



ABL Government Securities Fund

Half Yearly Report

CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE PERIOD ENDED DECEMBER 31, 2019



ABL Asset Management

Discover the potential

CONTENTS

Fund's Information	1
Report of the Directors of the Management Company	2
Report of the Trustee to the Unit Holders	5
Independent Auditor's Report to the Unit Holders on Review of Condensed interim Financial Information	6
Condensed Interim Statement of Assets and Liabilities	7
Condensed Interim Income Statement (Un-audited)	8
Condensed Interim Statement of Movement in Unit Holders' Fund (Un-audited)	9
Condensed Interim Cash Flow Statement (Un-audited)	10
Notes to and Forming Part of the Condensed Interim Financial Information (Un-audited)	11
Report of the Directors of the Management Company (Urdu Version)	23
Jama punji	24

ABL GOVERNMENT SECURITIES FUND

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 Shahzad Mr. Alee Khalid Ghaznavi	Chairman Non-Executive Director Non-Executive Director Non-Executive Director Independent Director Independent Director CEO/Executive Director
Audit Committee:	Mr. Muhammad Kamran Shahzad 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 Shahzad	Chairman Member Member Member
Chief Executive Officer of The Management Company:	Mr. Alee Khalid Ghaznavi	
Chief Financial Officer & Company Secretary:	Mr. Saqib Matin	
Chief Internal Auditor:	Mr. Kamran Shahzad	
Trustee:	Central Depository Company of Pakistan Ltd. CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shakra-e-Faisal, Karachi - 74400	
Bankers to the Fund:	Allied Bank Limited Bank Al- Falah Limited Faysal Bank Limited JS Bank Limited Sindh 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	



ABL GOVERNMENT SECURITIES FUND

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of ABL Asset Management Company Limited, the management company of ABL Government Securities Fund (ABL-GSF), is pleased to present the Condensed Interim Financial Statements (un-audited) of ABL Government Securities Fund for the half year ended December 31, 2019.

ECONOMIC PERFORMANCE REVIEW

The balance of payment (BOP) crisis, one of the major issues of Pakistan's economy, successfully brought under control by the government during 2019. The current account deficit (CAD) has dropped by 75% YoY to USD 2.15bn during the 1HFY20 compared to USD 8.61bn in the same period last year (SPLY). The government is holding a tight control over the preventable imports by enforcing higher regulatory duties while the reduction in the CEPC related machinery supported the move. The imports dropped by 18.5%YoY and the country started witnessing marginal growth of 4.8%YoY in exports. Though, the country has witnessed an impressive growth in export volumes but there is a dire need of enhancing exports in US Dollar terms as well. If the Govt. continues to manage CAD by just curbing imports, it will hurt industrial growth and thus country's GDP growth rate. Now, our exports have become more competitive in the international market after the exchange rate devaluation of 21%YoY during the period. Moreover, the country has received USD 1.28bn direct investment representing a growth of 62%YoY. Total foreign exchange reserves of the country are building up and reported at 21-month high of USD 17.93bn (SBP: USD 11.34bn, Commercial Banks: USD 6.59bn) as at Dec 31, 2019, providing an import cover of ~4 months. Funds received from friendly countries, multilateral financial institutions and cellular renewal licenses supported the reserves.

Pakistan's GDP growth was reported at 3.3%YoY as compared to 3.2%YoY in the SPLY. The GDP rate has dropped down from 5.2% in FY18. The growth slowed down due to economic reforms and fiscal measures adopted by the government. During the period of Jul-Oct 2019, the large scale manufacturing (LSM) has significantly dented by the fiscal measures where the Automobile (-36.07%), Iron and Steel Products (-14.97%), Coke & Petroleum Products (-13.77%), Pharmaceuticals (-10.28%) remained prominent due lower construction activities in the country and the weak purchasing power of the nation. However, it's worth mentioning that the textile sector performed well, up 18%YoY, after declining by 14% in last year amid competitiveness granted by the devaluation.

