



ABL Stock Fund

Annual Report

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019



ABL Asset Management

Discover the potential

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VISION

Creating Investment Solutions within everyone's reach



Mission & Core Values

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

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

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

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

To enhance Stakeholders Value.

FUND'S INFORMATION

Management Company:	ABL Asset Management Company Limited Plot/Building # 14, Main Boulevard, DHA, Phase - VI, Lahore - 54810	
Board of Directors	Sheikh Mukhtar Ahmed Mr. Mohammad Naeem Mukhtar Mr. Muhammad Waseem Mukhtar Mr. Tahir Hassan Qureshi Mr. Pervaiz Iqbal butt Mr. Muhammad Kamran Shehzad Mr. Alee Khalid Ghaznavi	Chairman CEO/ Director
Audit Committee:	Mr. Muhammad Kamran Shehzad Mr. Muhammad Waseem Mukhtar Mr. Pervaiz Iqbal butt	Chairman Member Member
Human Resource and Remuneration Committee	Mr. Muhammad Waseem Mukhtar Mr. Pervaiz Iqbal butt Mr. Alee Khalid Ghaznavi Mr. Muhammad Kamran Shehzad	Chairman Member Member Member
Chief Executive Officer of The Management Company:	Mr. Alee Khalid Ghaznavi	
Chief Financial Officer & Company Secretary:	Mr. Saqib Matin	
Chief Internal Auditor:	Mr. Kamran Shehzad	
Trustee:	Central Depository Company of Pakistan Limited. CDC-House, Shahrah-e-Faisal, Karachi	
Bankers to the Fund:	Allied Bank Limited Bank Al- Falah Limited United Bank Limited Habib Bank Limited	
Auditor:	M/S. A.F. Ferguson & Co. Chartered Accountants State life Building No. 1-C I.I Chundrigar Road, Karachi.	
Legal Advisor:	Ijaz Ahmed & Associates Suite # 7, 11th Zamzama Street Phase-V, DHA Karachi.	
Registrar:	ABL Asset Management Company Limited. L - 48, Defence Phase - VI, Lahore - 74500	

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of ABL Asset Management Company Limited, the management company of ABL Stock Fund (ABL-SF), is pleased to present the Audited Financial Statements of ABL Stock Fund for the year ended on June 30, 2019.

ECONOMIC PERFORMANCE REVIEW

The outgoing year was an election year where a new political setup came into power. While the initiatives of the new government seemed to serve a noble cause, the seemingly haphazard approach to policy making created a tense environment for all stakeholders of the economy. On the external front, FY19 Current Account of Balance of Payment showed a marked improvement where the deficit stood at USD 13,587 million as compared to USD 19,897 million during the same period last year. Despite a 31.7% PKR/USD devaluation over FY19 following 16% in FY18, exports remained stunted; declining by 1.8% during FY19 while imports also dropped by 8.8%. Apart from the improvement in trade deficit, 9.7% higher remittances from overseas Pakistanis (USD 21,842 million during FY19) added to the relief. However, a continued plunge in the country's foreign exchange reserves, where SBP import cover dropped to around 1.6 months (from 4 months and 2.1 months for FY17 and FY18, respectively), took them to USD 14.4 billion as compared to USD 16.4 billion last year. This includes foreign assistances received from Saudi Arabia, China, and UAE during the latter half of FY19. Apart from arranging alternate sources for funding the external account, an IMF package of USD 6.0 billion during the next 39 months, has now been negotiated, that would potentially unleash the potential of further assistance of USD 38.0 billion from multilateral and bilateral sources over the course of the IMF program.



Pakistan's GDP growth slowed down to 3.2% in FY19 from 5.2% in FY18. This was majorly led by 0.3% contraction in the Manufacturing sector, which itself was a result of sharp monetary and fiscal tightening measures undertaken by the PTI government. Major slowdown was seen in Construction & Allied and Consumer related sectors. Poor cotton crop also dragged the Agriculture segment growth to only 0.9% YoY compared to 3.8% YoY in FY18.

Inflation averaged 7.3% during FY19 compared to 3.9% in FY18 (3.6% average for prior 3 years), where it averaged 8.6% in 2HFY19. Major reasons for the uptick in CPI readings were (i) PKR/USD depreciation of 31.7%, (ii) sharp increases in power and gas tariffs, and (iii) stronger Food inflation at the end of the year. Core inflation, however, was less volatile and averaged 7.9% YoY during the year. In response to (i) strong uptick in inflation, (ii) still-high current account deficit, and (iii) pre-program conditions of IMF, the State Bank of Pakistan (SBP) increased the policy rate by 575bps during the year.



Fiscal deficit remained high at 7.3% of GDP during FY19 because of limited growth in tax revenue while most of the savings were eroded by higher debt servicing. Tax collection in FY19 remained at PKR 3,762 billion against PKR 3,842 billion collected last year, reflecting a decrease of 2.1% YoY. Despite the announcement of amnesty scheme, FBR seems lagged behind its revised tax collection target of PKR 4,150 billion, reflecting a shortfall of PKR 388 billion. The fiscal deficit matter is also being addressed in the recently announced FY20 budget with focus placed on enhancing revenues to PKR 5,500 billion by broadening the tax base.

MUTUAL FUND INDUSTRY REVIEW

Total Assets under Management (AUMs) of Pakistan's open-end mutual fund industry continued the declining trend as they posted a decrease of 14%YoY in FY19 from PKR 668 billion to PKR 571 billion, followed by 1.7%YoY decline in FY18. This reduction was predominantly led by the Islamic and conventional Equity categories which slide by 26% and 40%, respectively. Sluggish equity market performance and higher interest rates environment shifted the investor interest in the money market funds, as AUMs under the Islamic money market funds increased by 76% in FY19.

On a cumulative basis, the Equity category (comprising of Equity and Islamic Equity funds) registered a decrease of 32%YoY to close at PKR 165 billion in FY19 compared to PKR 242 billion in FY18. Deteriorating macro-economic situation amid external account pressure, higher interest rates, spiking inflation and hefty PKR/USD devaluation led the weak stock market performance. As a result, conventional equity fund witnessed a fall of 26%YoY to clock-in at PKR 103 billion. Similarly, the Islamic equity funds closed at PKR 62.8 billion after a drop of 40%YoY.

EQUITY MARKET REVIEW

Financial Year 2019 turned out as an unfavorable year for Pakistan equities where KSE-100 index posted a negative return of 19% to close the year at 33,901 points. The index came to the red zone for two consecutive years (FY18 & FY19) after 8 consecutive years (FY10-17) of positive returns. This was broadly due to political & economic noise as the new government took office. The KSE -100 index made a high during FY19 and touched 43,556 points on July 30th as the PTI's victory was announced in the general elections held on July 25, 2018. However, delays in policymaking, interest rate hike of 575bps, and significant devaluations (31.7% during FY19) put the index in a downward spiral with some bounces-backs on developments like foreign assistance from Saudi Arabia (USD 3.0 billion), UAE (USD 3.0 billion), China (USD 2.1 billion) & Qatar (USD 1.0 billion) but those too remained short-lived. During the year, PSX managed to keep its place in the MSCI Emerging Market index despite the majority of the constituent stocks falling short of criteria. Foreigners remained net seller of equity worth USD 355.9 million which was largely absorbed by individual with net buying of worth USD 165.6 million.

Companies and Insurance corporates also supported the market with net buying of USD 110.5 million and USD 149.7 million, respectively. On the other hand, mutual funds remained net sellers, offloading USD 145.5 million worth of shares. Performance of the market remained lackluster where major index laggards were E&Ps, Banks, and Cements each shedding 1147, 1069 and 1051 points, respectively. Decline in oil prices (21% YoY decline in FY19) due to US-China trade war triggered the underperformance for E&P sector while the banking sector underperformed due to one off pension charges, provision against the foreign portfolio of advances and super tax charge on profits of 2017. Moreover, persistent rise in input cost (higher coal prices due sharp PKR depreciation) along with pricing indiscipline were major reasons behind the underperformance of the cement sector. Average traded value and volume fell to USD 47.3 million (down 37%YoY) and 155.2 million shares (down 11%YoY), respectively. Moving ahead, we expect the market to stabilize as Pakistan has entered the IMF program and will get around USD 38 billion from different multi-lateral agencies in the next 3-years to support its economy. Pakistan Stock Exchange (PSX) closed the period at P/E of 6.3x, and a dividend yield (DY) of 7.3%.

SECTOR OVERVIEW

The outgoing fiscal year was quite an eventful year for the banking sector. State Bank of Pakistan (SBP) increased the policy rate by 575 bps to 12.25% during FY19. However, the sector declined by 15% during the current year marginally out-performing the benchmark KSE-100 Index. Charge of pension related liabilities, deposit insurance premium, provisions against overseas loan portfolios, absence of capital gains, and super tax on 2017 profits marred the profitability of the sector during the year under review. On the contrary rising interest rates, lean domestic provisions and reversal of WWF and pension related liabilities (for specific banks) gave a lift to profitability of the sector. Slow expansion of NIMs, potential risks of rise in domestic NPLs as a result of higher interest rates, regulatory concerns pertaining to the implementation of IFRS-9, Treasury Single Account, and 1.5% increase in Total CAR requirement from 2019 kept the performance of the sector at the local bourse in check.

E&P sector with its weightage of 15% in KSE-100 posted a negative performance of 26% in FY19. A 15%YoY hike in crude pricing against the previous year and a 31.7% PKR devaluation worked in the favor of the sector. Crude production witnessed a plunge of ~2% over the year amid curtailed flows from Nashpa and Tal block especially Makori East, Mamikhel, and Manzalai. Meanwhile, gas production also slashed by 1% over the year in consideration. Furthering this, there was an extensive exploratory activity in the past year with various discoveries from OGDC including Chanda-1, Mela-5 and Mangrio-1 while PPL led the pack with news of flows where notable fields include Dharian -1, Unarpur-1, and Hadaf-1 to name a few. Moreover, an increase in exploratory licenses disbursed was observed for the past year and an average 35.7% success rate of the past two years makes us optimistic on accretion in reserve life to another 6-8 years on the go. Amid other news, an 18th attempt of exploration was incurred at an offshore site at Indus Basin namely Kekra-1. After a few months of drilling commencing in 3QFY19, the drilling terminated on May 18, 2019 after absence of success despite the target depth having reached.

Economic slowdown was felt across all sectors and Oil Marketing Companies (OMCs) were no exception. The sector continued to face competition from smuggled Iranian products while companies were more focused in expanding their storage capacities. Additionally, the demand for petroleum products was seen declining that can be attributed to decrease in automobiles sales, higher fuel prices and shifting of power plants from FO to RLNG. Lower volumes, inventory losses and exchange losses put further pressure on profits during the year.

Cement sector nosedived in FY19 with negative annual return of 47% (with 31% negative return in 4QFY19) as compared to negative 19%YoY return by the benchmark index. This is in addition to the negative 42% return in the FY18. The dismal performance of the sector was on the back of sluggish construction activities in the country. The government released worth PKR 500 billion on account of

Public Sector Development Fund (PSDP) against the budgeted PKR 800 billion whereas the provinces spent PKR 700 billion compared to a budgeted amount of PKR 850 billion. Though, the government has set a PSDP target of PKR 701 billion for FY20, the target is still lower than the released amount in FY18. The prices in the north zone nosedived due to new capacities coming online during the year. The price touched PKR 470/bag in the north side which impacted the north players. In addition to this, the rising input cost amid PKR devaluation (31.7%YoY) increased the cost of imported coal. During the year, SBP implemented the contractionary monetary policy and raised the policy rates that increased the financing cost for the companies. On the dispatches front, the sector witnessed a marginal negative performance where cumulative dispatches dropped by 1% during the 9MFY19 (reported by APCMA), settling at 34.5 million tons compared to 34.8 million tons in the SPLY. Though, the overall dispatches could not improve but we get to see a hefty increase in the exports where total exports of the sector elevated by 49%YoY during 9MFY19. The exports were up due to the clinker demand from overseas because of the cheaper pricing post devaluation. Going forward, we expect the sector to remain under pressure on the back of i) volatile north side cement prices once expansion related dispatches hit the market that include KOHAT, PIOC and LUCK with 2.3, 2.4 and 2.5 million tons respectively ii) lower demand amid sluggish government and private sector spending iii) higher input cost post devaluation hitting fuel, power and packing cost iv) additional FED of PKR 25 per bag v) higher expected distribution cost after implementation of amended Axle Load rules by PKR 20-30 per bag, and vi) surging finance cost due to higher interest rates.

Fertilizer sector remained in the limelight during FY19 as the new government tried to resolve the long pending issue of GIDC by presenting a mechanism whereby the companies were to pay half of what should have been paid and the government would reduce the rate to half going forward. However it could not materialized. In order to ensure a healthy urea stock, 100,000 tons of urea was imported along with providing subsidized LNG to Agritech and Fatima Fert. Moreover, the issue of pending subsidy receivable remains unresolved. Urea prices were increased to pass on the impact of increased gas prices. Urea sales posted a meager increase of 1% to 5.32 million tons as compared to 5.28 million tons of 11MFY19 whereas a decline of 10% was seen in DAP off takes.

