,407,561	2,248,125	59.25 %
Total	867	378,744,304	3,794,278	100.00 %

Particulars	-----As at June 30, 2016-----			
	Number of Unit holders	Number of Unit held	Net asset value of the amount invested Rupees in '000	Percentage of total investment %
Individuals	1,496	216,732,302	2,176,550	22.98%
Associated companies / directors	1	4,380,292	43,989	0.46%
Insurance companies	11	54,987,798	552,209	5.82%
Retirement Fund	17	34,515,389	346,617	3.65%
Public limited companies*	12	357,645,053	3,591,615	37.82%
Others	32	277,351,187	2,785,272	29.32%
Total	1,569	945,612,021	9,496,252	100.00%

*This includes 11,102,494 units amounting to Rs 111.225 million held by a connected person.

**This includes 205,828,226 units amounting to Rs 2,061.987 million held by a connected person.



23 ATTENDANCE AT THE MEETINGS OF THE BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The 48th, 49th, 50th and 51st Board of Directors meetings were held on August 17, 2016, October 28, 2016, February 01, 2017 and April 21, 2017, respectively. Information in respect of attendance by the directors and other persons in the meetings is given below:

S.No.	Particulars	Number of Unit holders	Number of Unit held	Net asset value of the amount invested	Percentage of total investment
Directors					
1	Sheikh Mukhtar Ahmed	4	4	-	
2	Mohammad Naeem Mukhtar	4	2	2	49th, 50th,
3	Muhammad Waseem Mukhtar	4	4	-	
4	Tariq Mahmood	2	1	1	49th,
5	Tahir Hasan Qureshi	2	2	-	
6	Kamran Nishat	4	3	1	50th
7	Muhammad Kamran Shehzad	4	4	-	
8	Alee Khalid Ghaznavi	2	2	-	
Other persons					
9	Saqib Matin*	4	4	-	-
10	Syed Khalid Hussain**	2	2	-	-

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

**Syed Khalid Hussain attended the meetings as Acting-CEO of ABL AMCL

24 FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2017, all the financial assets carried on the statement of assets and liabilities are categorised either as loans and receivables or financial assets at fair value through profit or loss. All the financial liabilities carried on the statement of assets and liabilities are categorised as other financial liabilities at amortised cost.

Particulars	-----As at June 30, 2017-----		
	Loans and receivables	Financial assets 'at fair value through profit or loss'	Total
-----Rupees in '000-----			
Financial assets			
Balances with banks	2,430,075	-	2,430,075
Investments	-	3,504,803	3,504,803
Profit receivable	11,777	-	11,777
Other receivable	445	-	445
	<u>2,442,297</u>	<u>3,504,803</u>	<u>5,947,099</u>

Particulars	-----As at June 30, 2017-----		
	Liabilities 'at fair value through profit or loss'	Other financial liabilities at amortised cost	Total
-----Rupees in '000-----			
Financial liabilities			
Payable to ABL Asset Management Company Limited - Management Company	-	53,973	53,973
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	350	350
Accrued expenses and other liabilities	-	1,077	1,077
Dividend payable	-	50	50
Payable against redemption of units	-	126	126
Unit holders' fund	3,794,278	-	3,794,278
	<u>3,794,278</u>	<u>55,576</u>	<u>3,849,854</u>



Particulars	-----As at June 30, 2016-----		
	Loans and receivables	Financial assets 'at fair value through profit or loss'	Total
-----Rupees in '000-----			
Financial assets			
Balances with banks	7,374,681	-	7,374,681
Investments	-	2,298,906	2,298,906
Profit receivable	100,810	-	100,810
Other receivable	738	-	738
	7,476,229	2,298,906	9,775,135

Particulars	-----As at June 30, 2016-----		
	Liabilities 'at fair value through profit or loss'	Other financial liabilities at amortised cost	Total
-----Rupees in '000-----			
Financial liabilities			
Payable to ABL Asset Management Company Limited - Management Company	-	59,843	59,843
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	621	621
Accrued expenses and other liabilities	-	1,631	1,631
Dividend payable	-	362	362
Payable against redemption of units	-	32,991	32,991
Unit holders' fund	9,456,252	-	9,456,252
	9,456,252	95,448	9,591,700

25 FINANCIAL RISK MANAGEMENT

The Fund's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

25.1 Market risk

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

The Management Company manages market risk by monitoring exposure on securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

25.1.1 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 currency exchange rates. At present, the Fund is not exposed to currency risk as all the transactions are carried out in Pakistani Rupees.

25.1.2 Interest rate risk

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.

a) Sensitivity analysis for variable rate instruments

Presently, the Fund does not hold any variable rate instrument and is not exposed to cash flow interest rate risk except for balances in certain saving accounts, the interest rate of which ranges from 5.75% to 6.75%.

b) Sensitivity analysis for fixed rate instruments

Fixed rates instruments held as at June 30, 2017 include Market Treasury Bills and Pakistan Investment Bonds. The Fund's income from these investments is substantially independent of changes in market interest rates, except for changes if any as a result of fluctuation in the respective fair values.



Market Treasury Bills and Pakistan Investment Bonds which are classified as financial assets at fair value through profit or loss expose the Fund to fair value interest rate risk. In case of 100 basis points increase in PKRV rates published on MUFAP page as at June 30, 2017, with all other variables held constant, the net income for the year and the net assets would be lower by Rs. 15.427 million (2016: Rs. 50. 023 million). In case of 100 basis points decrease in PKRV rates on MUFAP page as at June 30, 2017, with all other variables held constant, the net income for the year and the net assets would be higher by Rs. 37.884 million (2016: Rs. 52.269 million).

The composition of the aforementioned Fund's investment portfolio and PKRV rates on MUFAP page are expected to change over time. Therefore, the sensitivity analysis is not necessarily indicative of the effect on the Fund's net assets due to future movements in interest rates.