Average national CPI during the 1HFY20 has reached at 11.1%YoY against the 5.98%YoY in SPLY amid higher food prices in the country due to interrupted supply & elevated electricity and transport prices on the back of fuel cost adjustments, quarterly tariff adjustments and PKR devaluation. The increase in the fuel, electricity & gas prices and house index adjustment is expected to further increase the CPI in the month of Jan'20 while the average inflation during the FY20 to remain in the double digit. The real interest rate has narrowed to 0.62% which rule out any rate cut before May'20, we believe.

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. The government is rigorously working to broaden the tax base in order to curtail the deficit. Tax collection of the country has increased by 16%YoY to PKR 2.08tr against the set target of PKR 2.20tr reflecting a shortfall of PKR 118bn during the 1HFY20. To note, IMF has revised down the tax collection target to PKR 5.24tr from PKR 5.50tr.

Going forward, the implementation of second phase of FTA between China and Pakistan in Jan'20 will be highly positive for the growth in exports and further cutting down the CAD. Further, any rate cut will push the growth back on track and create the positive sentiments among investors.

MUTUAL FUND INDUSTRY REVIEW

Total assets under management (AUMs) of open-end mutual fund industry posted a massive growth of 29% during 1HFY20 (from PKR 572 billion to PKR 705 billion), mainly on account of substantial flows in equities amid renewed enthusiasm for risky assets. Equity funds including Conventional and Islamic equity witnessed a mammoth growth of 15.22% in AUM to close the period at PKR191 billion. This growth can primarily be attributed to the strong market performance where inversion in the yield curve, the expectation of monetary easing and signs of economy bottoming out increased the investor's aptitude for risky assets. Similarly fixed income funds including both Conventional and Islamic funds posted growth of 37.00% to close the half-year at PKR 386 billion AUM. Appetite for fixed income was increased by 6-year high-interest rates.

FUND PERFORMANCE

ABL GSF yielded an annualized return of 13.26% during 1HFY20 against the benchmark performance of 13.53%, thus showing an underperformance of 27 bps.

Fund's return improved significantly as compared to the previous half and as compared to industry peers as trading alpha was generated by increasing the duration of the portfolio by taking position in (PIBs), as the interest rates got stable. Further, debt portfolio running yield also improved as coupon's got adjusted at higher rates which further helped in improving the portfolio's running yield.

During the period, ABL Government Securities Fund's AUM increased to PKR 4,069.59mn at Dec 2019, from PKR 2,811.07mn in June 2019 as interest rates got stable and longer duration fund returns improved. At the end of the period, investment in Government Securities (T-Bills) stood at 15.49% of total assets. Moreover, exposure in PIBs, TFCs and Cash assets stood at 0.19%, 8.66% & 68.65% of total portfolio, respectively. The fund's weighted average maturity of the portfolio stood at 22.5 days compared to 452 days in June 2019.



FUTURE OUTLOOK

As rising interest rates cycle has ended, the market now awaits for the same to reverse. The impact of which along with prudent debt management by government of Pakistan has resulted in the inversion of yield curve with 3 & 5 years bond trading at around 150 to 180 bps below the policy rate. As inflationary pressures continue to prevail, we do not expect any significant reduction in policy during the current Fiscal Year.

The Fund will continue to remain prudent towards investment in longer duration instruments as yield curve has inverted while alpha shall be generated through investment in shorter tenor high yielding instruments and through placements in TDRs.

The Fund will also continue to actively hold/invest in corporate debt instruments to augment overall returns.

AUDITORS

M/s. A.F. Fergusons & Co. (Chartered Accountants), have been re -appointed as auditors for the year ending June 30, 2020 for ABL Government Securities Fund (ABL-GSF).

FUND STABILITY RATING

JCR-VIS Credit Rating Company Ltd. (JCR-VIS) on January 16, 2019, has reaffirmed the Fund Stability Rating of ABL Government Securities Fund at 'A(f)' (Single A (f)).

MANAGEMENT QUALITY RATING

On December 31, 2019, JCR-VIS Credit Rating Company Limited (JCR-VIS) has reaffirmed the Management Quality Rating of ABL Asset Management Company Limited (ABL AMC) at 'AM2++' (AM-Two-Double Plus). Outlook on the assigned rating is 'Stable'.