Textile sector outperformed the benchmark KSE-100 index by ~7% during FY19. The sector posted a negative return of 12% as compared to 19% decline in the PSX. Although, PKR depreciated by 31.7% against the greenback during the said period but margins remained under pressure as a result of 15%YoY higher oil prices and uptick in cotton prices (up 25%YoY to average at PKR 8,628/maund in FY19). During the year, Government of Pakistan announced incentives for textile sectors which include subsidized gas at USD 6.5 per mmbtu and power tariff at USc 7.5/Kwh but slower disbursements of sales tax refunds kept the performance of the sector in check. On the export front, according to the available figures, textile exports remained flat at USD 12.3 billion during 11MFY19.

FY19 hailed as a decent year for Chemical players due to improved international margins. The average PVC Ethylene core delta stood at USD 400/ton for FY19, up by 18%YoY while PTA-PX margins improved by 26.6% to USD 179/ton. Moreover, sharp devaluation (31.7%) of PKR against USD propped the profitability of sector as the local players compete directly with the imports and have the leverage to increase the price of their product in line with import parity price. Increase in gas prices by 30% negatively impacted the sector's profitability, however; the impact was absorbed by increase in prices of end product. Going forward, we expect margins to remain strong as new capacities of the inputs (ethylene and PX) have come online while demand for end product is expected to remain strong.

Automobile sector faced a number of challenges during FY19, which halted the growth momentum. Total auto sales declined by 12%YoY to 289,636 units. The year started with unfavorable regulatory regime where non-filers were barred purchasing new cars that dented the local car sales. Further, during the year PKR depreciated by 31.7% forcing the auto manufacturers to raised car prices multiple times whereas the

rising interest rates made car leasing even more expensive. However, during the year, the government reintroduced procedures of payment for import of used cars under gift and baggage schemes, which was appreciated by the local industry. During the year, car sales decline by 7.3%YoY to 239,625 units, while tractor sales decline by 29.1%YoY to 50,011 units.

Steel sector remained under pressure during FY19 mainly due to increase in inputs costs (scrap, billet & HRC) as PKR depreciated 31.7% against the green bag. Moreover increase in gas price by 30% negatively impacted those players like International Steel (ISL) with captive gas fired power plants. Furthermore, economic slowdown led to soft demand for steel products while additional capacities came online to substitute the imports (flat steel capacity of the country increased by 550,000 tons and long steel capacity increased by 400,000 tons). The decline in demand for long steel products is directly related to slowdown in construction activities in both private and public sectors on the back of higher interest rate and lower public sector development program spending owing to fiscal pressures and lower revenue collection. Similarly, the situation for flat steel producers was no different as shrinkage in disposable income led to decrease in demand for white goods, automobiles & three wheelers. Moreover, dumping from Russia and China negatively impacted the pricing power of the local player and forced them to offer discounts in the range of 3,000 to 5,000 per ton hurting the profitability to a great extent. Going forward, the picture seems gloomy for the steel sector as power tariffs are expected to increase by 12% from July 1, 2019 while interest rates are also expected to go up further.

Independent Power Producers (IPPs) underperformed the market by 5% where the sector posted a negative return of 24%YoY while the benchmark KSE-100 index reported a negative return of 19%YoY. This dismal performance of the sector can be attributed to prevailing political & economic uncertainty in the country. Although, IPPs provide a natural hedge against PKR/USD devaluation, rising interest rates and inflation but the prevailing circular debt affected the dividend paying capacity of power companies which ultimately dampened the investor sentiment. The new government is trying to address this issue by issuing Sukuks. Talking about the companies, HUBC (-15%YoY), EPQL (-39%YoY) and NCPL (-38% YoY) predominantly dragged down the power sector return. The HUBC has gone into expansion which has reduced its dividend paying capacity. Further, the equity financing cost has increased the financial burden of the company resulting in lower profitability during the year. Moreover, the right issue also adjusted the price downwards and contributed to the negative return.

FUND PERFORMANCE

During the year under review, ABL Stock Fund delivered a negative return of 16.54% against 19.11% decrease in its benchmark, reflecting an outperformance of 2.57% during the year ended June 30, 2019. ABL SF AUM decreased by to Rs. 3952 million at June'19 from Rs. 6249.39 million at June'18.

Since its inception on June 28th, 2009 ABL-SF has been among the best performing funds in the equity markets of Pakistan. Since inception return of ABL SF is 478.28%, against its benchmark of 154.34%.

ADDITIONAL MATTERS

1. The detail of Directors of the Management Company is disclosed in this Annual Report.
2. Financial Statements present fairly the state of affairs, the results of operations, cash flows and the changes in unit holder's fund;
3. Proper books of accounts of the Fund have been maintained.

4. Appropriate accounting policies have been consistently applied in the preparation of the financial statements and accounting estimates are based on reasonable and prudent judgments;
5. Relevant International Accounting Standards, as applicable in Pakistan, provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 & Non-Banking Finance Companies and Notified Entities Regulations, 2008, requirements of the Trust Deed and directives issued by the Securities and Exchange Commission of Pakistan, have been followed in the preparation of the financial statements;
6. The system of internal control is sound in design and has been effectively implemented and monitored;
7. There have been no significant doubts upon the Funds' ability to continue as going concern;
8. Performance table of the Fund is given on page # 14 of the Annual Report;
9. There is no statutory payment on account of taxes, duties, levies and charges outstanding other than already disclosed in the financial statements;
10. The statement as to the value of investments of Provident Fund is not applicable in the case of the Fund as employees retirement benefits expenses are borne by the Management Company;
11. The pattern of unit holding as at June 30, 2019 is given in note No. 24 of the Financial Statements.

AUDITORS

M/s. A.F. Fergusons & Co. (Chartered Accountants), have been re-appointed as auditors for the period ending June 30, 2019 for ABL Stock Fund (ABL-SF).

MANAGEMENT QUALITY RATING

On December 31, 2018, JCR-VIS Credit Rating Company Limited (JCR-VIS) has reaffirmed the Management Quality Rating of ABL Asset Management Company Limited (ABL AMC) to 'AM2++' (AM-Two-Double Plus) from 'AM2+' (AM Two Plus). Outlook on the assigned rating is 'Stable'.

OUTLOOK

We expect equities to remain range bound given persistent monetary tightening being observed since start of current calendar year. Continuous monitoring in IMF program to have check on borrowings from SBP for budgetary support, projected increase in utility prices (Gas & Electricity) and ambitious tax revenue target of amounting PKR 5.5 trillion etc. would keep pressure on economic growth. However, healthy projected inflows from external sources post IMF program will help reduce both the deficits i.e. fiscal as well as current account. Prevalent interest rates will improve the NIMs of banking sectors. Besides, substantial depreciation of PKR against greenback during past six months will benefit the E&P and Power sectors as their profitability is linked will dollar index. Contrary to this, cyclical stocks and sectors having imported raw material like Cement, Autos, Steel & Pharma will remain under pressure.

ACKNOWLEDGEMENT

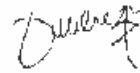


We thank our valued investors who have placed their confidence in us. The Board is also thankful to Securities & Exchange Commission of Pakistan, the Trustee (Central Depository Company of Pakistan Limited) and the management of Pakistan Stock Exchange Limited for their continued guidance and support.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

For & on behalf of the Board



Director



**Alee Khalid Ghaznavi
Chief Executive Officer**

Lahore, August 08, 2019

FUND MANAGER REPORT

OBJECTIVE

To provide higher risk adjusted returns over the long term by investing in a diversified portfolio of equity instruments offering capital gain and dividends.

ECONOMIC PERFORMANCE REVIEW

The outgoing year was an election year where a new political setup came into power. While the initiatives of the new government seemed to serve a noble cause, the seemingly haphazard approach to policy making created a tense environment for all stakeholders of the economy. On the external front, FY19 Current Account of Balance of Payment showed a marked improvement where the deficit stood at USD 13,587 million as compared to USD 19,897 million during the same period last year. Despite a 31.7% PKR/USD devaluation over FY19 following 16% in FY18, exports remained stunted; declining by 1.8% during FY19 while imports also dropped by 8.8%. Apart from the improvement in trade deficit, 9.7% higher remittances from overseas Pakistanis (USD 21,842 million during FY19) added to the relief. However, a continued plunge in the country's foreign exchange reserves, where SBP import cover dropped to around 1.6 months (from 4 months and 2.1 months for FY17 and FY18, respectively), took them to USD 14.4 billion as compared to USD 16.4 billion last year. This includes foreign assistances received from Saudi Arabia, China, and UAE during the latter half of FY19. Apart from arranging alternate sources for funding the external account, an IMF package of USD 6.0 billion during the next 39 months, has now been negotiated, that would potentially unleash the potential of further assistance of USD 38.0 billion from multilateral and bilateral sources over the course of the IMF program.

Pakistan's GDP growth slowed down to 3.2% in FY19 from 5.2% in FY18. This was majorly led by 0.3% contraction in the Manufacturing sector, which itself was a result of sharp monetary and fiscal tightening measures undertaken by the PTI government. Major slowdown was seen in Construction & Allied and Consumer related sectors. Poor cotton crop also dragged the Agriculture segment growth to only 0.9% YoY compared to 3.8% YoY in FY18.

Inflation averaged 7.3% during FY19 compared to 3.9% in FY18 (3.6% average for prior 3 years), where it averaged 8.6% in 2HFY19. Major reasons for the uptick in CPI readings were (i) PKR/USD depreciation of 31.7%, (ii) sharp increases in power and gas tariffs, and (iii) stronger Food inflation at the end of the year. Core inflation, however, was less volatile and averaged 7.9% YoY during the year. In response to (i) strong uptick in inflation, (ii) still-high current account deficit, and (iii) pre-program conditions of IMF, the State Bank of Pakistan (SBP) increased the policy rate by 575bps during the year.

Fiscal deficit remained high at 7.3% of GDP during FY19 because of limited growth in tax revenue while most of the savings were eroded by higher debt servicing. Tax collection in FY19 remained at PKR 3,762 billion against PKR 3,842 billion collected last year, reflecting a decrease of 2.1% YoY. Despite the announcement of amnesty scheme, FBR seems lagged behind its revised tax collection target of PKR 4,150 billion, reflecting a shortfall of PKR 388 billion. The fiscal deficit matter is also being addressed in the recently announced FY20 budget with focus placed on enhancing revenues to PKR 5,500 billion by broadening the tax base.

EQUITY MARKET REVIEW



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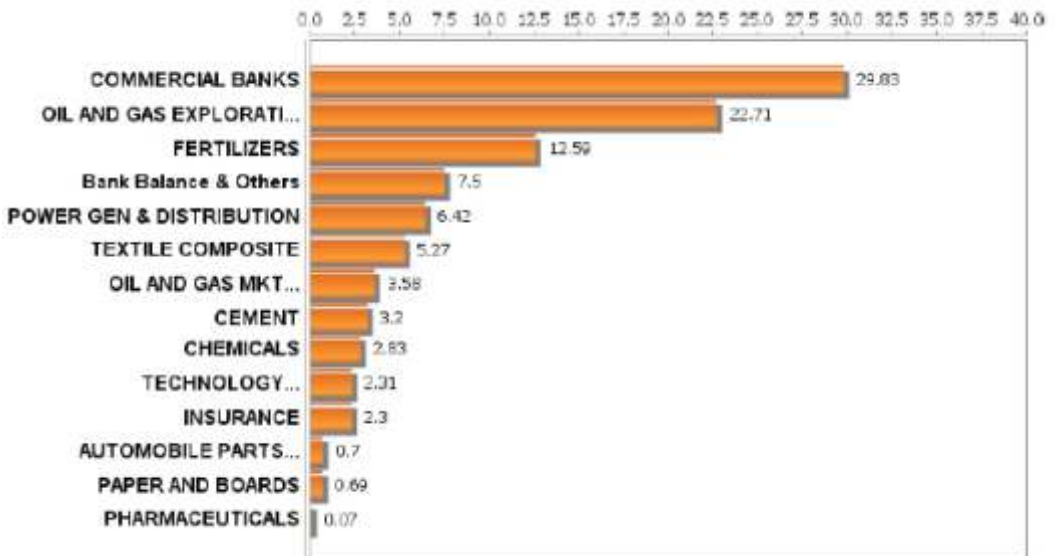
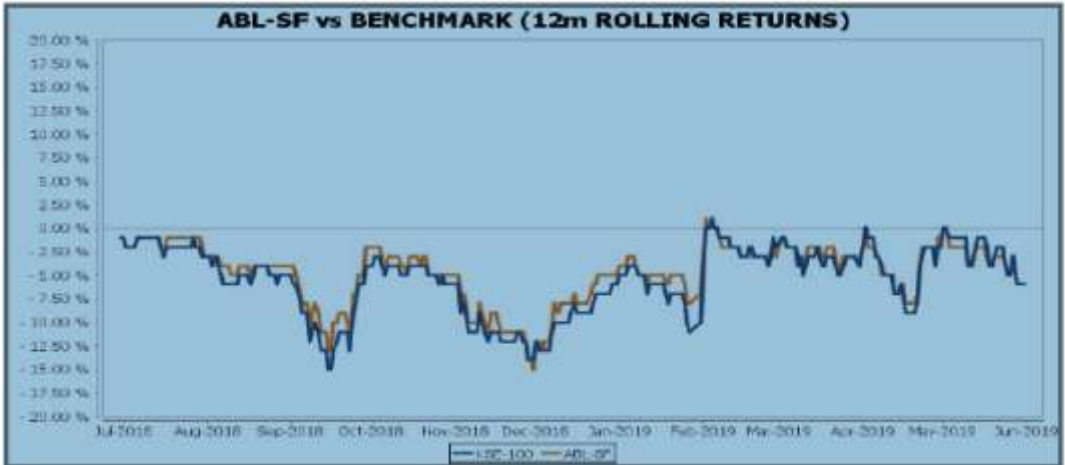
FUND PERFORMANCE

During the year under review, ABL Stock Fund delivered a negative return of 16.54% against 19.11% decrease in its benchmark, reflecting an outperformance of 2.57% during the year ended June 30, 2019. ABL SF AUM decreased to Rs. 3,952 million at June'19 from Rs. 6,249 million at June'18.