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

Particulars	-----As at June 30, 2017-----					
	Effective Yield / Interest Rate	Exposed to yield / Interest risk			Not exposed to Yield / Interest rate risk	Total
		Upto three months	More than three months and upto one year	More than one year		
	%	----- Rupees in '000 -----				
On-balance sheet financial instruments						
Financial assets						
Balances with banks	4.00 - 6.75	2,430,075	-	-	-	2,430,075
Investments	5.97 - 6.20	2,837,726	-	667,077	-	3,504,803
Profit receivable		-	-	-	11,777	11,777
Other receivable		-	-	-	900	900
Sub total		5,267,801	-	667,077	12,677	5,947,555
Financial liabilities						
Payable to ABL Asset Management Company Limited - Management Company		-	-	-	53,973	53,973
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	-	350	350
Accrued expenses and other liabilities		-	-	-	1,077	1,077
Dividend payable		-	-	-	50	50
Payable against redemption of units		-	-	-	126	126
Unit holder fund		3,794,278	-	-	-	3,794,278
Sub total		3,794,278	-	-	55,576	3,849,854
On-balance sheet gap (a)		1,473,523	-	667,077	(42,899)	2,097,702
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a+b)		1,473,523	-	667,077	(42,899)	2,097,702
Cumulative interest rate sensitivity gap		1,473,523	1,473,523	2,140,600		



Particulars	-----As at June 30, 2016-----					
	Effective Yield / Interest Rate	Exposed to yield / Interest risk			Not exposed to Yield / Interest rate risk	Total
		Upto three months	More than three months and upto one year	More than one year		

%

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

On-balance sheet financial instruments**Financial assets**

Balances with banks	5.75 - 6.75	7,374,681	-	-	-	7,374,681
Investments	6.00 - 6.98	693,032	1,605,874	-	-	2,298,906
Profit receivable		-	-	-	100,810	100,810
Other receivable		-	-	-	738	738
Sub total		8,067,713	1,605,874	-	101,548	9,775,135

Financial liabilities

Payable to ABL Asset Management Company Limited - Management Company		-	-	-	59,843	59,843
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	-	621	621
Accrued expenses and other liabilities		-	-	-	1,631	1,631
Dividend payable		-	-	-	362	362
Payable against redemption of units		-	-	-	32,991	32,991
Unite holder fund		9,496,252	-	-	-	9,496,252
Sub total		9,496,252	-	-	95,448	9,591,700

On-balance sheet gap (a)

	(1,428,539)	1,605,874	-	6,100	183,435
--	-------------	-----------	---	-------	---------

Off-balance sheet financial instruments

	-	-	-	-	-
--	---	---	---	---	---

Off-balance sheet gap (b)

	-	-	-	-	-
--	---	---	---	---	---

Total interest rate sensitivity gap (a+b)

	(1,428,539)	1,605,874	-	6,100	183,435
--	-------------	-----------	---	-------	---------

Cumulative interest rate sensitivity gap

	(1,428,539)	177,335	177,335		
--	-------------	---------	---------	--	--

25.1.3 Price risk

Price 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 (other than those arising from interest rate risk or currency risk) whether those changes are caused by the factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Fund does not hold any security which exposes the Fund to price risk.

25.2 Credit risk

Credit risk represents the risk of a loss if the counter parties fail to perform as contracted. The Fund's credit risk is primarily attributable to its balances with banks. The Fund does not foresee any issue with these balances as the counter parties are financial institutions with reasonable high credit ratings. The Fund does not foresee any credit risk with respect to government securities since these represent the interests of the Government of Pakistan. The internal risk management policies and investment guidelines (approved by the Investment Committee) require the Fund to invest in securities that have been rated as investment grade by a well known rating agency.

25.2.1 The analysis below summarises the available published credit ratings of the Fund's financial assets as at June 30, 2017:**Balances with banks by rating category**

Name of the bank	Rating agency	Latest available published rating	Percentage of bank balance
Allied Bank Limited	PACRA	AA+	1.59%
Bank Al Falah Limited	PACRA	AA	0.04%
Faysal Bank Limited	PACRA	AA	61.96%
Habib Metropolitan Bank Limited	PACRA	AA+	0.00%



Name of the bank	Rating agency	Latest available published rating	Percentage of bank balance
Sindh Bank Limited	JCRVIS	AA	9.89%
Soneri Bank Limited	PACRA	AA-	0.01%
NIB Bank Limited	PACRA	AA-	0.01%
Zarai Taraqiyati Bank Limited	JCRVIS	AAA	10.31%
JS Bank Limited	PACRA	AA-	16.18%
Samba Bank Limited	JCRVIS	AA	0.00%

A portion of the investment is invested by the Fund in market treasury bills and Pakistan Investment Bonds which are auctioned by the State Bank of Pakistan and are available for investment / trade through secondary market.

There are no financial assets that are past due or impaired.

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is mainly held with / invested in various banks and securities issued by the State Bank of Pakistan on behalf of Government of Pakistan.

The Fund's bank balances are mainly held with 3 banks. The management believes that these are credit-worthy counter parties.

25.3 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 the terms that are materially disadvantageous to the Fund.

The Fund is exposed to daily cash redemptions, if any. The Fund's approach to manage 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 without incurring unacceptable losses or risking damage to the Fund's reputation. 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 realised. The Fund's investments are considered readily realisable.

The Fund can borrow in short term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates. However, no borrowing was obtained by the Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund also has the ability to 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 indicates the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity dates. The amounts in the table are the contractual undiscounted cash flows.



Particulars	-----As at June 30, 2017-----			
	Upto three months	More than three months and upto one year	More than one year	Total
	----- Rupees in '000 -----			
Liabilities				
Payable to ABL Asset Management Company Limited	53,973	-	-	53,973
Payable to the Central Depository Company of Pakistan Limited - Trustee	350	-	-	350
Accrued expenses and other liabilities	1,077	-	-	1,077
Dividend payable	50	-	-	50
Payable against redemption of units	126	-	-	126
	<u>55,576</u>	<u>-</u>	<u>-</u>	<u>55,576</u>

Particulars	-----As at June 30, 2016-----			
	Upto three months	More than three months and upto one year	More than one year	Total
	----- Rupees in '000 -----			
Liabilities				
Payable to ABL Asset Management Company Limited	58,843	1,000	-	59,843
Payable to the Central Depository Company of Pakistan Limited - Trustee	621	-	-	621
Accrued expenses and other liabilities	1,631	-	-	1,631
Dividend payable	362	-	-	362
Payable against redemption of units	32,991	-	-	32,991
	<u>94,448</u>	<u>1,000</u>	<u>-</u>	<u>95,448</u>

26 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or liability can be settled, between knowledgeable willing parties in an arm's length transaction. 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 traded in an open market are revalued at the market prices prevailing on the reporting date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from the carrying values as the items are either short term in nature or periodically repriced.