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, February 04, 2020

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office

CDC House, 99-B, Block 'B'
S.M.C.H.S. Main Shahr-e-Faisal
Karachi - 74400, Pakistan,
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.citcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ABL GOVERNMENT SECURITIES FUND

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

We Central Depository Company of Pakistan Limited, being the Trustee of ABL Government Securities Fund (the Fund) are of the opinion that ABL Asset Management Company Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 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: February 20, 2020





INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **ABL Government Securities Fund** (the Fund) as at December 31, 2019 and the related condensed interim income statement, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the half year ended December 31, 2019. The Management Company (ABL Asset Management Company Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement for the quarters ended December 31, 2019 and December 31, 2018 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2019.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

A.F. Ferguson & Co.

Chartered Accountants

Engagement Partner: **Noman Abbas Sheikh**

Dated: February 25, 2020

Karachi

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

• KARACHI • LAHORE • ISLAMABAD

ABL GOVERNMENT SECURITIES FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2019

	(Un-audited) December 31, 2019	(Audited) June 30, 2019
Note ----- (Rupees in '000) -----		
Assets		
Bank balances	4 3,331,447	2,089,059
Investments	5 1,472,427	3,280,471
Accrued interest	47,767	48,945
Deposit, prepayment and other receivables	1,428	1,490
Total assets	4,853,069	5,419,965
Liabilities		
Payable to ABL Asset Management Company Limited - Management Company	6 69,098	58,435
Payable to the Central Depository Company of Pakistan Limited - Trustee	232	268
Payable to the Securities and Exchange Commission of Pakistan	7 313	2,051
Payable against redemption of units	3,542	860
Payable against purchase of investment	696,434	2,513,747
Accrued expenses and other liabilities	8 13,860	33,538
Total liabilities	783,479	2,608,899
NET ASSETS	4,069,590	2,811,066
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)	4,069,590	2,811,066
CONTINGENCIES AND COMMITMENTS	9	
	----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE	379,105,090	279,372,240
	----- (Number of units) -----	
NET ASSET VALUE PER UNIT	10.7347	10.0621

The annexed notes 1 to 16 form an integral part of these condensed interim 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 GOVERNMENT SECURITIES FUND
CONDENSED INTERIM INCOME STATEMENT(UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2019

	Note	For the Half Year ended December 31,		For the Quarter ended December 31,	
		2019	2018	2019	2018
----- Rupees in '000 -----					
Income					
Income from government securities		79,522	33,002	39,607	13,403
Income from commercial papers		659	-	659	-
Income from reverse repo transactions		-	333	-	-
Income from term deposit receipts		-	3,695	-	3,695
Income from term finance certificates and sukus		31,574	21,016	15,811	10,946
Profit on savings accounts		107,502	66,549	66,433	35,417
		219,257	124,595	122,510	63,461
Gain / (loss) on sale of investments - net		19,346	(2,526)	9,413	(2,510)
Net unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	5.7	(1,269)	(8,297)	(874)	3,840
		18,077	(10,823)	8,539	1,330
Total income		237,334	113,772	131,049	64,791
Expenses					
Remuneration of ABL Asset Management Company Limited - Management Company	6.1	19,548	17,356	10,892	7,932
Punjab sales tax on remuneration of the Management Company	6.2	3,128	2,777	1,743	1,269
Accounting and operational charges	6.4	4,655	1,387	3,190	635
Selling and marketing expenses	6.5	6,248	5,547	1,160	2,538
Remuneration of the Central Depository Company of Pakistan Limited - Trustee		1,016	1,419	566	665
Sindh sales tax on remuneration of the Trustee		132	186	73	87
Annual fee to the Securities and Exchange Commission of Pakistan	7.1	313	1,041	174	476
Securities transaction costs		1,283	43	783	20
Settlement and bank charges		110	59	37	5
Legal and professional charges		60	-	60	-
Auditors' remuneration		290	234	179	129
Printing charges		101	100	52	12
Annual listing fee		14	14	7	5
Annual rating fee		134	134	67	67
Total operating expenses		37,032	30,297	18,983	13,840
Net income for the period before taxation		200,302	83,475	112,066	50,951
Taxation	10	-	-	-	-
Net income for the period after taxation		200,302	83,475	112,066	50,951
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		200,302	83,475	112,066	50,951
Earning per unit	11				
Allocation of net income for the period		200,302	83,475	112,066	50,951
Net income for the period after taxation		(23,024)	(19,657)	(10,932)	(15,083)
Income already paid on units redeemed		177,278	63,818	101,134	35,868
Accounting income available for distribution					
-Relating to capital gains		18,077	-	8,539	1,330
-Excluding capital gains		159,201	63,818	92,595	34,538
		177,278	63,818	101,134	35,868