Since its inception on June 28th, 2009 ABL-SF has been among the best performing funds in the equity markets of Pakistan. Since inception return of ABL SF is 478.28%, against its benchmark of 154.34%.

OUTLOOK AND STRATEGY

We expect equities to remain range bound given persistent monetary tightening being observed since start of current calendar year. Continuous monitoring in IMF program to have check on borrowings from SBP for budgetary support, projected increase in utility prices (Gas & Electricity) and ambitious tax revenue target of amounting PKR 5.5 trillion etc. would keep pressure on economic growth. However, healthy projected inflows from external sources post IMF program will help reduce both the deficits i.e. fiscal as well as current account. Prevalent interest rates will improve the NIMs of banking sectors. Besides, substantial depreciation of PKR against greenback during past six months will benefit the E&P and Power sectors as their profitability is linked will dollar index. Contrary to this, cyclical stocks and sectors having imported raw material like Cement, Autos, Steel & Pharma will remain under pressure.



PERFORMANCE TABLE

	June 2019	June 2018	June 2017	June 2016	June 2015	June 2014	June 2013	June 2012	June 2011	June 2010
	----- (Rupees per '000) -----									
Net Assets	3,952,000	6,249,390	8,899,148	3,193,816	2,256,487	1,114,205	783,388	255,749	642,032	376,158
Net Income/Loss	(912,866)	(1,437,731)	2,148,603	287,026	497,466	248,721	280,795	54,303	139,931	112,454
	----- (Rupees per unit) -----									
Net Assets value	11.7253	14.0492	17.0470	14.3985	13.5337	11.4246	15.9750	10.2491	10.0408	10.0134
Interim distribution *	-	-	2.0000	0.2633	-	-	-	-	-	-
Final distribution	-	0.1357	0.0472	0.2000	1.0000	3.5271	5.3270	2.4077	2.9280	3.2813
Distribution date final	-	August 23, 2017	June 22, 2017	July 24, 2015	June 15, 2015	June 23, 2014	August 06, 2013	June 25, 2012	June 29, 2011	June 28, 2010
Closing offer price	11.9598	14.3302	17.3879	14.6865	13.8044	11.6531	16.4543	10.5566	10.3420	10.3138
Closing repurchase price	11.7253	14.0492	17.0470	14.3985	13.5337	11.4246	15.9750	10.2491	10.0408	10.0134
Highest offer price	14.9319	17.4782	22.0412	15.4037	15.0153	18.8211	17.4915	13.8094	13.6462	15.3833
Lowest offer price	11.1300	13.3294	14.8092	12.4684	10.9242	11.2241	10.7908	9.6120	10.2011	10.3082
Highest repurchase price per unit	14.6391	17.1355	21.6090	15.1017	14.7209	18.2729	16.9820	13.4072	13.2487	14.9352
Lowest repurchase price per unit	10.9118	13.0680	14.5188	12.2239	10.7100	11.0040	10.4765	9.3320	9.9040	10.0080
	----- Percentage -----									
Total return of the fund										
- capital growth	-16.54%	-18.19%	12.74%	5.28%	17.11%	-2.37%	2.60%	2.27%	-0.12%	-0.09%
- income distribution	0.00%	1.36%	20.47%	4.63%	10.00%	35.27%	53.27%	24.08%	29.28%	32.81%
Average Annual return of the fund										
One Year	-16.54%	-16.84%	33.21%	9.91%	27.11%	32.90%	55.87%	26.34%	29.16%	32.66%
Two Year	-30.59%	10.78%	46.41%	39.71%	68.93%	107.15%	96.93%	63.19%	71.35%	-
Three Year	-7.54%	21.76%	86.11%	85.67%	163.32%	161.72%	154.36%	116.49%	-	-
Four Year	1.62%	54.77%	147.34%	189.40%	232.68%	238.05%	237.43%	-	-	-
Five Year	29.17%	105.69%	285.51%	265.64%	329.70%	348.45%	-	-	-	-
Six Year	71.67%	220.60%	387.07%	372.26%	470.04%	-	-	-	-	-
Seven Year	167.87%	305.06%	477.08%	526.50%	-	-	-	-	-	-
Eight Year	238.06%	423.19%	734.58%	-	-	-	-	-	-	-
Nine Year	336.65%	594.06%	-	-	-	-	-	-	-	-
Ten Year	479.26%	-	-	-	-	-	-	-	-	-
Since Inception	478.28%	592.90%	733.18%	525.45%	469.08%	347.50%	236.71%	116.12%	71.06%	32.72%

* Interim Distribution date

Distribution History

2017		2016	
Date	Rate	Date	Rate
June 22, 2017	Re 2.0000	June 29, 2016	Re 0.2633

Disclaimer

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

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office

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S.M.C.H.S. Main Shakra-e-Faisal
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
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Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ABL STOCK FUND

**Report of the Trustee pursuant to Regulation 41(h) and clause 9 of Schedule V of
the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We Central Depository Company of Pakistan Limited, being the Trustee of ABL Stock Fund (the Fund) are of the opinion that ABL Asset Management Company Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2019 in accordance with the provisions of the following:

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

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 19, 2019



ABL
Stock Fund

ABL Asset Management
Discover the potential



INDEPENDENT AUDITOR'S REPORT

To the Unit holders of ABL Stock Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of ABL Stock Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2019, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2019, and of its financial performance, its cash flows and transactions for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matters

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

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (NAV) (Refer notes 4 and 5 to the financial statements)	
	<p>The bank balances and investments constitute the most significant component of the NAV. The bank balances of the Fund as at June 30, 2019 amounted to Rs 300.852 million and investments aggregated to Rs 3,815.157 million.</p> <p>The existence and proper valuation of investments and existence of bank balances for the determination of NAV of the Fund as at June 30, 2019 was considered a high</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • tested the design and operating effectiveness of the key controls for valuation of investments; • obtained independent confirmations for verifying the existence of the investment portfolio and bank balances as at June 30, 2019 and reconciled it with the books and records of the Fund. Where

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

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S. No.	Key Audit Matter	How the matter was addressed in our audit
	risk area and therefore we considered this as a key audit matter.	<p>such confirmations were not available, alternate audit procedures were performed;</p> <ul style="list-style-type: none"> re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and obtained bank reconciliation statements and tested reconciling items on a sample basis.

Other Information

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material

misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

Chartered Accountants
Karachi
Date: September 27, 2019

**ABL STOCK FUND
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2019**

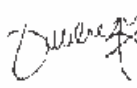
	2019	2018
Note	-----Rupees in '000-----	
Assets		
Bank balances	4 300,852	431,589
Investments	5 3,815,157	5,876,305
Receivable against sale of investments	-	30,121
Receivable against issue of units	-	1,965
Security deposits	6 2,600	2,600
Dividend and profit receivable	7 4,531	8,767
Advances and other receivable	8 700	9,374
Total assets	4,123,840	6,360,721
Liabilities		
Payable to ABL Asset Management Company Limited - Management Company	9 40,519	42,551
Payable to the Central Depository Company of Pakistan Limited - Trustee	10 485	724
Payable to the Securities and Exchange Commission of Pakistan	11 5,335	6,454
Payable against redemption of units	3,437	786
Payable against purchase of investment	62,590	-
Accrued expenses and other liabilities	12 59,474	60,816
Total liabilities	171,840	111,331
NET ASSETS	<u>3,952,000</u>	<u>6,249,390</u>
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)	<u>3,952,000</u>	<u>6,249,390</u>
CONTINGENCIES AND COMMITMENTS	13	
	----- Number of units -----	
NUMBER OF UNITS IN ISSUE	<u>337,049,273</u>	<u>444,822,909</u>
	----- Rupees -----	
NET ASSET VALUE PER UNIT	<u>11.7253</u>	<u>14.0492</u>

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

**For ABL Asset Management Company Limited
(Management Company)**



Saqib Mateen
Chief Financial Officer



Alee Khalid Ghaznavi
Chief Executive Officer



Pervaiz Iqbal Butt
Director

**ABL STOCK FUND
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2019**

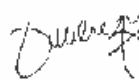
	2019	2018
Note-----	Rupees ' 000 -----	
Income		
Interest / profit earned	14 45,832	51,359
Dividend income	268,457	313,293
Other income	-	3,046
Loss on sale of investments - net	(297,238)	(1,163,736)
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	5.2 (746,656)	(416,270)
	<u>(1,043,894)</u>	<u>(1,580,006)</u>
Total loss	<u>(729,605)</u>	<u>(1,212,308)</u>
Expenses		
Remuneration of ABL Asset Management Company Limited - Management Company	9.1 112,312	135,872
Punjab Sales Tax on remuneration of the Management Company	9.2 17,970	22,188
Accounting and operational charges	9.4 5,618	6,797
Selling and marketing expenses	9.5 22,473	27,189
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	10.1 6,615	7,794
Sindh Sales Tax on remuneration of the Trustee	10.2 860	1,013
Annual fees to the Securities and Exchange Commission of Pakistan	11.1 5,335	6,454
Securities transaction cost	9,314	14,087
Auditors' remuneration	15 479	581
Annual listing fee	28	35
Printing charges	81	365
Legal and professional charges	162	142
Settlement and bank charges	2,014	2,906
Total operating expenses	<u>183,261</u>	<u>225,423</u>
Net loss for the year before taxation	<u>(912,866)</u>	<u>(1,437,731)</u>
Taxation	17 -	-
Net loss for the year after taxation	<u>(912,866)</u>	<u>(1,437,731)</u>
(Loss) / earnings per unit	18 -	-
Allocation of net income for the year		
Net income for the year after taxation	-	-
Income already paid on units redeemed	-	-
	<u>-</u>	<u>-</u>
Accounting income available for distribution:		
- Relating to capital gains	-	-
- Excluding capital gains	-	-
	<u>-</u>	<u>-</u>

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

**For ABL Asset Management Company Limited
(Management Company)**



Saqib Mateen
Chief Financial Officer



Alee Khalid Ghaznavi
Chief Executive Officer



Pervaiz Iqbal Butt
Director

**ABL STOCK FUND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2019**

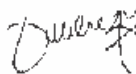
	2019	2018
	----- Rupees ' 000 -----	
Net loss for the year after taxation	(912,866)	(1,437,731)
Other comprehensive income for the year	-	-
Total comprehensive loss for the year	<u><u>(912,866)</u></u>	<u><u>(1,437,731)</u></u>

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

For ABL Asset Management Company Limited
(Management Company)



Saqib Mateen
Chief Financial Officer



Alee Khalid Ghaznavi
Chief Executive Officer



Pervaiz Iqbal Butt
Director

**ABL STOCK FUND
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2019**

	Note	2019	2018
-----Rupees in '000-----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss for the year before taxation		(912,866)	(1,437,731)
Adjustments for:			
Interest / profit earned	14	(45,832)	(51,359)
Dividend income		(268,457)	(313,293)
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	5.2	746,656	416,270
Other income		-	(3,046)
		432,367	48,572
Decrease in assets			
Advances and other receivable		8,674	(7,033)
Increase / (decrease) in liabilities			
Payable to ABL Asset Management Company Limited - Management Company		(2,032)	(11,508)
Payable to the Central Depository Company of Pakistan - Trustee		(239)	(205)
Payable to the Securities and Exchange Commission of Pakistan		(1,119)	567
Accrued expenses and other liabilities		(1,342)	(65,201)
		(4,732)	(76,347)
		(476,557)	(1,472,539)
Dividend received		273,722	326,379
Interest received		44,803	51,325
Net amount received on purchase and sale of investments		1,407,203	2,187,447
Net cash generated from operating activities		1,249,171	1,092,612
CASH FLOWS FROM FINANCING ACTIVITIES			
Net receipts from issuance of units		3,061,996	3,598,566
Net payments against redemption of units		(4,441,904)	(4,710,304)
Distribution paid		-	(61,409)
Net cash used in financing activities		(1,379,908)	(1,173,147)
Net decrease in cash and cash equivalents		(130,737)	(80,535)
Cash and cash equivalents at the beginning of the year		431,589	512,124
Cash and cash equivalents at the end of the year	4	300,852	431,589

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

**For ABL Asset Management Company Limited
(Management Company)**



Saqib Mateen
Chief Financial Officer



Alek Khalid Ghaznavi
Chief Executive Officer



Pervaiz Iqbal Butt
Director

ABL STOCK FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 ABL Stock Fund is an open ended mutual fund constituted under a Trust Deed entered into on April 23, 2009 between ABL Asset Management Limited (ABL AMCL) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed has been revised through the Deed of Change of Trustee and the First and Second Supplemental Trust Deeds dated June 23, 2010 and July 29, 2011 respectively with the approval of the Securities and Exchange Commission of Pakistan (SECP). Furthermore, the Offering Document of the Fund has been revised through the First, Second, Third, Fourth, Fifth, Sixth, Seventh and Eighth Supplements dated April 28, 2010, May 19, 2010, September 05, 2011, September 20, 2011, May 31, 2012, July 30, 2013, October 06, 2016 and July 01, 2017 respectively with the approval of the SECP. The Securities and Exchange Commission of Pakistan (SECP) authorised constitution of the Trust Deed vide letter no. NBFC-II/DD/ABLAMC/422/09 on April 10, 2009 in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

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

1.2 The Fund has been categorised as an open ended equity scheme by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs 10 per unit. Thereafter, the units are being offered for public subscription on a continuous basis from June 28, 2009 and are transferable and redeemable by surrendering them to the Fund.