Fair value of investments is determined as follows:

- Investments in government securities are valued on the basis of average rates of brokers as announced by the Financial Markets Association of Pakistan
- The fair values of all other financial assets and financial liabilities of the Fund approximate their carrying amounts due to short term maturities of these instruments.

26.1 Fair value hierarchy

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

Level 1: Fair value measurements using quoted prices (unadjusted) in active market for identical assets or liabilities.



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

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

As at June 30, 2017, the Fund held the following financial instruments measured at fair value:

	-----As at June 30, 2017-----			
	Level 1	Level 2	Level 3	Total
	-----Rupees in '000-----			
ASSETS				
Investment - financial assets 'at fair value through profit or loss'	-	3,204,803	-	3,204,803

	-----As at June 30, 2016-----			
	Level 1	Level 2	Level 3	Total
	-----Rupees in '000-----			
ASSETS				
Investment - financial assets 'at fair value through profit or loss'	-	2,298,906	-	2,298,906

27 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by the net assets attributable to unit holders / redeemable units. The unit holders of the Fund are entitled to distributions 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 restrictions or specific funding requirements on the subscription and redemption of units.

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

In accordance with the risk management policies, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption requests. Such liquidity is augmented by short-term borrowings or disposal of investments where necessary.

As required under the NBFC Regulations, every open end scheme shall maintain minimum fund size (i.e. net assets of the Fund) of Rs. 100 million at all times during the life of scheme. The Fund has maintained and complied with the requirements of the minimum fund size during the year.

28 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 23, 2017 by the Board of Directors of the Management Company.



29 GENERAL

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

29.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation. No significant rearrangements or reclassifications were made in these financial statements.

For ABL Asset Management Company Limited
(Management Company)

■ ■
ALEE KHALID GHAZNAVI
Chief Executive Officer


MUHAMMAD KAMRAN SHEHZAD
Director



اعتراف

ہم اپنے معزز انویسٹرز کے شکرگزار ہیں جنہوں نے ہم پر اعتماد ظاہر کیا۔ بورڈ سیکورٹیز اینڈ ایچ اینجی کمیشن آف پاکستان، ٹرسٹی (سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ) اور پاکستان اسٹاک ایچ اینجی لمیٹڈ کی انتظامیہ کا بھی ان کی مستقل رہنمائی اور تعاون پر مشکور ہے۔ ڈائریکٹرز انتظامی ٹیم کی جانب سے کی گئی کاوشوں پر انہیں بھی خراج تحسین پیش کرتے ہیں۔

برائے اور منجانب بورڈ

علی خالد غزنوی
چیف ایگزیکٹو آفیسر

لاہور، 23 اگست 2017



نمبر شمار	تفصیلات	30 جون 2017 کو موجودہ پوسٹس
1	ایسوسی ایٹڈ کمپنیاں، انڈر ٹیکنگ اور منسلک پارٹیاں	
	● انگلش بسکٹ مینوفیکچررز (پرائیویٹ) لمیٹڈ	146,036,430
	● کورونٹ فوڈز پرائیویٹ لمیٹڈ	59,791,796
2	میو چل فنڈز	-
3	ڈائریکٹرز اور ان کے شریک حیات اور نابالغ بچے	-
4	ایگزیکٹوز	-
5	پبلک سیلٹری کمپنیاں اور کارپوریشنز	55,893,145
6	دیگر کارپوریشنز	28,645,673
7	بینک، ڈی ایف آئیز، این بی ایف سیز، انشورنس کمپنیاں، ہکا فل، مضاربہ اور پینشن فنڈ	810,608
8	شیر ہولڈرز جو پانچ فیصد یا زائد ہولڈنگ کے حامل ہیں لیسٹ کمپنی میں ووٹ دینے کا حق رکھتے ہیں	-

آڈیٹرز

میسرز ڈیوائٹ یوسف عادل (چارٹرڈ اکاؤنٹنٹس) کو اہل ہونے کی بنیاد پر بورڈ آف ڈائریکٹرز کی آڈٹ کمیٹی کی سفارشات پر 30 جون 2018 کو ختم ہونے والے سال کے لئے اے بی ایل گورنمنٹ سیکورٹیز فنڈ (اے بی ایل - جی ایس ایف) کے آڈیٹرز کی حیثیت سے مقرر کیا جا رہا ہے۔

فنڈ کے استحکام کی ریٹنگ

جے سی آر - وی آئی ایس کریڈٹ ریٹنگ کمپنی لمیٹڈ (JCR-VIS) نے 30 دسمبر 2016 کو اے بی ایل گورنمنٹ سیکورٹیز فنڈ کے استحکام کی ریٹنگ کی 'A(f)' (سنگل اے (ایف)) پر دوبارہ توثیق کی ہے۔

مینجمنٹ کو الٹی ریٹنگ

30 دسمبر 2016 کو جے سی آر - وی آئی ایس کریڈٹ ریٹنگ کمپنی لمیٹڈ نے اے بی ایل ایسیٹ مینجمنٹ کمپنی لمیٹڈ (اے بی ایل - اے ایم سی) کی مینجمنٹ کو الٹی ریٹنگ کی 'AM2+' (اے - ٹو - پلس) مع 'مستحکم' آڈٹ لک پر دوبارہ توثیق کی ہے۔

آڈٹ لک اور حکمت عملی

اگرچہ اقتصادی شرح نمو کا سلسلہ پورے سال برقرار رہا تاہم سی پی آئی سے متعلق خطرات اور ادائیگیوں کے پینلس کی صورتحال معیشت کے لئے سخت چیلنجز کا سبب بنی رہی اور یہ مالی سال 18ء میں بھی مائٹری اور مالیاتی پالیسیوں کی مجموعی سمت پر دباؤ برقرار رکھ سکتی ہے۔ بیرونی جانب درآمدات میں مہنگائی کے ضمن میں تجارتی خسارہ بڑھ جانے اور زرتریل میں کمی آنے سے زرمبادلہ کی شرح کے محاذ پر کمزوری ظاہر ہو سکتی ہے۔ پاک روپے کی قدر میں کمی مالیاتی خسارہ کو مزید بڑھانے کے ساتھ افراط زر کی مرکزی سطح پر بے اثرات مرتب کرے گی۔