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

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



Saqib Mateen
Chief Financial Officer



Aleo Khalid Ghaznavi
Chief Executive Officer



Pervaiz Iqbal Butt
Director

**ABL GOVERNMENT SECURITIES FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND
FOR THE HALF YEAR ENDED DECEMBER 31, 2019**

	Half year ended December 31, 2019			Half year ended December 31, 2018		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
----- (Rupees in '000) -----						
Net assets at beginning of the period (audited)	2,792,010	19,056	2,811,066	3,002,011	134,604	3,136,615
Issue of 304,935,577 (2018: 57,429,067) units						
- Capital value (at net asset value per unit at the beginning of the period)	3,068,292	-	3,068,292	578,587	-	578,587
- Element of income	119,523	-	119,523	6,512	-	6,512
Total proceeds on issuance of units	3,187,815	-	3,187,815	585,099	-	585,099
Redemption of 205,202,727 (2018: 143,595,356) units						
- Capital value (at net asset value per unit at the beginning of the period)	2,064,770	-	2,064,770	1,444,272	-	1,444,272
- Element of loss	41,799	23,024	64,823	3,134	19,657	22,791
Total payments on redemption of units	2,106,569	23,024	2,129,593	1,447,406	19,657	1,467,063
Total comprehensive income for the period	-	200,302	200,302	-	83,475	83,475
Distribution during the period						
2019: Nil (2018: Re 0.3994 per unit on July 03, 2018 Re 0.0800 per unit on August 01, 2018)	-	-	-	(18,892)	(100,099)	(118,991)
Net income / (loss) for the period less distribution	-	200,302	200,302	(5,006)	(19,018)	(24,024)
Net assets at end of the period (un-audited)	3,873,256	196,334	4,069,590	2,115,806	79,305	2,195,111
Undistributed income brought forward						
- Realised income		28,253			131,427	
- Unrealised income		(9,197)			3,177	
Accounting income available for distribution		19,056			134,604	
- Relating to capital gains		18,077			-	
- Excluding capital gains		159,201			63,818	
Distribution during the period		-			(119,117)	
Undistributed income carried forward		196,334			79,305	
Undistributed income carried forward						
- Realised income		197,603			87,602	
- Unrealised loss		(1,269)			(8,297)	
Net assets value per unit at beginning of the period			(Rupees)			(Rupees)
Net assets value per unit at end of the period			10.0621			10.5283
			10.7347			10.3662

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.