1.3 The objective of the Fund is to provide higher risk adjusted returns which the Fund aims to deliver mainly by investing in equity securities that may be allowed by the SECP. The investment objectives and policies are explained in the Fund's offering document.

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

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

Effective from July 01, 2018, the Fund has adopted IFRS 9: "Financial Instruments" which has replaced IAS 39: "Financial Instruments: Recognition and Measurement". The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'expected credit losses' (ECL) approach rather than 'incurred credit losses' approach, as previously given under IAS 39. The ECL has an impact on all the assets of the Fund which are exposed to credit risk. However, majority of the assets of the Fund that are exposed to credit risk pertain to counter parties which have high credit rating. Therefore, the management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these financial statements.

All equity investments are required to be measured in the "Statement of Assets and Liabilities" at fair value, with gains and losses recognised in the "Income Statement". The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

IFRS 9 requires securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis to be recognised as FVTPL. The management considers its investment in equity securities being managed as a group of assets and hence has classified them as FVTPL. Accordingly, the Fund's investment portfolio in equity securities continues to be classified as fair value through profit or loss and other financial assets which are held for collection continue to be measured at amortised cost.

The adoption of IFRS 9 did not have any impact on classification and measurement of financial assets and financial liabilities on the date of its adoption.

2.2.1 There are certain other amended standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2018 but are considered not to be relevant or do not have any significant effect on the Fund's operations and are, therefore, not disclosed in these financial statements.

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

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

Standards, interpretations	Effective date (accounting periods beginning on or after)
- IFRS 9 - 'Financial instruments' (amendment)	January 1, 2019
- IAS 1 - 'Presentation of financial statements' (amendment)	January 1, 2020
- IAS 8 - 'Accounting policies, change in accounting estimates and errors' (amendment)	January 1, 2020

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

2.3.1 There are certain other standards, amendments and interpretations that are mandatory for the Fund's accounting period beginning on or after July 1, 2019 but are considered not to be relevant or will not have any significant effect on the Fund's operations and are, therefore, not disclosed in these financial statements.

2.4 Critical accounting estimates and judgments

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

The estimates and judgments that have a significant effect on the financial statements of the Fund relate to classification, valuation and impairment of financial assets (notes 3.3 and 5) , provision for SWWF (note 12.1), provision for Federal Excise Duty (note 9.3) and provision for taxation (notes 3.13 and 17).

2.5 Accounting convention

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

2.6 Functional and presentation currency

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented except for the change in accounting policy as explained in note 2.2 to these financial statements.

3.2 Cash and cash equivalents

These comprise balances with banks in savings and current accounts.

3.3 Financial assets

3.3.1 Classification and subsequent measurement

Debt instruments

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

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

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

In the case where the objective of the Fund is to generate an attractive yield while attempting to maintain capital preservation, the financial assets are classified at amortised cost as the securities are held to maturity.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the “Statement of Assets and Liabilities” at fair value, with gains and losses recognised in the “Income Statement”.

The dividend income for equity securities classified under FVOCI are to be recognised in the Income Statement. However, any surplus / (deficit) arising as a result of subsequent movement in the fair value of equity securities classified as FVOCI is to be recognised in other comprehensive income and is not recycled to the Income Statement on derecognition.

3.3.1.2 Impairment

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

3.3.1.3 Impairment loss on debt securities

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

As allowed by the SECP, the Management Company may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, in accordance with the provisioning policy duly approved by the Board of Directors.

3.3.1.4 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

3.3.1.5 Initial recognition and measurement

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

3.3.1.6 Derecognition

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

3.4 Provisions

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

3.5 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.

3.6 Issue and redemption of units

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

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

3.7 Distributions to unit holders

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

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

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

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

3.11 Revenue recognition

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

3.12 Expenses

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

3.13 Taxation

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

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

3.14 Earnings / (loss) per unit

Earnings / (loss) per unit is calculated by dividing the net income of the year before taxation of the Fund by the weighted average number of units outstanding during the year.

3.15 Foreign currency translation

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

		2019	2018				
		-----Rupees in '000-----					
4	BANK BALANCES	Note					
	Balances with banks in:						
	Savings accounts	4.1	<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr> <td style="text-align: right;">300,852</td> <td style="text-align: right;">431,589</td> </tr> </table>	300,852	431,589		
300,852	431,589						
4.1	This includes balances of Rs 31.039 million (2018: Rs 391.995 million) maintained with Allied Bank Limited (a related party) that carry profit at 13.40% per annum (2018: 7.40% per annum). Other saving accounts of the Fund carry profit rates ranging from 8.00% to 13.75% per annum (2018: 4.00% to 7.59% per annum).						
5	INVESTMENTS	Note					
	At fair value through profit or loss						
	- Quoted equity securities	5.1	<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr> <td style="text-align: right;">3,815,157</td> <td style="text-align: right;">5,876,305</td> </tr> </table>	3,815,157	5,876,305		
3,815,157	5,876,305						
	- Government securities - Market Treasury Bills	5.3	<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> </tr> <tr> <td style="text-align: right;"><u>3,815,157</u></td> <td style="text-align: right;"><u>5,876,305</u></td> </tr> </table>	-	-	<u>3,815,157</u>	<u>5,876,305</u>
-	-						
<u>3,815,157</u>	<u>5,876,305</u>						

5.1 Investments in equity securities - quoted

Shares of listed companies - fully paid up ordinary shares with a face value of Rs. 10 each unless stated other wise.

Name of the investee Company	Note	Number of shares					Balance as at June 30, 2019			Market value as a percentage of		Holding as a percentage of paid-up capital of investee company
		As at July 1, 2018	Purchased during the year	Bonus / right shares received during the year	Sold during the year	As at June 30, 2019	Carrying value	Market value	Appreciation/ (diminution)	Net assets of the Fund	Total market value of investments	
Number of shares held						Rupees in '000			percentage			
OIL AND GAS MARKETING COMPANIES												
Hascol Petroleum Limited	5.1.2	23,652	-	8,869	-	32,521	7,421	2,232	(5,189)	0.06%	0.06%	0.18%
Sui Northern Gas Pipelines Limited		737,000	945,500	-	992,500	690,000	62,253	47,948	(14,305)	1.21%	1.26%	1.09%
Sui Southern Gas Company Limited		700,000	-	-	700,000	-	-	-	-	-	-	-
Pakistan State Oil Company Limited	5.1.2	417,780	889,800	80,676	812,900	575,356	125,409	97,598	(27,811)	2.47%	2.56%	1.47%
							195,083	147,777	(47,305)	3.74%	3.87%	
OIL AND GAS EXPLORATION COMPANIES												
Oil and Gas Development Company Limited	5.1.1	2,155,200	1,623,600	-	975,000	2,803,800	425,080	368,672	(56,408)	9.33%	9.66%	0.65%
Pakistan Oilfields Limited		329,350	204,500	63,020	388,800	208,070	109,204	84,454	(24,750)	2.14%	2.21%	0.73%
Mari petroleum Company Limited		252,760	73,380	26,190	41,420	310,910	410,627	313,811	(96,816)	7.94%	8.23%	2.56%
Pakistan Petroleum Limited	5.1.1	1,808,100	655,700	270,090	1,559,400	1,174,490	213,704	169,632	(44,072)	4.29%	4.45%	0.52%
							1,158,615	936,568	(222,046)	23.70%	24.55%	
FERTILIZERS												
Engro Fertilizer Limited	5.1.1	2,905,500	690,000	-	1,468,000	2,127,500	154,649	136,096	(18,552)	3.44%	3.57%	1.59%
Engro Corporation Limited	5.1.1	1,074,800	331,200	81,350	595,200	892,150	255,072	236,955	(18,117)	6.00%	6.21%	1.70%
Fauji Fertilizer Company Limited		750,000	1,938,500	-	1,251,500	1,437,000	146,025	125,306	(20,719)	3.17%	3.28%	1.13%
Fauji Fertilizer Bin Qasim Limited		1,280,000	-	-	145,000	1,135,000	43,811	20,691	(23,120)	0.52%	0.54%	1.22%
Dawood Hercules Corporation ***		8,100	-	-	8,000	100	11	11	-	-	-	-
							599,568	519,060	(80,508)	13.13%	13.61%	
ENGINEERING												
International Industries Limited		300	-	-	300	-	-	-	-	-	-	-
Amreli Steel Limited		109,000	-	-	109,000	-	-	-	-	-	-	-
International Steel Limited*		1,075,500	227,000	-	1,300,600	1,900	186	75	(111)	-	-	-
Mughal Iron & Steel Industries Limited ***	5.1.2	5,721	-	-	3,000	2,721	167	68	(99)	-	-	0.01%
							353	144	(209)	0.00%	0.00%	
CEMENT												
D.G. Khan Cement Company Limited ***	5.1.1	1,109,100	1,375,500	-	2,484,200	400	37	23	(14)	-	-	-
Pioneer Cement Limited		514,900	-	-	514,900	-	-	-	-	-	-	-
Maple Leaf Cement Factory Limited		600,000	4,569,000	-	4,338,000	831,000	20,083	19,853	(230)	0.50%	0.52%	1.26%
Kohat Cement Company Limited		422,300	-	126,690	482,000	66,990	6,342	3,519	(2,823)	0.09%	0.09%	0.33%
Fauji Cement Company Limited		-	1,000,000	-	700,000	300,000	5,062	4,719	(343)	0.12%	0.12%	0.22%
Lucky Cement Limited	5.1.1	374,950	537,100	-	638,800	273,250	128,163	103,963	(24,199)	2.63%	2.73%	0.84%
							159,686	132,077	(27,609)	3.34%	3.46%	
PAPER & BOARD												
Packages Limited		76,650	-	-	75,850	800	392	240	(151)	0.01%	0.01%	0.01%
Century Paper & Board Mills		482,000	423,500	-	-	905,500	59,639	28,206	(31,433)	0.71%	0.74%	6.16%
							60,031	28,447	(31,584)	0.72%	0.75%	
AUTOMOBILE ASSEMBLER												
Millat Tractors Limited***		70,320	-	-	70,250	70	83	60	(23)	-	-	-
							83	60	(23)	-	-	
AUTOMOBILE PARTS & ACCESSORIES												
Thal Limited *		95,750	-	-	16,200	79,550	37,988	28,961	(9,027)	0.73%	0.76%	0.98%
							37,988	28,961	(9,027)	0.73%	0.76%	
FOOD AND PERSONAL CARE PRODUCTS												
At-tahur Limited ***		-	1,770,489	-	1,770,000	489	11	10	(2)	-	-	-
							11	10	(2)	-	-	
TEXTILE COMPOSITE												
Nishat Mills Limited	5.1.1	1,498,000	471,100	-	852,500	1,116,600	152,011	104,223	(47,787)	2.64%	2.73%	3.18%
Kohinoor Textile Mills Limited		300,000	-	-	260,000	40,000	2,200	1,002	(1,198)	0.03%	0.03%	0.13%
Gui Ahmed Textile Mills Limited		-	1,536,000	-	400,000	1,136,000	56,550	53,528	(3,022)	1.35%	1.40%	3.19%
Feroze1888 Mills Limited ***		-	1,500	-	-	1,500	150	151	1	-	-	-
Interloop Limited		-	162,500	-	-	162,500	7,079	7,194	115	0.18%	0.19%	0.19%
Nishat Chunian Limited		1,811,500	1,882,500	-	2,230,000	1,464,000	77,526	51,269	(26,257)	1.30%	1.34%	6.09%
							295,516	217,368	(78,147)	5.50%	5.70%	