مذکورہ بالا مفروضوں کی بنیاد پر ہم یقین کرتے ہیں کہ اسٹیٹ بینک آف پاکستان مالی سال 18ء میں مستحکم پالیسی ریٹ برقرار رکھے گا لہذا ہم ایک مختصر مدت کا پورٹ فولیو رکھیں گے جبکہ فلوئنگ ریٹ انسٹرومنٹس میں فنڈز کی پالیسی منٹ کے ذریعے حقیقی بنیاد پر توجہ دینے کے ساتھ بینک اور ڈی ایف آئیز کے پاس ڈپازٹس جمع رکھنے پر بھرپور توجہ دی جائے گی۔



نمبر شمار	ڈائریکٹر کا نام	اجلاسوں کی تعداد		چھٹی منظور کی گئی	اجلاسوں میں عدم شرکت
		منعقد ہوئے	شرکت کی گئی		
1	شیخ مختار احمد	4	4	-	-
2	محمد نعیم مختار	4	2	2	49 واں اور 50 واں
3	محمد وسیم مختار	4	4	-	-
4	طارق محمود*	2	1	1	49 واں
5	طاہر حسن قریشی**	2	2	-	-
5	کامران نشاط	4	3	1	50 واں
6	محمد کامران شہزاد	4	4	-	-
7	علی خالد غزنوی	2	2	-	-

*31 دسمبر 2016 کو مستعفی ہو گئے

**3 فروری 2017 سے بحیثیت ڈائریکٹر مقرر کیا گیا

14- انتظامی کمیٹی کے بورڈ کی ہیومن ریسورس اور ری میوزیشن کمیٹی کے اجلاس سال میں کم از کم تین مرتبہ منعقد کرنا ضروری ہے۔ سال کے دوران 12 اجلاس منعقد ہوئے۔ بورڈ کی ہیومن ریسورس اور ری میوزیشن کمیٹی کا 19 واں اور 20 واں اجلاس 15 دسمبر 2016 اور 20 مارچ 2017 کو منعقد کیا گیا۔ اجلاسوں میں ڈائریکٹرز کی جانب سے شرکت کے سلسلے میں تفصیل ذیل میں درج ہے۔

نمبر شمار	ڈائریکٹر کا نام	اجلاسوں کی تعداد		چھٹی منظور کی گئی	اجلاسوں میں عدم شرکت
		منعقد ہوئے	شرکت کی گئی		
1	جناب محمد وسیم مختار	2	2	-	-
2	جناب کامران نشاط	2	2	-	-
3	جناب علی خالد غزنوی	2	2	-	-

15- انتظامی کمیٹی کے بورڈ کی آڈٹ کمیٹی کے اجلاس ہر سہ ماہی میں کم از کم ایک بار منعقد کرنا ضروری ہے۔ سال کے دوران چار اجلاس منعقد کئے گئے۔ بورڈ کی آڈٹ کمیٹی کا 37 واں، 38 واں، 39 واں اور 40 واں اجلاس بالترتیب 17 اگست 2016، 28 اکتوبر 2016، یکم فروری 2017 اور 21 اپریل 2017 کو منعقد کیا گیا۔ اجلاسوں میں ڈائریکٹرز کی جانب سے شرکت کے سلسلے میں تفصیل ذیل میں درج ہے۔

نمبر شمار	ڈائریکٹر کا نام	اجلاسوں کی تعداد		چھٹی منظور کی گئی	اجلاسوں میں عدم شرکت
		منعقد ہوئے	شرکت کی گئی		
1	جناب کامران نشاط	4	4	-	-
2	جناب محمد وسیم مختار	4	4	-	-
3	جناب ایم کامران شہزاد	4	4	-	-

16- اے بی ایل انکم فنڈ میں ہولڈنگ کے طریقہ کار کے بارے میں کوڈ آف کارپوریٹ گورننس کی جانب سے درکار تفصیلات ذیل میں دی جا رہی ہیں۔



کارپوریٹ گورننس کے ضابطے پر عملدرآمد

بورڈ آف ڈائریکٹرز واضح کرتے ہیں کہ:

- 1- مالیاتی حسابات شفاف طور پر کاروباری معاملات، آپریشنز کے نتائج، کیش فلوز اور یونٹ ہولڈرز کے فنڈز میں تبدیلیوں کو ظاہر کرتے ہیں۔
- 2- فنڈ کے حسابات کی باقاعدہ کتب تیار کی گئی ہیں۔
- 3- اکاؤنٹنگ کی درست پالیسیاں مالیاتی حسابات اور اکاؤنٹنگ کے تخمینہ جات کی تیاری میں مستقل طور پر لاگو کی گئی ہیں اور یہ موزوں اور محتاط فیصلوں پر مبنی ہیں۔
- 4- پاکستان میں مروجہ متعلقہ بین الاقوامی اکاؤنٹنگ اسٹینڈرڈز، نان-بینکنگ فنانس کمپنیز (اسٹیبلشمنٹ اینڈ ریگولیشنز) رولز 2003 اور نان-بینکنگ فنانس کمپنیز و نوٹیفائیڈ اینٹی ٹریڈ ریگولیشنز 2008 کی شقیں، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے جاری کردہ ٹرسٹ ڈیڈ اور ہدایات پر مالیاتی حسابات کی تیاری کے لئے مکمل عملدرآمد کیا گیا ہے۔
- 5- اندرونی کنٹرول کا نظام مستحکم طور پر تشکیل دیا گیا ہے اور موثر طور پر نافذ العمل اور زیر نگرانی رہتا ہے۔
- 6- اس امر میں کوئی شبہ نہیں کہ فنڈز میں آگے بڑھنے کی صلاحیت مکمل طور پر موجود ہے۔
- 7- کارپوریٹ گورننس کے بہترین طریقہ کار سے کہیں انحراف نہیں کیا گیا جیسا کہ لسٹنگ ریگولیشنز میں تفصیل سے درج ہے۔
- 8- فنڈ کی کارکردگی کا جدول سالانہ رپورٹ کے صفحہ نمبر۔۔۔۔۔ پر درج ہے۔
- 9- کسی واجب الادا ڈیبٹ، لیویز اور چارجز کے ضمن میں کوئی قانونی ادائیگی نہیں ماسوائے ان کے جن کو مالیاتی حسابات میں پہلے ہی واضح کیا جا چکا ہے۔
- 10- پراویڈنٹ فنڈ کی سرمایہ کاریوں کی مالیت کے طور پر حسابات فنڈ کی صورت میں نافذ العمل نہیں ہے کیونکہ ملازمین کی سبکدوشی پر مراعات کے اخراجات انتظامی کمپنی کی ذمہ داری ہوتے ہیں۔
- 11- ڈائریکٹرز ہی ای او ای ایف او ای ای اے اور کمپنی میگزینی اور ان کے شریک حیات کی جانب سے فنڈ کے یونٹس میں کوئی خرید و فروخت نہیں کی گئی ماسوائے جیسا کہ ذیل میں اور مالیاتی حسابات میں واضح کر دیا گیا ہے۔