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



Saqib Mateen
Chief Financial Officer



Aleo Khalid Ghaznavi
Chief Executive Officer



Pervaiz Iqbal Butt
Director



**ABL GOVERNMENT SECURITIES FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2019**

	Half year ended December 31,	
	2019	2018
	Note ----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	200,302	83,475
Adjustments		
Income from government securities	(79,522)	(33,002)
Income from commercial papers	(659)	-
Income from term deposit receipts	-	(3,695)
Income from term finance certificates and sukus	(31,574)	(21,016)
Profit on savings accounts	(107,502)	(66,549)
Income from reverse repo transactions	-	(333)
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	1,269	8,297
	(217,988)	(116,298)
Decrease / (increase) in assets		
Deposit, prepayment and other receivables	62	(862)
Increase / (decrease) in liabilities		
Payable to ABL Asset Management Company Limited - Management Company	10,663	6,266
Payable to the Central Depository Company of Pakistan Limited - Trustee	(36)	(45)
Payable to the Securities and Exchange Commission of Pakistan	(1,738)	(1,160)
Accrued expenses and other liabilities	(19,678)	1,142
	(10,789)	6,203
Income received on government securities	99,780	33,002
Income received on term deposit receipts	-	3,822
Income received from reverse repo transactions	-	333
Income received on term finance certificates and sukus	31,188	18,873
Profit received on savings accounts	88,808	70,641
Net amount paid on purchase and sale of investments	(1,576,537)	(719,994)
	(1,356,761)	(593,323)
Net cash used in operating activities	(1,385,174)	(620,805)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash distribution paid	-	(143,015)
Receipts against issuance of units during the period	3,187,815	585,099
Payments against redemption of units during the period	(2,126,911)	(1,463,240)
Net cash generated from / (used in) financing activities	1,060,904	(1,021,156)
Net decrease in cash and cash equivalents	(324,270)	(1,641,961)
Cash and cash equivalents at the beginning of the period	4,352,342	4,913,696
Cash and cash equivalents at the end of the period	4.3 4,028,072	3,271,735

The annexed notes 1 to 16 form an integral part of these condensed interim 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 GOVERNMENT SECURITIES FUND

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2019

1 LEGAL STATUS AND NATURE OF BUSINESS

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

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

1.2 The Fund has been categorised as an open ended income scheme by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs 10 per unit. Thereafter, the units are being offered for public subscription on a continuous basis from November 29, 2011 and are transferable and redeemable by surrendering them to the Fund.

1.3 The objective of the scheme is to deliver optimal risk adjusted returns by investing mainly in mix of short to long term Government Securities and other debt instruments. The investment objectives and policies are explained in the Fund's offering document.

1.4 VIS Credit Rating Company Limited has assigned an asset manager rating of AM2++ (stable outlook) to the Management Company on December 31, 2019 and stability rating of A+(f) to the Fund in its credit rating report dated January 20, 2020.

1.5 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 STATEMENT OF COMPLIANCE

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2019.



3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES, JUDGMENTS AND RISK MANAGEMENT POLICIES

3.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2019.

3.2 The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by the management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2019. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2019.

3.3 Amendments to published accounting and reporting standards that are effective in the current period:

There are certain amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2019. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

3.4 Amendments to published accounting and reporting standards that are not yet effective:

There are certain amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting periods beginning on or after July 1, 2020. However, these are not expected to have any significant impacts on the Fund's operations and are, therefore, not detailed in these condensed interim financial statements.

		(Un-audited) December 31, 2019	(Audited) June 30, 2019
	Note	----- (Rupees in '000) -----	
4 BANK BALANCES			
Balances with banks in savings accounts	4.1	3,331,430	2,089,059
Balance with bank in current account	4.2	17	-
		<u>3,331,447</u>	<u>2,089,059</u>

4.1 These include balances of Rs 56.236 million (June 30, 2019: Rs 37.764 million) maintained with Allied Bank Limited (a related party) and carry profit of 14.35% (June 30, 2019: 13.40%) per annum. Other profit and loss saving accounts of the Fund carry profit rates ranging from 8.00% to 14.40% per annum (June 30, 2019: 8.00% to 13.75% per annum).

4.2 This represents balances maintained with Allied Bank Limited, a related party.

		(Un-audited) December 31, 2019	(Audited) June 30, 2019
	Note	----- (Rupees in '000) -----	
4.3 Cash and cash equivalents			
Bank balances	4	3,331,447	2,089,059
Commercial papers		-	49,662
Market treasury bills (with original maturity of three months)	5.1	696,625	2,213,621
		<u>4,028,072</u>	<u>4,352,342</u>

5 INVESTMENTS

At fair value through profit or loss

	Note	(Un-audited) December 31, 2019	(Audited) June 30, 2019
- Government securities - Market Treasury Bill	5.1	751,824	2,213,621
- Term finance certificates - unlisted	5.2	269,014	286,425
- Government securities - Pakistan Investment Bonds	5.3	9,278	558,451
- Sukuk certificates - listed	5.4	126,268	172,312
- Sukuk certificates - unlisted	5.5	25,225	-
- Commercial papers	5.6	290,818	49,662
		1,472,427	3,280,471