Name of the investee Company	Note	Number of shares					Balance as at June 30, 2019			Market value as a percentage of		Holding as a percentage of paid-up capital of investee company
		As at July 1, 2018	Purchased during the year	Bonus / right shares received during the year	Sold during the year	As at June 30, 2019	Carrying value	Market value	Appreciation/ (diminution)	Net assets of the Fund	Total market value of investments	
					Number of shares held		Rupees in '000			percentage		
OIL AND GAS MARKETING COMPANIES												
Hascol Petroleum Limited	5.1.2	23,652	-	8,869	-	32,521	7,421	2,232	(5,189)	0.06%	0.06%	0.18%
Sui Northern Gas Pipelines Limited		737,000	945,500	-	992,500	690,000	62,253	47,948	(14,305)	1.21%	1.26%	1.09%
Sui Southern Gas Company Limited		700,000	-	-	700,000	-	-	-	-	-	-	-
Pakistan State Oil Company Limited	5.1.2	417,780	889,800	80,676	812,900	575,356	125,409	97,598	(27,811)	2.47%	2.56%	1.47%
							195,083	147,777	(47,305)	3.74%	3.87%	
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Oil and Gas Development Company Limited	5.1.1	2,155,200	1,623,600	-	975,000	2,803,800	425,080	368,672	(56,408)	9.33%	9.66%	0.65%
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Mari petroleum Company Limited		252,760	73,380	26,190	41,420	310,910	410,627	313,811	(96,816)	7.94%	8.23%	2.56%
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							1,158,615	936,568	(222,046)	23.70%	24.55%	
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Engro Corporation Limited	5.1.1	1,074,800	331,200	81,350	595,200	892,150	255,072	236,955	(18,117)	6.00%	6.21%	1.70%
Fauji Fertilizer Company Limited		750,000	1,938,500	-	1,251,500	1,437,000	146,025	125,306	(20,719)	3.17%	3.28%	1.13%
Fauji Fertilizer Bin Qasim Limited		1,280,000	-	-	145,000	1,135,000	43,811	20,691	(23,120)	0.52%	0.54%	1.22%
Dawood Hercules Corporation ***		8,100	-	-	8,000	100	11	11	-	-	-	-
							599,568	519,060	(80,508)	13.13%	13.61%	
ENGINEERING												
International Industries Limited		300	-	-	300	-	-	-	-	-	-	-
Anreli Steel Limited		109,000	-	-	109,000	-	-	-	-	-	-	-
International Steel Limited*		1,075,500	227,000	-	1,300,600	1,900	186	75	(111)	-	-	-
Mughal Iron & Steel Industries Limited ***	5.1.2	5,721	-	-	3,000	2,721	167	68	(99)	-	-	0.01%
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CEMENT												
D.G. Khan Cement Company Limited ***	5.1.1	1,109,100	1,375,500	-	2,484,200	400	37	23	(14)	-	-	-
Pioneer Cement Limited		514,900	-	-	514,900	-	-	-	-	-	-	-
Maple Leaf Cement Factory Limited		600,000	4,569,000	-	4,338,000	831,000	20,083	19,853	(230)	0.50%	0.52%	1.26%
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Lucky Cement Limited	5.1.1	374,950	537,100	-	638,800	273,250	128,163	103,963	(24,199)	2.63%	2.73%	0.84%
							159,686	132,077	(27,609)	3.34%	3.46%	
PAPER & BOARD												
Packages Limited		76,650	-	-	75,850	800	392	240	(151)	0.01%	0.01%	0.01%
Century Paper & Board Mills		482,000	423,500	-	-	905,500	59,639	28,206	(31,433)	0.71%	0.74%	6.16%
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AUTOMOBILE ASSEMBLER												
Milat Tractors Limited***		70,320	-	-	70,250	70	83	60	(23)	-	-	-
							83	60	(23)	-	-	-
AUTOMOBILE PARTS & ACCESSORIES												
Thal Limited *		95,750	-	-	16,200	79,550	37,988	28,961	(9,027)	0.73%	0.76%	0.98%
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FOOD AND PERSONAL CARE PRODUCTS												
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TEXTILE COMPOSITE												
Nishat Mills Limited	5.1.1	1,498,000	471,100	-	852,500	1,116,600	152,011	104,223	(47,787)	2.64%	2.73%	3.18%
Kohinoor Textile Mills Limited		300,000	-	-	260,000	40,000	2,200	1,002	(1,198)	0.03%	0.03%	0.13%
Gul Ahmed Textile Mills Limited		-	1,536,000	-	400,000	1,136,000	56,550	53,528	(3,022)	1.35%	1.40%	3.19%
Feroze1888 Mills Limited ***		-	1,500	-	-	1,500	150	151	1	-	-	-
Interloop Limited		-	162,500	-	-	162,500	7,079	7,194	115	0.18%	0.19%	0.19%
Nishat Chunian Limited		1,811,500	1,882,500	-	2,230,000	1,464,000	77,526	51,269	(26,257)	1.30%	1.34%	6.09%
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Name of the investee Company	Note	Number of shares					Balance as at June 30, 2019			Market value as a percentage of		Holding as a percentage of paid-up capital of investee company
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						Rupees in '000			percentage			
TECHNOLOGY AND COMMUNICATION												
Systems Limited		738,500	51,500	64,650	110,000	744,650	68,663	71,464	2,801	1.81%	1.87%	6.66%
Netsol Technologies Limited		211,000	449,400	-	300,200	360,200	30,859	23,734	(7,125)	0.60%	0.62%	4.01%
						99,522	95,198	(4,325)	2.41%	2.50%		
PHARMACEUTICALS												
AGP Limited		-	150,000	-	150,000	-	-	-	-	-	-	-
The Searle Company Limited	5.1.2	11,470	-	1,720	-	13,190	3,894	1,933	(1,961)	0.05%	0.05%	0.06%
Hignoon Laboratories Limited	5.1.2	3,822	-	382	-	4,204	1,569	1,064	(505)	0.03%	0.03%	0.15%
						5,463	2,997	(2,466)	0.08%	0.08%		
POWER GENERATION AND DISTRIBUTION												
Hub Power Company Limited	5.1.1	2,414,000	1,488,326	-	790,000	3,112,326	271,119	245,096	(26,023)	6.20%	6.42%	2.69%
Nishat Chunian Power Limited		9,000	-	-	9,000	-	-	-	-	-	-	-
K - Electric Limited**		-	4,500,000	-	-	4,500,000	29,300	19,755	(9,545)	0.50%	0.52%	0.16%
						300,419	264,851	(35,568)	6.70%	6.94%		
COMMERCIAL BANKS												
Allied Bank Limited		1,804,500	563,000	-	1,483,100	884,400	91,878	92,880	1,002	2.35%	2.43%	0.77%
Bank Al Habib Limited		2,140,000	842,500	-	10,000	2,972,500	237,758	232,985	(4,774)	5.90%	6.11%	2.67%
Bank Al Falah Limited		6,104,000	500,500	620,400	341,000	6,883,900	328,004	300,069	(27,934)	7.59%	7.87%	3.88%
MCB Bank Limited***	5.1.1	1,162,100	267,400	-	1,429,100	400	78	70	(8)	-	-	-
Habib Bank Limited	5.1.1	2,181,900	1,582,300	-	2,121,900	1,642,300	244,893	186,007	(58,886)	4.71%	4.88%	1.12%
Habib Metropolitan Bank Limited		2,240,000	-	-	2,240,000	-	-	-	-	0.00%	0.00%	0.00%
Meezan Bank Limited		-	1,549,000	134,900	200,000	1,483,900	129,255	129,337	82	3.27%	3.39%	1.27%
Bank of Punjab		7,750,000	3,203,000	-	3,500,000	7,453,000	91,093	68,195	(22,898)	1.73%	1.79%	2.82%
Faysal Bank Limited	5.1.2	2,124,650	-	-	2,119,500	5,150	134	111	(23)	0.00%	0.00%	-
United Bank Limited		2,029,400	973,500	-	1,508,000	1,494,900	242,459	220,318	(22,141)	5.57%	5.77%	1.22%
						1,365,552	1,229,971	(135,581)	31.12%	32.24%		
SUGAR & ALLIED INDUSTRIES												
Faran Sugar Mills Limited ***		500	-	-	-	500	42	20	(21)	-	-	0.02%
						42	20	(21)	-	-		
INSURANCE												
Adamjee Insurance Company Limited	5.1.1	2,836,000	285,000	-	413,000	2,708,000	128,484	94,915	(33,568)	2.40%	2.49%	7.74%
						128,484	94,915	(33,568)	2.40%	2.49%		
GLASS & CERAMICS												
Tariq Glass Industries Limited ***		-	260,000	-	259,000	1,000	103	77	(26)	-	-	0.01%
						103	77	(26)	-	-		
CHEMICAL												
ICI Pakistan Limited		234,450	7,750	-	196,950	45,250	36,129	24,094	(12,035)	0.61%	0.63%	0.49%
Lotte Chemical Pakistan Limited		2,000,000	-	-	2,000,000	-	-	-	-	-	-	0.00%
Itehad Chemicals Limited		500,000	-	-	500,000	-	-	-	-	-	-	0.00%
Descon Oxychem Limited		-	2,125,000	-	2,075,500	49,500	1,825	794	(1,031)	0.02%	0.02%	0.49%
Engro Polymer & Chemicals Limited		870,000	3,003,370	-	469,500	3,403,870	117,341	91,768	(25,573)	2.32%	2.41%	3.74%
						155,296	116,657	(38,639)	2.95%	3.06%		
Total - June 30, 2019						4,561,813	3,815,157	(746,656)	96.54%	100.01%		
Total - June 30, 2018						6,292,575	5,876,305	(416,270)	94.05%	100.00%		

* Ordinary shares have a face value of Rs. 5 each

** Ordinary shares have a face value of Rs. 3.5 each

*** Nil figures due to rounding off difference

5.1.1 The above investments include shares of the following companies which have been pledged with National Clearing Company of Pakistan for guaranteeing settlement of the Fund's trades in accordance with Circular no. 11 of 2007 dated October 23, 2007 issued by the Securities & Exchange Commission of Pakistan. The details of shares which have been pledged are as follows:

Particulars	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
	---(Numbers of shares)---		---(Rupees in '000)---	
D.G Khan Cement Company Limited	-	60,000	-	6,869
Engro Corporation Limited	50,000	50,000	13,280	15,693
Pakistan Petroleum Limited	-	35,000	-	7,522
Habib Bank Limited	500,000	500,000	56,630	83,220
Adamjee Insurance Company Limited	1,000,000	1,000,000	35,050	48,730
Hub Power Company Limited	2,170,000	1,170,000	170,888	107,827
Engro Fertilizers Limited	500,000	500,000	31,985	37,455
Nishat Mills Limited	300,000	300,000	28,002	42,276
MCB Bank Limited	-	500,000	-	98,885
Pakistan Petroleum Limited	1,035,000	-	149,485	-
Lucky Cement Limited	150,000	-	57,071	-
Oil & Gas Development Company Limited	1,500,000	500,000	197,235	77,810
	<u>7,205,000</u>	<u>4,615,000</u>	<u>739,626</u>	<u>526,287</u>

5.1.2 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001 as a result of which companies were liable to withhold five percent of the bonus shares to be issued. The shares so withheld were only to be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition had been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order had been granted by the High Court of Sindh (HCS) in favour of CISs.

During the year ended June 30, 2018, the Supreme Court of Pakistan passed a judgement on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the current year. Subsequent to the year ended June 30, 2019, the CISs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019. In this regard, on July 15, 2019, the Honourable High of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication and the Funds have included these shares in their portfolio, as the management is confident that the decision of the constitutional petition will be in favour of the CISs.

Further, the Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund during the year were not withheld by the investee companies.

As at June 30, 2019, the following bonus shares of the Fund have been withheld by certain companies at the time of declaration of bonus shares.

Name of the Company	2019		2018	
	Bonus Shares			
	Number of shares withheld	Market value as at June 30, 2019	Number of shares withheld	Market value as at June 30, 2018
	Rupees in '000'		Rupees in '000'	
Hascol Petroleum Company Limited	27,785	1,907	20,207	6,340
The Searle Company Limited	12,953	1,898	11,262	3,823
Mughal Iron and Steel Industries Limited	1,429	36	1,429	88
Highnoon Laboratories Limited	253	64	188	77
Pakistan State Oil Company Limited	8,483	1,439	7,069	2,250
Faysal Bank Limited	4,958	107	4,958	129
		<u>5,451</u>		<u>12,707</u>

5.2	Unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	Note	2019	2018
			-----Rupees in '000-----	
	Market value of investments	5.1	3,815,157	5,876,305
	Carrying value of investments	5.1	<u>(4,561,813)</u>	<u>(6,292,575)</u>
			<u>(746,656)</u>	<u>(416,270)</u>

5.3 Government Securities - Market Treasury Bills

Tenor	Face value				Balance as at June 30, 2019			Market value as a percentage of	
	As at July 1, 2018	Purchased during the year	Disposed off / matured during the year	As at June 30, 2019	Carrying amount	Market value	Appreciation / (diminution)	Net assets of the Fund	Total market value of investments
	-----Rupees in '000-----							----- % -----	
3 months	-	1,350,000	1,350,000	-	-	-	-	-	-
Total - June 30, 2019	<u>-</u>	<u>1,350,000</u>	<u>1,350,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total - June 30, 2018	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

6	SECURITY DEPOSITS	Note	2019	2018
			-----Rupees in '000-----	
	Security deposit with :			
	- National Clearing Company of Pakistan Limited		2,500	2,500
	- Central Depository Company of Pakistan Limited		100	100
			<u>2,600</u>	<u>2,600</u>

7 DIVIDEND AND PROFIT RECEIVABLE

Dividend receivable		951	6,216
Profit receivable		3,580	2,551
		<u>4,531</u>	<u>8,767</u>

8 ADVANCES AND OTHER RECEIVABLE

Advance against Initial Public Offer subscription		-	8,750
Cash in IPS Account		79	3
Advance tax	8.1	<u>621</u>	<u>621</u>
		<u>700</u>	<u>9,374</u>

- 8.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, withholding tax on dividend and profit on debt paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT) / 2008-VOL.II-66417-R dated 12 May 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholders. The tax withheld on dividends and profit on bank deposits amounts to Rs 0.446 million and Rs 0.176 million respectively.

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on dividends and profit on bank deposits has been shown as other receivables as at June 30, 2019 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

9	Note	2019 -----Rupees in '000-----	2018
PAYABLE TO ABL ASSET MANAGEMENT COMPANY LIMITED - MANAGEMENT COMPANY - RELATED PARTY			
Management fee payable	9.1	6,943	11,174
Punjab Sales Tax payable on remuneration of the Management Company	9.2	3,696	4,373
Federal Excise Duty payable on remuneration of the Management Company	9.3	17,569	17,569
Accounting and operational charges payable	9.4	2,445	1,717
Selling and marketing expenses payable	9.5	9,778	6,868
Sales and transfer load		88	850
		<u>40,519</u>	<u>42,551</u>

9.1 As per NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding 2% of the average annual net assets in case of equity schemes. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 2% (2018: 2%) per annum of the average net assets of the Fund during the year ended June 30, 2019. The remuneration is payable to the Management Company monthly in arrears.