نمبر شمار	نام	عہدہ	جاری کردہ یونٹس	ری ڈیم کرائے گئے یونٹس	یونٹس	منافع منقسمہ کے یونٹس
1	جناب علی خالد غزنوی	سی ای او	-	148,949	-	242

12- سال کے دوران بورڈ کے کسی ڈائریکٹر نے ٹریڈنگ میں شرکت نہیں کی جیسا کہ کوڈ کے تحت ضروری ہے۔ تاہم تین ڈائریکٹرز نے ”بورڈ ڈیولپمنٹ سیریز“ پروگرام کے تحت سرٹیفکیشن حاصل کی جبکہ ایک ڈائریکٹر کوڈ کے تحت ڈائریکٹر ٹریڈنگ پروگرام سے مستثنیٰ ہے۔ ڈائریکٹرز فنڈ کے لئے نافذ العمل تمام متعلقہ قوانین انتظامی کمپنی کے ضوابط، اس کی پالیسیوں اور طریقہ کار سمیت میمورنڈم اور آرٹیکلز آف ایسوسی ایشن کی شقوں سے بخوبی آگاہ ہونے کے ساتھ اپنے فرائض اور ذمہ داریوں سے واقف ہیں۔

13- انتظامی کمپنی کے بورڈ آف ڈائریکٹرز کے اجلاس ہر سہ ماہی میں کم از کم ایک بار منعقد ہوتے ہیں۔ سال کے دوران چار اجلاس منعقد کئے گئے۔ بورڈ آف ڈائریکٹرز کا 48 واں، 49 واں، 50 واں اور 51 واں اجلاس بالترتیب 17 اگست 2016، 28 اکتوبر 2016، یکم فروری 2017 اور 21 اپریل 2017 کو منعقد ہوا۔ ان اجلاسوں میں ڈائریکٹرز کی جانب سے شرکت کی تفصیل ذیل میں درج ہے۔



مالی سال 2017 کے لئے M2 گروتھ 13.7 فیصد ظاہر کی گئی اس کے مقابلے میں گزشتہ سال کی اسی مدت میں یہ 13.6 فیصد تھی۔ رقم کی فراہمی میں اضافہ بنیادی طور پر نیٹ ڈومیسٹک ایسیٹس (NDA) میں 18.3 فیصد اضافے (2,161 ارب پاک روپے) سے منسوب ہے جیسا کہ نجی شعبے کے لئے کریڈٹ مالی سال 2017 میں 748 ارب پاک روپے تک بڑھ گیا جو گزشتہ مالی سال کی اسی مدت 447 ارب پاک روپے تھا۔ نیٹ فارن ایسیٹس (NFA) 40.2 فیصد کی نمایاں کمی ظاہر کرتے ہوئے مالی سال 2017 میں 602 ارب پاک روپے پر جا پہنچے جو گزشتہ مالی سال کی اس مدت میں 1,008 ارب پاک روپے تھے اور اس کی وجہ وسیع تر بیرونی قرضہ جاتی سروس اور تجارتی خسارے میں اضافہ تھا۔ تجارتی بینکوں سے سرکاری قرضے مالی سال 2017 میں 179 ارب پاک روپے تک بڑھ گئے جو گزشتہ مالی سال کے دوران 1,278 ارب پاک روپے تھے۔ اسٹیٹ بینک آف پاکستان سے حکومتی قرضے میں 908 ارب پاک روپے تک اضافہ ہوا کیونکہ آئی ایم ایف پروگرام کی تکمیل پر حکومت کو مزید سہولت میسر آ گئی تھی۔

فنڈ کی کارکردگی

مالیاتی سال 17ء پر ختم ہونے والے سال کے لئے اے بی ایل۔ جی ایس ایف کا سالانہ منافع 5.85 فیصد کی بیچ مارک کارکردگی کے برخلاف 6.59 فیصد پر موجود تھا جس کے ذریعے 238 bps تک بیچ مارک کی غیر معمولی کارکردگی ظاہر ہوئی۔ سال بھر کے دوران اے بی ایل۔ جی ایس ایف نے انکم فنڈ کٹیگری میں ٹاپ پوزیشن برقرار رکھی۔ سال کے دوران اے بی ایل۔ جی ایس ایف کا اے یو ایم (AUM) 60.04 فیصد تک کم ہو کر 3.794 ارب پاک روپے پر آ گیا جو جون 2016 کے مطابق 9.496 ارب پاک روپے تھا۔ فنڈ کے امتیازی منافع جات کو پی آئی بیز اور کارپوریٹ بانڈ پورٹ فولیو پر تجارتی فوائد کو تسلیم کرتے ہوئے اس سے منسوب کیا جاسکتا ہے۔

مالی سال 17ء کے اختتام پر فنڈ نے اپنی توجہ پی آئی بیز کو نجی سطح پر لانے میں کم کرتے ہوئے ایکسپوزر مجموعی اثاثہ جات کا 6.64 فیصد کر دیا جو اس کے مقابلے میں مالی سال 16ء کے اختتام پر جون میں 23.28 فیصد پر تھا۔ مختصر مدت کے ٹی بلز میں فنڈ کی پلٹ سمنٹس 42.67 فیصد پر تھی جبکہ مجموعی اثاثہ جات کا 40.86 فیصد اثاثہ جات میں موجود تھا جس کی وجہ جون کے اختتام پر ٹاپ کے تجارتی بینکوں کی جانب سے منافع جات کی بلند ترین شرح پیش کرنا تھا۔