9.2 During the year, an amount of Rs. 17.970 million (2018: Rs 22.188 million) was charged on account of sales tax on management fee levied through Punjab Sales Tax on Services Act, 2012 at the rate of 16% (2018: 16%).

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

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 17.569 million is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the NAV per unit of the Fund would have been higher by Re 0.052 (June 30, 2018: Re 0.040) per unit.

9.4 Uptil June 19, 2019 in accordance with Regulation 60 of the NBFC Regulations, the Management Company was entitled to charge expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS) at the rate of 0.1% of the average annual net assets of the scheme or actual whichever is less. During the year, SECP vide SRO 639 dated June 20, 2019 has removed the maximum cap of 0.1%. Accordingly, the Management Company can now charge actual expenses related to registrar services, accounting, operations and valuation services to the CIS with effect from June 20, 2019.

However, the management continued to charge expenses at the rate of 0.1 percent of the average annual net assets of the Fund for both the periods i.e from July 1, 2018 to June 19, 2019 and from June 20, 2019 to June 30, 2019, being lower than actual expenses.

9.5 The SECP has allowed the Asset Management Companies to charge selling and marketing expenses to all categories of open-end mutual funds (except for fund of funds) initially for three years (from January 1, 2017 till December 31, 2019). The maximum cap of selling and marketing expense shall be 0.4% per annum of net assets of the Fund or actual expenses whichever is lower. Accordingly, the Management Company has charged selling and marketing expenses amounting to Rs. 22.473 million (2018: 27.189 million) at the rate of 0.4% of the net assets of the Fund being lower than actual expenses chargeable to the Fund for the year.

10	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE - RELATED PARTY	Note	2019	2018
			-----Rupees in '000-----	
	Trustee fee payable	10.1	429	641
	Sindh Sales Tax payable on trustee fee	10.2	56	83
			<u>485</u>	<u>724</u>

10.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the trust deed as follows:

On net assets:

- up to Rs 1,000 million Rs 0.7 million or 0.2% per annum of net assets, whichever is higher.
- exceeding Rs.1,000 million Rs 2 million plus 0.10% per annum of net assets exceeding Rs 1,000 million.

10.2 During the year, an amount of Rs 0.860 million (2018: Rs. 1.013 million) was charged on account of sales tax on remuneration of the Trustee levied through Sindh Sales Tax on Services Act, 2011.

11	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	2019	2018
			-----Rupees in '000-----	
	Annual fee payable	11.1	5,335	6,454

11.1 In accordance with NBFC Regulations, 2008, a collective investment scheme classified as an equity scheme is required to pay to the Securities and Exchange Commission of Pakistan an amount equal to 0.095% of the average annual net assets of the Fund as annual fee.

12	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	2019	2018
			-----Rupees in '000-----	
	Auditors' remuneration payable		290	330
	Printing charges payable		80	150
	Brokerage payable		2,106	2,970
	Withholding tax payable		51	158
	Provision for Sindh Workers' Welfare Fund	12.1	56,600	56,600
	Other payables		347	608
			<u>59,474</u>	<u>60,816</u>

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

The Fund has made provision for SWWF from May 21, 2015 till June 30, 2017 amounting to Rs 56.600 million as the decision in this respect is pending to date. The Fund has not made any provision for SWWF after July 01, 2017 as the registered office of the Management Company of the Fund has been relocated from the Province of Sindh to the Province of Punjab.

Had the provision for SWWF not been recorded in the financial statements of the Fund for the period from May 21, 2015 to June 30, 2019, the net asset value of the Fund as at June 30, 2019 would have been higher by Re. 0.168 per unit (2018: Re 0.127).

13 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2019 and June 30, 2018.

	2019	2018
	-----Rupees in '000-----	
14 INTEREST / PROFIT EARNED		
Interest / profit on:		
Savings accounts	41,704	47,279
Government Securities - Market Treasury Bills	4,128	4,080
	<u>45,832</u>	<u>51,359</u>
15 AUDITORS' REMUNERATION		
Annual audit fee	290	290
Half yearly review of condensed interim financial statements	150	150
Other certifications	-	40
Out of pocket expenses	39	101
	<u>479</u>	<u>581</u>

16 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2019 is 3.32% (2018: 3.32%) which includes 0.47% (2018: 0.47%) representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an equity scheme.

17 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. Furthermore, regulation 63 of the NBFC Regulations, requires the Fund to distribute 90% of the net accounting income other than capital gains to the unit holders. 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. Since the Fund has incurred net loss for the year, accordingly, no provision for taxation has been made in these financial statements.

18 LOSS / EARNINGS PER UNIT

Loss / earnings per unit has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating is not practicable.

19 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

- 19.1** Connected persons include ABL Asset Management Company being the Management Company, the Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes managed by the Management Company, any entity in which the Management Company, its CISs or their connected persons have material interest, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund, directors and their close family members and key management personnel of the Management Company.
- 19.2** Transactions with connected persons are executed on an arm's length basis and essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.
- 19.3** Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008.
- 19.4** Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.
- 19.5** The details of transactions carried out by the Fund with connected persons during the year and balances with them as at year end are as follows:

	2019	2018
	-----Rupees in '000-----	
ABL Asset Management Company Limited - Management Company		
Remuneration charged	112,312	135,872
Punjab Sales Tax on remuneration of the Management Company	17,970	22,188
Accounting and operational charges	5,618	6,797
Selling and marketing charges	22,473	27,189
Issue of 19,583,133 (2018: 33,311,770) units	254,879	506,007
Redemption of 47,202,558 (2018: 23,572,241) units	630,000	365,000
Outstanding 2,263,036 (2018: 29,882,461) units	26,535	419,825
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	6,615	7,794
Sindh Sales Tax on remuneration of the Trustee	860	1,013
Settlement charges incurred	575	666
Security deposit	100	100
Balance in IPS account	79	3
Allied Bank Limited		
Profit on bank deposits	11,356	23,444
Bank charges	160	94
Ibrahim Agencies (Private) Limited		
Issue of 614,792 (2018: 1,500,916) units	9,000	22,074
Outstanding 40,639,039 (2018: 40,024,247) units	476,505	562,309
ABL Financial Planning Fund - Conservative Allocation Plan		
Issue of 352,247 (2018: 1,207,105) units	5,000	17,631
Redemption of 1,148,786 (2018: 3,363,038) units	14,950	17,392
Outstanding 2,566,499 (2018: 3,363,038) units	30,093	47,248
ABL Financial Planning Fund - Active Allocation Plan		
Issue of 473,436 (2018: 6,015,447) units	6,000	90,460
Redemption of 9,808,408 (2018: 28,514,453) units	212,756	449,343
Outstanding 13,622,000 (2018: 29,326,201) units	159,722	412,010
ABL Financial Planning Fund - Strategic Allocation Plan		
Issue of 15,664,845 (2018: 19,480,720) units	209,565	293,057
Redemption of 20,132,594 (2018: 18,151,357) units	263,842	282,901
Outstanding 16,466,991 (2018: 20,934,740) units	193,080	294,116
Directors of the Management Company		
Sheikh Mukhtar Ahmad		
Issue of Nil (2018: 28,933) units	-	432
Outstanding 3,669,015 (2018: 3,669,015) units	43,020	51,547
Mohammad Waseem Mukhtar		
Issue of Nil (2018: 74,326) units	-	1,047
Redemption of 471,359 (2018: Nil)	6,049	-
Outstanding Nil (2018: 471,359) units	-	6,622
Key Management Personnel		
Chief Executive Officer		
Issue of 594,455 (2018: 323,234) units	7,202	5,027
Redemption of 592,076 (2018: 49,610) units	7,400	680
Outstanding 507,128 (2018: 504,749) units	5,946	7,091

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

20 FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets

Bank balances	300,852	-	300,852
Investments	-	3,815,157	3,815,157
Security deposits	2,600	-	2,600
Dividend and profit receivable	4,531	-	4,531
Advances and other receivable	79	-	79
	<u>308,062</u>	<u>3,815,157</u>	<u>4,123,219</u>

2019		
At amortised cost	At fair value through profit or loss	Total
-----Rupees in '000-----		
300,852	-	300,852
-	3,815,157	3,815,157
2,600	-	2,600
4,531	-	4,531
79	-	79
<u>308,062</u>	<u>3,815,157</u>	<u>4,123,219</u>

Financial liabilities

Payable to ABL Asset Management Company Limited - Management Company	40,519	40,519
Payable to the Central Depository Company of Pakistan Limited - Trustee	485	485
Payable against redemption of units	3,437	3,437
Payable against purchase of investment	62,590	62,590
Accrued expenses and other liabilities	2,823	2,823
	<u>109,854</u>	<u>109,854</u>

2019	
At amortised cost	Total
-----Rupees in '000-----	
40,519	40,519
485	485
3,437	3,437
62,590	62,590
2,823	2,823
<u>109,854</u>	<u>109,854</u>

Financial assets

Bank balances	431,589	-	431,589
Investments	-	5,876,305	5,876,305
Receivable against sale of investments	30,121	-	30,121
Receivable against issue of units	1,965	-	1,965
Security deposits	2,600	-	2,600
Dividend and profit receivable	8,767	-	8,767
Advances and other receivable	8,753	-	8,753
	<u>483,795</u>	<u>5,876,305</u>	<u>6,360,100</u>

2018		
At amortised cost	At fair value through profit or loss	Total
-----Rupees in '000-----		
431,589	-	431,589
-	5,876,305	5,876,305
30,121	-	30,121
1,965	-	1,965
2,600	-	2,600
8,767	-	8,767
8,753	-	8,753
<u>483,795</u>	<u>5,876,305</u>	<u>6,360,100</u>

Financial liabilities

Payable to ABL Asset Management Company Limited - Management Company	42,551	42,551
Payable to the Central Depository Company of Pakistan Limited - Trustee	724	724
Payable against redemption of units	786	786
Accrued expenses and other liabilities	4,058	4,058
	<u>48,119</u>	<u>48,119</u>

2018	
At amortised cost	Total
-----Rupees in '000-----	
42,551	42,551
724	724
786	786
4,058	4,058
<u>48,119</u>	<u>48,119</u>

21 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

21.1 Market risk

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

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

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

(i) Yield / interest rate risk

Yield / interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As of June 30, 2019, the Fund is exposed to such risk on its balances held with banks. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds accrued mark-up on balances with banks which expose the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net loss for the year and net assets of the Fund would have been higher / lower by Rs. 0.036 million (2018: Rs. 0.026 million).

b) Sensitivity analysis for fixed rate instruments

As at 30 June 2019, the Fund does not hold any fixed rate instrument that may expose the Fund to fair value interest rate risk.

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

The Fund's interest rate sensitivity related to financial assets and financial liabilities as at June 30, 2019 can be determined as follows:

	2019				Total	
	Effective interest rate (%)	Exposed to yield / interest rate risk Up to three months	More than three months and up to one year	More than one year		Not exposed to yield / interest rate risk
----- Rupees in '000 -----						
Financial assets						
Bank balances	8 - 13.75	300,852	-	-	-	300,852
Investments		-	-	-	3,815,157	3,815,157
Security deposits		-	-	-	2,600	2,600
Dividend and profit receivable		-	-	-	4,531	4,531
Advances and other receivable		-	-	-	79	79
		300,852	-	-	3,822,367	4,123,219
Financial liabilities						
Payable to ABL Asset Management Company Limited - Management Company		-	-	-	40,519	40,519
Payable to the Central Depository Company of Pakistan - Trustee		-	-	-	485	485
Payable against redemption of units		-	-	-	3,437	3,437
Payable against purchase of investment		-	-	-	62,590	62,590
Accrued expenses and other liabilities		-	-	-	2,823	2,823
		-	-	-	109,854	109,854
On-balance sheet gap		300,852	-	-	3,712,513	4,013,365
Total interest rate sensitivity gap		300,852	-	-		
Cumulative interest rate sensitivity gap		300,852	300,852	300,852		

Effective interest rate (%)	2018			Not exposed to yield / interest rate risk	Total
	Exposed to yield / interest rate risk				
	Up to three months	More than three months and up to one year	More than one year		

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

Financial assets

Bank balances	4 - 7.59	431,589	-	-	-	431,589
Investments		-	-	-	5,876,305	5,876,305
Receivable against sale of investments		-	-	-	30,121	30,121
Receivable against issue of units		-	-	-	1,965	1,965
Security deposits		-	-	-	2,600	2,600
Dividend and profit receivable		-	-	-	8,767	8,767
Advances and other receivable		-	-	-	8,753	8,753
		431,589	-	-	5,928,511	6,360,100

Financial liabilities

Payable to ABL Asset Management Company Limited - Management Company		-	-	-	42,551	42,551
Payable to the Central Depository Company of Pakistan - Trustee		-	-	-	724	724
Payable against redemption of units		-	-	-	786	786
Accrued expenses and other liabilities		-	-	-	4,058	4,058
		-	-	-	48,119	48,119

On-balance sheet gap

	431,589	-	-	5,880,392	6,311,981
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Total interest rate sensitivity gap

	431,589	-	-		
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Cumulative interest rate sensitivity gap

	431,589	431,589	431,589		
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(ii) Currency risk

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

(iii) Price risk

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

The Fund is exposed to equity price risk on investments held by the Fund and classified as 'at fair value through profit or loss'. To manage its price risk arising from investments in equity securities, the Fund diversifies its portfolio within the eligible stocks prescribed in the Trust Deed. The NBFC Regulations also limit individual equity securities to no more than 15% of net assets and issued capital of the investee company and sector exposure limit to 40% of the net assets.