منافع منقسمہ

اے بی ایل ایسیٹ منجمنٹ کمپنی لمیٹڈ (اے بی ایل اے ایم سی ایل) کے بورڈ آف ڈائریکٹرز کی جانب سے 19 جون 2017 کو مدت مختتمہ 30 جون 2017 کے لئے 0.6657 روپے فی یونٹ (10 روپے کی مجموعی مالیت کا 6.66 فیصد) کے عبوری منافع کی تقسیم کی منظوری دی گئی ہے۔



جس سے معیشت کو نمایاں استحکام ملے گا۔ مزید برآں امن وامان کی بہتر صورتحال، تیل کی قیمتوں میں متوقع استحکام اور پاور سپلائی میں بہتری سے مجموعی طور پر اقتصادی سرگرمیاں تیزی سے فروغ پائیں گی۔ جائزے کے مطابق بیرونی اکاؤنٹ کے محاذ نیز کرنسی کی قدر میں کمی اور بیرونی قرضے کا دباؤ باعث تشویش رہیں گے۔

میوچل فنڈ انڈسٹری کا جائزہ

پاکستان کی اوپن اینڈ میوچل فنڈ انڈسٹری کی مینجمنٹ کے تحت مجموعی اثاثہ جات (AUMs) نے مالی سال 2017 میں 39.9 فیصد کی مستحکم شرح نمو ظاہر کی اور بڑھ کر 473 ارب پاک روپے سے 662 ارب پاک روپے ہو گئے۔ یہ گرتھا ایکویٹی اور اسلاک ایکویٹی فنڈز کی لیکچری کے ذریعے ممکن ہوئی جس نے شرح نمو میں 58.2 فیصد کی شراکت کی۔ ایکویٹی کا شعبہ مرکز نگاہ بنا رہا جس کی وجہ 1) سافٹ افراط زر کے آؤٹ لک، کم شرح سود، امن وامان کی صورتحال میں بہتری کے باعث کارپوریٹ منافع جات میں بہتری اور 2) MSCI FM انڈیکس سے MSCI EM انڈیکس تک ری کلاسیفیکیشن پر ریلی تھی۔ صنعت میں اسلاک سرمایہ کاری کے مواقع میں انویسٹری بڑھتی ہوئی دلچسپی دیکھی گئی جیسا کہ اس حقیقت سے واضح ہے کہ مجموعی اے یو ایم (AUM) کی شرح نمو کا 75.1 فیصد شریعت کمپلائنس فنڈز سے حاصل کیا گیا۔

مجموعی بنیاد پر فیکسڈ انکم لیکچری (انکم، ایگریسیو انکم اور منی مارکیٹ فنڈز پر مشتمل) نے 3.6% YoY کی کمی رجسٹرڈ کی اور جون 2017 میں 156 ارب پاک روپے پر بند ہوئے جو اس کے مقابلے میں جون 2016 میں 162 ارب پاک روپے تھے۔ فیکسڈ انکم مارکیٹ میں شرح سود متوقع طور پر بڑھنے کے ساتھ مختصر مدت کی منی مارکیٹ کے فنڈز مالی سال 2017 میں 43.2% YoY تک اضافے کے ساتھ 71 ارب پاک روپے ہو گئے۔ دوسری جانب اسلاک انکم فنڈز (اسلاک انکم، اسلاک منی مارکیٹ اور اسلاک ایگریسیو انکم پر مشتمل) کے اے یو ایم (AUMs) 49.9% YoY تک بڑھ کر 58 ارب پاک روپے تک بڑھ گئے جس کی بڑی وجہ اسلامی سرمایہ کاریوں میں انویسٹری کی بڑھتی ہوئی دلچسپی تھی۔ چونکہ شرح سود میں کمی رونما ہوئی ہے اس لئے شرح سود میں کوئی بھی بہتری سرمایہ کاروں کے لئے فیکسڈ انکم کے شعبے میں پرکشش ترغیب کا باعث ہوگی۔

منی مارکیٹ کا جائزہ

فیکسڈ انکم کی مارکیٹ مالی سال 2017 کے دوران ریٹج کے اندر پابند رہی۔ کنٹرولڈ افراط زر نے سینٹرل بینک کو پالیسی ریٹ پورے سال کے دوران 5.75 فیصد کی تاریخی کم ترین سطح پر برقرار رکھنے کی اجازت دی۔ (جیسا کہ اس کے برخلاف مالی سال 2016 کے دوران 75 bps کی مجموعی کٹوتی ہوئی تھی)۔ مالی سال 2017 کے لئے افراط زر YoY 4.2% پر رہا اس کے مقابلے میں مالی سال 2016 میں یہ 2.9% پر تھا۔ اس کمتری بنیادی سال کے نتیجے میں اثرات ظاہر ہوئے۔ نیز عالمی مارکیٹوں میں مستقل طور پر سافٹ کموڈٹی نرخوں کی صورت میں نتائج مرتب ہوئے۔ جائزے کے مطابق بڑھتے ہوئے موجودہ اکاؤنٹ خسارے کا مطلب مارکیٹ کا شرح سود کو سمجھ لینا ہے جیسا کہ یہ پچھلی سطح کا حامل رہا۔ اس کے نتیجے میں پیداواری سطح میں اوپری رجحان کی سطح 10 bps تا 50 bps مع مختصر دورانیہ کی مالی دستاویز کے شرح سود میں معمولی تضاد آیا۔ منی مارکیٹ بیشتر لیکویڈ رہی اور پورے سال کے دوران تجارت پالیسی ریٹ کے قریب ہوئی جیسا کہ ایس بی پی کو بذریعہ فیکورٹس اوپن مارکیٹ آپریشنز (OMOs) لیکویڈٹی کی دستیابی کی یقین دہانی کرا دی تھی۔ او ایم او (OMO) کا مچھوڑی حجم جون 2017 میں پھیل کر 1,505 ارب پاک روپے کی سطح پر جا پہنچا جیسا کہ مارکیٹ نے پالیسی ریٹ کے خلاف ثالثی کو رد کرتے ہوئے سرکاری سیکورٹیز میں اپنی توجہ بڑھادی تھی۔ سال کے دوران پاکستان انویسٹمنٹ بانڈز (PIBS) میں 1,959 ارب پاک روپے کی ایک وسیع تر شراکت ظاہر کی گئی۔ جبکہ حکومت نے 900 ارب پاک روپے کے مجموعی نیلامی کے ہدف اور 1,922 ارب پاک روپے مالیت کی مچھوڑی کے برخلاف 929 ارب پاک روپے کی بولیاں قبول کیں۔ مختصر مدت کے پی آئی بیز (PIBs) کے ضمن میں شراکت بڑے پیمانے پر تضادات کا شکار رہی کیونکہ 10 سال کی پی آئی بیز میں شرح منافع 3 سالہ پی آئی بیز (PIBs) سے کم از کم رہا اور اس کا حجم مالی سال 2017 میں قبول کردہ رقم کا 59.5 فیصد اور شراکت کا 58.8 فیصد رہا۔ اس کا مختصر مدت میں منتقل ہونا شراکت اور مالی سال 2017 کی دوسری ششماہی کے دوران قبول کردہ قومات میں واضح ہے جہاں تین سالہ پی آئی بیز (PIBs) نے حصہ داری کا 73.2 فیصد اور قبول کردہ قومات کا 89.6 فیصد تشکیل دیئے ہیں۔ ٹریڈری بلز (T-Bills) کے شعبے نے 11,343 ارب پاک روپے کی بھاری شراکت ظاہر کی۔ وزارت خزانہ نے 6,416 ارب پاک روپے کے ٹارگٹ کے برخلاف 7,422 ارب پاک روپے مالیت کی بولیاں اور 6,925 ارب پاک روپے کی مچھوڑی قبول کیں۔ پی آئی بیز (PIBs) کے لئے یہی رجحان ٹی بلز میں بھی دیکھنے میں آیا جہاں 3 ماہ اور 6 ماہ کے ٹی بلز کا تخمینہ شراکت کا 85.2% اور قبول کردہ قومات کا 88% لگا یا گیا۔



درآمدات 18.4 فیصد بڑھ کر 53.0 ارب امریکی ڈالر ہو گئی جس کی بڑی وجہ پاک چائنہ اقتصادی راہداری (CPEC) سے منسلک پروجیکٹس کے لئے متعلقہ مشینری کی درآمد تھی۔ کمزور کموڈٹی نرخوں عالمی سطح پر طلب (بالخصوص یوروزون میں) اور دیگر علاقائی کرنسیوں کے مقابلے میں مستحکم مقامی زرمبادلہ کی شرح (دوبارہ 126.4 پاک روپے/ امریکی ڈالر) کے نتیجے میں YoY 1.4% کی شرح سے برآمدات کم ہو کر مالی سال 2017 میں 21.7 ارب امریکی ڈالر رہ گئیں جو مالی سال 2016 میں 21.9 ارب امریکی ڈالر تھیں۔

مزید برآں سروسز خسارے میں YoY 4.9% اضافہ ہوا جس کی وجہ کولیشن سپورٹ فنڈ (CSF) کے تبادلے میں کمتر انفلووز کے سبب ٹریڈ اکاؤنٹ کی صورتحال کا خراب ہونا اور سال کے لئے ٹریڈ خسارہ YoY 39.4% تک بڑھ کر 26.9 ارب امریکی ڈالر ہو جانا تھا جو اس کے مقابلے میں گزشتہ سال 19.3 ارب امریکی ڈالر تھا۔ زرتربیل میں YoY 3.1% تک کمی آئی اور یہ 19.3 ارب امریکی ڈالر رہا جس کی وجہ MENA ریجن میں اقتصادی سرگرمیوں کا سہ ہونا تھا جس سے کرنٹ اکاؤنٹ پر مزید باؤ بڑھا اور مالی سال 2017 کے دوران جی ڈی پی کا خسارہ 4.0 فیصد ہو گیا جو مالی سال 2016 میں 1.7 فیصد تھا۔ مزید برآں کرنٹ اکاؤنٹ خسارہ میں فنانس کے لئے ناکافی سرمایہ کاریاں، جو توقعات سے زیادہ بلند سطح پر رہیں اور اس کے ساتھ بیرون ملک محنت کشوں کے زرتربیل میں مسلسل کمی نے ملک کے غیر ملکی زرمبادلہ کے ذخائر کو 23.1 ارب امریکی ڈالر سے کم کرتے ہوئے مالی سال 2017 میں 21.4 ارب امریکی ڈالر پر پہنچا دیا۔ زرمبادلہ کے ذخائر میں کمی کے باوجود ملک میں امریکی ڈالر کے مقابلے میں پاک روپے کی شرح 104.8 روپے پر مستحکم رہی جو مالی سال 2016 میں 104.4 روپے تھی۔

اقتصادی ترقی میں معاونت کی غرض سے اسٹیٹ بینک آف پاکستان (ایس پی پی) نے شدید افراط زر پیش نظر ہونے کے باوجود پالیسی ریٹ کو 5.75% کی تاریخی کم سطح پر برقرار رکھا۔ کثیر سالہ کمترین شرح سود اور امن و امان کی بہتر ہوتی صورتحال نے نجی شعبے کے کریڈٹ کو استحکام پہنچایا اور یہ مالی سال 2017 کے دوران 747.9 ارب پاک روپے (YoY 67.6% اضافہ) رہا۔ اسی طرح جی ڈی پی کے لئے مجموعی سرمایہ کاری کا تناسب مالی سال 2017 میں 15.8 فیصد تک بڑھ گیا جو گزشتہ سال 15.2 فیصد تھا۔ جی ڈی پی کے مجموعی بچت کا تناسب معمولی حد تک کم ہو کر مالی سال 2017 میں 13.1 فیصد ہو گیا جو گزشتہ سال 14.3 فیصد پر تھا۔