In case of 5% increase / decrease in KSE 100 index on June 30, 2019, with all other variables held constant, the total comprehensive loss of the Fund for the year would decrease / increase by Rs. 190.758 million (2018: Rs. 293.815 million) and the net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on equity securities classified as financial assets at fair value through profit or loss.

The analysis is based on the assumption that equity index had increased / decreased by 5% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KSE 100 Index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the KSE 100 Index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2019 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the KSE100 Index.

21.2 Liquidity risk

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

2019						
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total

Rupees in '000

Financial assets

Bank balances	300,852	-	-	-	-	-	300,852
Investments	-	-	-	-	-	3,815,157	3,815,157
Security deposits	2,600	-	-	-	-	-	2,600
Dividend and profit receivable	4,531	-	-	-	-	-	4,531
Advances and other receivable	79	-	-	-	-	-	79
	308,062	-	-	-	-	3,815,157	4,123,219

Financial liabilities

Payable to ABL Asset Management Company Limited - Management Company	40,519	-	-	-	-	-	40,519
Payable to the Central Depository Company of Pakistan - Trustee	485	-	-	-	-	-	485
Payable against redemption of units	3,437	-	-	-	-	-	3,437
Payable against purchase of investment	62,590	-	-	-	-	-	62,590
Accrued expenses and other liabilities	2,533	290	-	-	-	-	2,823
	109,564	290	-	-	-	-	109,854

Net financial assets

	198,498	(290)	-	-	-	3,815,157	4,013,365
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2018						
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total

Rupees in '000

Financial assets

Bank balances	431,589	-	-	-	-	-	431,589
Investments	-	-	-	-	-	5,876,305	5,876,305
Receivable against sale of investments	30,121	-	-	-	-	-	30,121
Receivable against issue of units	1,965	-	-	-	-	-	1,965
Security deposits	2,600	-	-	-	-	-	2,600
Dividend and profit receivable	8,767	-	-	-	-	-	8,767
Advances and other receivable	8,753	-	-	-	-	-	8,753
	483,795	-	-	-	-	5,876,305	6,360,100

Financial liabilities

Payable to ABL Asset Management Company Limited - Management Company	42,551	-	-	-	-	-	42,551
Payable to the Central Depository Company of Pakistan - Trustee	724	-	-	-	-	-	724
Payable against redemption of units	786	-	-	-	-	-	786
Accrued expenses and other liabilities	3,728	330	-	-	-	-	4,058
	47,789	330	-	-	-	-	48,119

Net financial assets

	436,006	(330)	-	-	-	5,876,305	6,311,981
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21.3 Credit risk

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

	2019		2018	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
	-----Rupees in '000-----			
Bank balances	300,852	300,852	431,589	431,589
Investments in quoted equity securities	3,815,157	-	5,876,305	-
Receivable against sale of investments	-	-	30,121	30,121
Receivable against issue of units	-	-	1,965	1,965
Dividend and profit receivable	4,531	4,531	8,767	8,767
Security deposits	2,600	2,600	2,600	2,600
Advances and other receivable	700	79	9,374	8,753
	<u>4,123,840</u>	<u>308,062</u>	<u>6,360,721</u>	<u>483,795</u>

The maximum exposure to credit risk before any credit enhancement as at June 30, 2019 is the carrying amount of the financial assets.

There is a possibility of default by participants or failure of the financial market / stock exchanges, the depositories, the settlements or clearing systems, etc. Settlement risk on equity securities is considered minimal because of inherent controls established in the settlement process. The Fund's policy is to enter into financial contracts in accordance with internal risk management policies and instruments guidelines approved by the Investment Committee.

21.3.2 Credit quality of financial assets

The Fund's significant credit risk (excluding credit risk relating to settlement of equity securities) arises mainly on account of its placements in banks and mark-up accrued thereon, cheques in hand, dividend receivable and receivable against sale of units and against investments, investments in term finance and sukuk certificates. The credit rating profile of balances with banks is as follows:

Rating	% of financial assets exposed to credit risk	
	2019	2018
Bank balances		
A+	0.00%	0.00%
AA+	0.00%	0.00%
AA-	6.31%	0.44%
AA	0.00%	0.00%
AAA	0.99%	6.35%
	<u>7.30%</u>	<u>6.79%</u>

22 FAIR VALUE MEASUREMENT

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

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

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

Fair value hierarchy

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

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

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

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

As at June 30, 2019 and June 30, 2018, the Fund held the following financial instruments measured at fair values:

	2019			
	Level 1	Level 2	Level 3	Total
	-----Rupees in '000-----			
Financial assets				
Equity investments	3,815,157	-	-	3,815,157
	<u>3,815,157</u>	<u>-</u>	<u>-</u>	<u>3,815,157</u>
	-----2018-----			
	Level 1	Level 2	Level 3	Total
	-----Rupees in '000-----			
Financial assets				
Equity investments	5,876,305	-	-	5,876,305
	<u>5,876,305</u>	<u>-</u>	<u>-</u>	<u>5,876,305</u>

23 UNIT HOLDERS' FUND RISK MANAGEMENT

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

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

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

In accordance with the risk management policies as stated in note 21, the Fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short-term borrowings, where necessary.

24 UNIT HOLDING PATTERN OF THE FUND

Category	2019			2018		
	Number of unit holders	Investment amount (Rupees in '000)	Percentage of total	Number of unit holders	Investment amount (Rupees in '000)	Percentage of total
Individuals	2,045	1,640,851	41.52	2,114	2,209,961	35.36
Associated companies & Directors	6	928,955	23.51	7	1,793,677	28.70
Insurance companies	3	16,371	0.41	12	275,312	4.41
Retirement Funds	25	974,772	24.67	43	1,476,855	23.63
Public limited companies	3	30,942	0.78	7	274,526	4.39
Others	17	360,109	9.11	12	219,059	3.51
	<u>2,099</u>	<u>3,952,000</u>	<u>100.00</u>	<u>2,195</u>	<u>6,249,390</u>	<u>100.00</u>

25 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

2019		2018	
Name of broker	Percentage of commission paid	Name of broker	Percentage of commission paid
Alfalsh Securities (Private) Limited	7.95%	Insight Securities (Private) Limited	9.59%
Next Capital Limited	7.90%	BMA Capital Management Limited	8.48%
Ismail Iqbal Securities (Private) Limited	6.82%	Next Capital Limited	8.37%
Insight Securities (Private) Limited	6.69%	Topline Securities Limited	7.78%
Optimus Capital Management (Private) Limited	6.54%	AlHabib Capital Markets (Private) Limited	7.39%
Arif Habib Limited	6.53%	Optimus Capital Management (Private) Limited	6.00%
BMA Capital Management Limited	6.16%	JS Global Capital Limited	5.51%
EFG Herems Pakistan Limited	5.87%	EFG Herems Pakistan Limited	5.47%
AlHabib Capital Markets (Private) Limited	5.78%	AKD Securities Limited	5.30%
Topline Securities Limited	5.58%	Intermarkets Securities Limited	5.27%

26 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

Name	Designation	Qualification	Overall experience
Alee Khalid Ghaznavi	Chief Executive Officer	MBA	18
Saqib Mateen	CFO & Company Secretary	ACA & APFA	20
Tanweer Haral	Head of Risk Management	MBA - Banking	24
Fahad Aziz	Head of Fixed Income	MBA - Finance	13
Ali Ahmed Tiwana	Head of Equity	CIMA	9
M. Tahir Saeed	Head of Research	MBEcon & CFA	7
M. Abdul Hayee	Fund Manager - Equity	MBA-Executive & CFA	11
Abdul Rehman Tahir	Fund Manager - Fixed Income	MBA	8

27 NAME AND QUALIFICATION OF THE FUND MANAGER

Name	Designation	Qualification	Other Funds managed by the Fund Manager
Ali Ahmed Tiwana	Fund Manager	CIMA	ABL Financial Planning Fund, ABL Islamic Financial Planning Fund, Allied Finergy Fund, Mustaqbil Pension Fund and Allied Capital Protected Fund.

28 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The 56th, 57th, 58th and 59th Board of Directors meetings were held on September 06, 2018, October 25, 2018, February 06, 2019 and April 30, 2019, respectively. Information in respect of attendance by the directors and other persons in the meetings is given below:

S. No.	Name	Number of meetings			Meetings not attended
		Held	Attended	Leave granted	
1	Sheikh Mukhtar Ahmed	4	3	1	59th
2	Mohammad Naeem Mukhtar	4	4	-	-
3	Muhammad Waseem Mukhtar	4	3	1	59th
4	Tahir Hasan Qureshi	4	3	1	59th
6	Muhammad Kamran Shehzad	4	4	-	-
7	Pervaiz Iqbal Butt	4	4	-	-
8	Alee Khalid Ghaznavi	4	4	-	-
Other persons					
9	Saqib Mateen*	4	4	-	-

* Saqib Mateen attended the meetings as Company Secretary.

29 RATING OF THE FUND AND THE MANAGEMENT COMPANY

The JCR-VIS Credit Rating Company Limited has determined the asset manager rating of the Management Company of AM2++ (2018: AM2++ on December 29, 2017) on December 31, 2018. The rating reflects the Company’s experienced management team, structured investment process and sound quality of systems and processes.

30 CORRESPONDING FIGURES

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

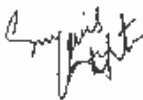
31 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on 8-August-2019.


32 GENERAL

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

**For ABL Asset Management Company Limited
(Management Company)**



Saqib Mateen
Chief Financial Officer



Alee Khalid Ghaznavi
Chief Executive Officer



Pervaiz Iqbal Butt
Director

DISCLOSURE OF PROXY VOTING

The Board of Directors of ABL Asset Management Company Limited (the Management Company of the fund) have overall responsibility for the implementation of Proxy Voting Policy and Procedures which is available on Management Company's website (www.ablmc.com). During the financial year, the Management Company on behalf of the Fund did not participate in 39 shareholders' meeting. Moreover, details of summarized proxies voted are as follows:

	Resolutions	For	Against	Abstain	Reason for Abstaining
Number	10	10	-	-	-
(%ages)	100	100	-	-	-

فنڈ کی کارکردگی :-

اے بی ایل اسٹاک فنڈ (ABL-SF) نے زیر الجائزہ مدت کے دوران 7.19% کارٹرن کیا ہے جبکہ مقرر کردہ معیار 4.2% کا تھا جو کہ 2.92% بہتر پرفارمنس ہے اپنے آغاز سے ہی ABL-SF فنڈ نے 550.64% کا منافع دیا ہے جب کے مقررہ کردہ معیار 189.96% تھا اس لحاظ سے یہ پرفارمنس 360.68% زیادہ ہے۔ اس مدت کے اختتام تک فنڈ کو 91.09% ایکٹیوٹیز میں انویسٹ کیا گیا جبکہ زیادہ رجحان ٹیکنس کی طرف تھا (29.63%)، تیل اور گیس ٹکائے والی کمپنیوں میں (23.11%)، کھادیکلٹر میں (11.98%) تھا۔ اس مدت کے دوران ABL اسٹاک فنڈ کے ماتحت اثاثہ جات 4.63% کم ہو کر جو کہ دسمبر 2018 میں 5,284.2 ملین روپے تھے سے 31 مارچ 2019 میں 5,039.81 ملین روپے تک رہ گئے۔

محاسب کار :-

میسرز فرگن اینڈ کمپنی (چارٹرڈ اکاؤنٹنٹس) کو اے بی ایل مالیاتی پلاننگ فنڈ (ABL-ACPF) کا برائے مالی سال 30 جون 2019 تک محاسب کار مقرر کیا گیا۔

انتظامی معیار کی درجہ بندی :

31 دسمبر 2018 کو JCR-VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ نے اے بی ایل ایسٹ مینجمنٹ کمپنی لمیٹڈ کی انتظامی معیار کی درجہ بندی کو AM two (AM2+ Plus سے AM2+ قرار دیا۔ متعین کردہ حد بندی کے لحاظ سے مستحکم ہے۔

جائزہ :-

آئیو اے اہم واقعات 2QCY19 میں حصص مارکیٹ کے رخ کا یقین کرینگے۔ (1) پاکستان کے IMF سے مذاکرات / مشاورت (2) مالی سال 2020 کا بجٹ (3) FATF میں ترقی ہمارے خیال میں IMF کو کرنسی میں روہ بدل اور پالیسی ریٹ میں اضافہ سے مطمئن ہو جانا چاہئے تاہم بجلی اور گیس کے نرخوں میں نظر ثانی کی جاسکتی ہے ترقیاتی اخراجات چیک میں رہیں گے۔ اس طرح سائیکلک شعبوں جیسے سینٹ / اسٹیل کا دباؤ برقرار رہے گا دوسری طرف ہاور سلیکٹر IMF سے فائدہ حاصل کرنیوالے میں ہوگا کیونکہ بیرونی میں اضافہ اور سکوک کی پیشکش کی وجہ سے بڑی چلک ریلیف دیکھی جاسکے گی ٹینکس بھی 2013/14 والا سال دوبارہ دیکھ سکیں گے جب انہوں نے زیادہ پیداوار والی PIB کو 3-5 سال تک کے پابند کر دیا تھا بیرونی سلیکٹر زیادہ نمبر دکھائے گا اور ہم اوسطاً موجودہ اکاؤنٹ کے خسارے کو 700 ملین USD تک دیکھیں گے (سال 18 میں اوسطاً مالی خسارہ 5.0% ارب USD تھا) تاہم افراط زر میں بڑھتی رہیگی اس لیے کہ گزشتہ کچھ ہفتوں سے تیل کی عالمی قیمتیں مسلسل بڑھ رہی ہیں۔