مالیاتی محاذ پر مجموعی بچت خسارہ بڑھ کر مالی سال 2017 کے 9 ماہ میں جی ڈی پی کا 3.9 فیصد ہو گیا جو گزشتہ سال کی اسی مدت (SPLY) میں جی ڈی پی کا 3.4 فیصد تھا۔ کمترین ریونیو جنریشن نے مالیاتی کارکردگی پر اہم اثرات ظاہر کئے اس کے ساتھ مجموعی ریونیو/ جی ڈی پی کا تناسب مالی سال 2017 کے 9 ماہ میں 9.4 فیصد تک پیچھے ہٹ گیا جو گزشتہ مالی سال کی اس مدت میں 10.0 فیصد پر تھا جبکہ موجودہ اخراجات قابل ذکر کمی کے ساتھ جی ڈی پی کے 11.5 فیصد سے کم ہو کر 10.8 فیصد ہو گئے۔ صوبائی سرپلس 138 ارب پاک روپے یا جی ڈی پی کا 0.4 فیصد ظاہر ہوا۔ اس کے باوجود یہ 339 ارب پاک روپے کے سالانہ ہدف سے کم پر برقرار رہا۔ پاکستان کی معیشت مستقبل طور پر اقتصادی استحکام کے دور سے گزرنے کے لئے تیار ہے کیونکہ چائنہ پاکستان اکنامک کوریڈور (CPEC) پر تیزی سے کام جاری ہونے کے باعث معیشت میں 62 ارب امریکی ڈالر کی سرمایہ کاری متوقع ہے۔ سی پیک سے متوقع طور پر باہمی ٹریڈ فلوز اور پاور جنریشن کے ساتھ انفراسٹرکچر کو قابل قدر فروغ حاصل ہوگا



مینجمنٹ کمپنی کے ڈائریکٹرز کی رپورٹ

اے بی ایل گورنمنٹ سیکورٹیز فنڈ (اے بی ایل۔ جی ایس ایف) کی انتظامی کمپنی اے بی ایل ایسٹ مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز 30 جون 2017 کو ختم ہونے والے سال کے لئے اے بی ایل گورنمنٹ سیکورٹیز فنڈ کے آڈٹ شدہ مالیاتی حسابات پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

اقتصادی کارکردگی کا جائزہ

پاکستان کی اقتصادی کارکردگی نے پیشقدمی کرتے ہوئے مالیاتی سال 2017 میں ترقی کا سفر جاری رکھا اور 5.7 فیصد کے ہدف کے مقابلے میں 5.3 فیصد کی شرح سے مکمل دہائی کی سب سے بلند ترقی ڈی پی گروتھ حاصل کی۔ ملک کی تاریخ میں پہلی بار پاکستان کی معیشت 300 ارب امریکی ڈالر کے نشان کو عبور کر گئی۔ یہ زبردست شرح نمو بنیادی طور پر سروسز سیکٹر کی گروتھ (5.9 فیصد) اور صنعتی سیکٹر (5.0 فیصد) سے منسوب کی جاسکتی ہے جبکہ زرعی شعبے نے 3.5 فیصد کی شرح نمو ظاہر کی۔ سروسز سیکٹر 5.7 فیصد کی ہدف شدہ شرح نمو کو عبور کرتے ہوئے مالی سال 2017 میں اقتصادی ترقی کے لحاظ سے اہم ترین شعبہ کی حیثیت سے ابھر کر سامنے آیا۔ گزشتہ سال کی خاموش شرح نمو کے مقابلے میں زرعی شعبہ فصلوں کی امدادی قیمت میں اضافے، زرعی شعبے کے لئے قرضوں میں اضافے کر دینے (704.5 ارب پاک روپے، +17.8% YoY)، کھادوں پر 25 ارب پاک روپے کی سبسڈی، ٹریڈرز پر سبزیوں میں 10 فیصد سے 5 فیصد تک کی کمی اور اس سے منسلک موافق موہمی صورتحال کے باعث دوبارہ بہتری کی جانب گامزن ہوتے ہوئے 3.5 فیصد پر آگیا (مالی سال 2016 میں -0.2 فیصد پر تھا)۔ مالی سال 2017 کے دوران صنعتی شعبے نے 5.0 فیصد کی شرح نمو ظاہر کی اور 78 bps YoY کی کمی دیکھنے میں آئی جبکہ لارج اسکیل میڈیونیکسچرنگ (LSM) (بڑے پیمانے پر تیار کرنے والے شعبے) نے گزشتہ سال کے 3.3 فیصد کے برخلاف 4.6 فیصد کی شرح نمو ظاہر کی۔

گزشتہ تین سالوں کے دوران صنعتی شعبے کی شرح نمو بدستور 5 فیصد سے زائد پر برقرار رہی۔ دوسری جانب افراط زر کی شرح مالی سال 2017 میں 4.2 فیصد پر رہی جو گزشتہ سال 2.9 فیصد پر تھی۔ افراط زر میں تیزی کی وجہ بین الاقوامی اشیائے ضروریہ کے نرخوں کی بحالی تھی۔ بالخصوص آئل، جیسا کہ برینٹ آئل 16% YoY اضافے کے ساتھ 50.9 امریکی ڈالر فی بیرل ہو گیا اور بڑھتی ہوئی معاشی سرگرمیوں کے باعث مقامی طلب میں اضافے کے باعث افراط زر کی شرح بڑھی۔ حوصلہ افزا امر چند رکاوٹوں کے باوجود آئی ایم ایف کا پروگرام تھا، جو مالی سال 2017 میں مکمل ہو گیا جہاں حکومت نے وسیع طور پر ایک سہ ماہی میں اپنی کارکردگی پر پورا اترتے ہوئے اس کا بندوبست کیا جس کے نتیجے میں ایکسٹینڈڈ فنڈ فیسیلیٹی (EFF) پروگرام کے تحت 6.6 ارب امریکی ڈالر کی بروقت تقسیم ہوئی۔



بیرونی محاذ پر کرنٹ اکاؤنٹ خسارہ (CAD) 1.5x YoY تک بڑھ کر مالی سال 2017 میں 12.1 ارب امریکی ڈالر ہو گیا جو گزشتہ 9 سالوں کے دوران بلند ترین ہے۔ اس غیر معمولی اضافے کی وجہ ٹریڈ اکاؤنٹ کی بدترین صورتحال اور بیرون ملک محنت کشوں کی جانب سے بھیجی جانے والی زرتریل میں کمی تھی۔ سال کے دوران





Be aware, Be alert, Be safe

Learn about investing at www.jainiamutuals.com

Key Features

- Investor/Holder verification
- Expense ratio*
- Attractive growth
- Tax credit benefits
- Company verification
- Financial & investment objectives
- Risk Assessment

- Short listing criteria (based on the fund's portfolio)
- Knowledge centre
- Risk profile*
- Financial updates
- Subscription to the latest publications, corporate and regulatory affairs
- Investment application for online access
- Online Queries



Jainia Mutual
Investment Solutions

www.jainiamutuals.com invest@jainiamutuals.com

*Subject to change without prior notice. All other details are subject to the latest prospectus.