توثیق :

ہم اپنے گرانقدر سرمایہ کاروں کا شکریہ ادا کرتے ہیں جنہوں نے ہم پر اپنا اعتماد کیا۔ منتظمین بھی سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کا بڑی سینئر ڈیپارٹمنٹ کی کمپنی لمیٹڈ آف پاکستان کا اور پاکستان اسٹاک ایکسچینج کی انتظامیہ کا ان کی مسلسل رہنمائی اور معاونت پر مشکور ہیں۔ منتظمین انتظامی اراکین کی جانب سے کی گئی کاوشوں کو بھی سراہتے ہیں۔

برائے اور منجانب منتظمین :

علی خالد غزنوی

سربراہ

ABL
Stock Fund

منظم

8 اگست 2019، لاہور

ABL Asset Management
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آگے چلتے ہوئے ہم امید کرتے ہیں کہ IMF کے تیل آؤٹ چیک پر دستخط کے بعد بیرونی اکاؤنٹ پر آسانی ہوگی موجودہ اکاؤنٹ کا خسارہ بیرونی ملک کارکنوں کی ترسیلات میں میں رمضان المبارک کے بعد عید الفطر کے موقع پر زیادتی کی وجہ سے اور روپے کی قیمت میں کمی کی وجہ سے درآمدات میں کمی کی وجہ سے کنٹرول میں رہنے کی توقع ہے۔ مہنگائی اسٹیٹ بینک کے دیئے گئے حدف کے مطابق 75%-6.5% تک رہنے کی توقع ہے۔ گورنمنٹ کی طرف سے ایک اور ٹیکس ایجنسی اسکیم کے اعلان کی توقع ہے تاکہ محصولات کی وصولی کا دائرہ وسیع ہو جائے اور مالی خسارے کو کم کیا جائے مالی سال 2020 کا بجٹ بھی ملک کے مستقبل میں ایک اہم کردار ادا کرے گا ان تمام عناصر کو ایک طرف رکھتے ہوئے سازگار سیاسی ماحول چیزوں کو پلان کے مطابق چلانے میں ایک بنیادی محرک ہوگا۔

مارکیٹ کا جائزہ:

3Q FY19 نے KSE-100 انڈیکس میں 10% کے اضافہ کے ساتھ جنوری کے مہینے میں ایک اچھا آغاز کیا جسکی وجہ مئی بجٹ میں کچھ مثبت اقدامات کے اعلانات (بینکنگ، کھاد، اور آٹو موہائل سیکٹر) کے لیے کئے گئے تھے مزید یہ کہ دوست ممالک سے مالی معاونت اور کچھ حوصلہ مند اقدامات بڑی معیشت کے محاذ پر۔ بہر حال یہ صورت حال تھوڑے عرصے کے لیے رہی کیونکہ سرمایہ کاروں نے غیر تعمیلی بخش کارپوریشن آرٹیکل، پلوامہ پر خود کش حملے کے بعد پاکستان اور انڈیا کے ہاڈر پر کشیدگی اور IMF کے پروگرام میں تاخیر کی وجہ سے فروخت شروع کر دی ان منفی اقدامات نے سعودی عرب کے ساتھ کئے گئے 20 ارب USD کے معاہدوں کے اثر کو بھی زائل کر دیا اور انڈیکس 3Q FY19 میں 3.5% اضافہ کے ساتھ اس سہ ماہی میں 38649 پوائنٹس پر بند ہوا۔ سرمایہ کاری کے محاذ پر بیرونی ملک سرمایہ کار اور مقامی میوچل فنڈ مختلف سمتوں میں تھے جہاں بیرونی سرمایہ کاروں کی طرف سے خریداری 31 USD ملین تک پہنچ گئی وہاں میوچل فنڈ نے اتنی مقدار (31 ملین USD) کی مالیت کے شیئرز اس سہ ماہی میں فروخت کر دیئے۔ اسی طرح بروکرز اور بینکنگ DFI/ی خریدار تھے جبکہ افراد اور کمپنیاں مارکیٹ میں سرمایہ کاری کرنے سے گریز ان تھیں کاروباری طرف اس سہ ماہی مارکیٹ کم از کم رہی جہاں اوسط ویوم YoY 39% سے گرتے ہوئے 131 ملین شیئرز تک آیا جبکہ اوسط کاروباری مالیت YoY 49% تک گرتے ہوئے 41 ملین USD تک آگئی مزید برآں کے سیکٹر کا تجزیہ یہ ظاہر کرتا ہے کہ کمرشل بینکنگ، تیل اور گیس نکالنے والی کمپنیوں کے ساتھ کھاد سیکٹر نے انڈیکس کو آگے بڑھایا اور 814.919 اور 617 کے پوائنٹس کا باآزاد اضافہ کیا، پہلے والے، (ٹیکس) نے بڑھتی ہوئی شرح سود کو فائدہ اٹھایا جبکہ E & P سیکٹر کو سمندر میں ڈرائنگ کی وجہ سے بہتر توقعات سے فائدہ ہوا اس برعکس پاؤڈر جنریشن اور ڈسٹریبوشن سیکٹر مارکیٹ کو 336 پوائنٹس نیچے لے گیا جس کی وجہ HUBC کی طرف سے کم قیمت پر رائٹس شیئرز کا اجراء ہوتا ہے۔

مشترکہ فنڈ کی صنعت کا جائزہ:

اوپن اینڈ فنڈ کی صنعت کے زیر انتظام (اثاثہ جات AUM) 3Q FY19 کے دوران مستحکم رہے صرف ایک معمولی 0.16% کی گراؤ کا مظاہرہ کیا (630 ارب روپے سے 629 ارب روپے) جس کی بنیادی اصل وجہ غیر یقینی معاشی صورتحال اور کلیاتی معاشیات کے محرکات کی بہتری تھی جو کہ گزشتہ سال اسی مدت کے برعکس ہے جب اثاثہ جات AUM میں 10% کا اضافہ ہوا اور یہ مارچ 2018 کے اختتام تک 704 ارب روپے تک پہنچ گئے۔ ایکویٹی فنڈز جس میں کنوشنل اور اسلاک ایکویٹی شامل ہے نے اچھی خاصی کمی کا مظاہرہ کیا اور اثاثہ جات میں بالترتیب 11.6% اور 14.7% کی کمی کے ساتھ 123 ارب اور 83.9 ارب روپے پر بند ہوئے یہ کمی بنیادی طور پر مارکیٹ کی خراب کارکردگی کی طرف منسوب کی جاسکتی ہے (جب جنوری کے اثر کے باوجود 3Q FY19 میں KSE-100 انڈیکس 4.5% بڑھا) جو غیر یقینی معاشی کی صورتحال کی وجہ سے جس نے سرمایہ کاروں کے جذبات کو بھی مجروح کیا۔

آگاہی منجانب منظمین کمپنی

اے بی ایل اسٹاک فنڈ (ABL-SF) کی انتظامی کمپنی ABL ایسٹ منجمنٹ کمپنی لمیٹڈ کے بورڈ آف ڈائریکٹرز نے بی ایل اسٹاک فنڈ (ABL-SF) کے جامع مالیاتی (فیرمجاسی) حسابات برائے ششماہی 31 مارچ 2019 پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

چاندہ ماہ اقتصادی کارکردگی

ملک کے بڑے معاشی عوامل نے 9MFY19 کے دوران ایک مسابقتی ماحول پیدا کیے رکھا ملک کی معیشت موجودہ اکاؤنٹ کے بہت زیادہ خسارے، بڑھتے ہوئے مالی عدم توازن اور تیزی سے ختم ہوتے ہوئے زرہ مبادلہ کے ذخائر کی وجہ سے دباؤ میں رہی ان تمام عوامل نے PKR/USD کو % 16 کم کر دیا، % 6.78 YoY مہنگائی کردی اور 425 پوائنٹس پالیسی ریٹ میں اضافہ ہو گیا۔ اگرچہ ہم پر امید ہے کہ معاشی چیلنجز سے نمپٹنے کے لیے خاطر خواہ رد و بدل کیا جا چکا ہے۔ جیسا کہ ملک نے بنیادی اصلاحات کے پروگرام کا آغاز کر دیا ہے بڑے عالمی معاہدات کے ساتھ جیسا کہ IMF جو درمیان میں ہے معیشت آگے بڑھنے کی طرف گامزن ہو چکی ہے۔ 8MFY19 میں ملک کا موجودہ اکاؤنٹ کا خسارہ (CAD) % 23 YoY کے اضافہ کے ساتھ USD 8.84 ارب ڈالر تک پہنچ گیا % 8 YoY کے کم تجارتی خسارہ کی وجہ سے سامان تجارت اور خدمات میں ترقی دیکھی گئی اگرچہ 8MFY19 میں برآمدات USD 19.45 ارب تک رہیں اور خدمات اور سامان تجارت کی درآمدات میں کمی (% 4.58 YoY) اور بیرون ملک کارکنوں کی ترسیلات میں تیزی سے موجودہ اکاؤنٹ کے خسارے کو (CAD) کو کنٹرول کرنے میں معاونت کی اس کی وجہ سے بیرونی اکاؤنٹ پر اور زر مبادلہ کی ذخائر دباؤ کم ہوا۔ 29 مارچ 2019 تک ملک کے زر مبادلہ کے ذخائر US 17.4 ارب ڈالر ہو گئے۔ مارچ 2019 کے آخر میں چاندہ سے قرضہ ملنے والی رقم کی وجہ سے یہ ذخائر US 2.1 ارب ڈالر تک اور بڑھ گئے۔








ملک میں مارچ 2019 میں پانچ سال کی سب سے زیادہ مہنگائی رہی جو کہ % 9.41 تھی پچھلے سال اسی مدت میں % 3.25 تھی۔ مہنگائی میں یہ اضافہ قابل استعمال غذائی آئٹمز اور ناقابل غذائی آئٹمز کی طرف منسوب کیا جا سکتا ہے۔ جس (کنزیومر پرائز انڈیکس) میں % 2.97 کا حصہ ڈالا ہے اس کے بعد ٹرانسپورٹ (% 0.80 کا حصہ) حاء سٹیک، پانی، بجلی، گیس اور پیٹرول (% 3.31 کا حصہ) 9MFY19 میں اوسط CPI % 6.78 YoY تک آ گیا جبکہ پچھلے سال اسی مدت کے دوران % 3.78 YoY تک تھا۔ اسٹیٹ بینک نے 9MFY19 کے دوران مہنگائی کو چھلانے کیلئے پالیسی ریٹ میں % 4.25 تک اضافہ کر دیا۔ دوسری طرف بڑھتی ہوئی شرح سود نے ملک کی GDP کی نمو کو جامد کر دیا عالمی ادارے جیسے کہ ورلڈ بینک IMF اور موڈی نے GDP کی نمو کو FY19 کیلئے % 4 سے بھی نیچے شمار کیا یہ سب روی بالکل درست ہے اس لیے کہ اسٹیٹ بینک کے فراہم کردہ اعداد و شمار کے مطابق 7MF19 کی مدت کے دوران بڑی صنعتیں % 2.30 YoY تک گھٹ گئیں۔








مالیاتی مجوزہ پر FY19 کے دوران ملک میں ایک بڑے مالی خسارے آنے کی امید ہے اگرچہ حکومت پاکستان مالی خسارہ کم کرنے کے لیے سخت اقدامات کر رہی ہے جو محصولات کے حذف کی وصولی میں ناکامی نے مشکل بنا دیا ہے مارچ 2019 میں محصولات کی وصولی % 5.14 YoY کی کمی کے ساتھ 351 ارب روپے ہوئی مارچ 2019 میں 357 ارب روپے لیکس کی وصولی پہنچ گئی % 5.14 YoY کم جبکہ محصولات کی وصولی کا حذف 432 ارب روپے تھا مجموعی طور پر 9MFY19 میں لیکس کی وصولی 2681 ارب روپے تک ہو گئی جبکہ وصولی کا حذف 2998 ارب روپے تھا جو کہ 317 ارب روپے کے شارٹ فال کی عکاسی کرتا ہے یاد رہے کہ FY19 مالی سال کیلئے لیکس کی وصولی کا حذف 4398 ارب روپے تھا۔ بیرونی اکاؤنٹ ڈیبٹ سروس کی بہت زیادہ قیمت، بھاری مالی خسارے، انتہائی مہنگائی اور کم GDP نمو کی وجہ سے پاکستانی روپیہ امریکن ڈالر کے مقابلے میں گر گیا روپے کی قدر میں 9MFY19 میں % 16 کی کمی واقع ہوئی ہے جبکہ % 22 YoY کے مقابلے میں جو کہ گزشتہ سال اسی مدت میں 140.78 روپے پر تھا۔



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