5.1 Government Securities - Market Treasury Bills

Tenor	Face Value				Carrying value as at December 31, 2019	Market value as at December 31, 2019	Unrealised diminution as at December 31, 2019	Market value as a percentage of total investments	Market value as a percentage of net assets
	As at July 1, 2019	Purchased during the period	Disposed off / matured during the period	As at December 31, 2019					
	----- Rupees in '000 -----				----- Rupees in '000 -----		----- Percentage -----		
3 Months	2,225,310	36,575,130	38,100,240	700,200	696,634	696,625	(9)	47.31%	17.12%
6 Months	-	11,000,000	11,000,000	-	-	-	-	-	-
12 Months	-	3,880,000	3,820,000	60,000	55,396	55,199	(197)	3.75%	1.36%
Total	2,225,310	51,455,130	52,920,240	760,200	752,030	751,824	(206)	51.06%	18.48%
Total - June 30, 2019					2,213,632	2,213,621	(11)	67.48%	78.75%

5.2 Term Finance Certificates - unlisted

Name of the investee company	As at July 1, 2019	Purchased during the period	Disposed off / matured during the period	As at December 31, 2019	Carrying value as at December 31, 2019	Market value as at December 31, 2019	Unrealised (diminution)/ appreciation as at December 31, 2019	Market value as a percentage of total investment	Market value as a percentage of net assets	Investment as a percentage of total issue size
Commercial Bank										
Bank of Punjab	1,710	100	-	1,810	179,027	177,866	(1,161)	12.08%	4.37%	6.83%
(Face value of Rs. 99,880 per certificate)										
Investment Companies										
Jahangir Siddiqui & Company Limited	22,900	-	-	22,900	85,574	85,617	43	5.81%	2.10%	7.63%
(Face value of Rs. 3,750 per certificate)										
Jahangir Siddiqui & Company Limited	6,950	-	4,000	2,950	5,531	5,531	-	0.38%	0.14%	1.48%
(Face value of Rs. 1,875 per certificate)										
Total					270,132	269,014	(1,118)	18.27%	6.61%	
Total - June 30, 2019					293,589	286,425	(7,164)	8.73%	10.19%	



5.3 Government Securities - Pakistan Investment Bonds

Issue date	Tenor	Face value				Carrying value as at December 31, 2019	Market value as at December 31, 2019	Unrealised diminution as at December 31, 2019	Market value as a percentage of total investments	Market value as a percentage of net assets
		As at July 1, 2019	Purchased during the period	Disposed off / matured during the period	As at December 31, 2019					
----- Rupees in '000 -----						----- Rupees in '000 -----		----- Percentage -----		
July 12, 2018	3 years	520,800	3,259,800	3,770,600	10,000	9,308	9,278	(30)	0.63%	0.23%
December 29, 2016	3 years	-	980,000	980,000	-	-	-	-	-	-
September 19, 2019	3 years	-	4,100,000	4,100,000	-	-	-	-	-	-
April 21, 2016	5 years	60,000	-	60,000	-	-	-	-	-	-
July 12, 2018	5 years	50,000	1,215,600	1,265,600	-	-	-	-	-	-
September 19, 2019	5 years	-	3,500,000	3,500,000	-	-	-	-	-	-
July 12, 2018	10 years	-	110,000	110,000	-	-	-	-	-	-
September 19, 2019	10 years	-	50,000	50,000	-	-	-	-	-	-
Total						9,308	9,278	(30)	0.63%	0.23%
Total - June 30, 2019						559,792	558,451	(1,341)	17.02%	19.86%

5.4 Sukuk Certificates - listed

Name of investee company	As at July 1, 2019	Purchased during the period	Disposed off / matured during the period	As at December 31, 2019	Carrying value as at December 31, 2019	Market value as at December 31, 2019	Unrealised appreciation/ (diminution) as at December 31, 2019	Market value as a percentage of total investments	Market value as a percentage of net assets	Investment as a percentage of total issue size
Investment Companies										
Dawood Hercules Corporation Limited (Face value of Rs. 80,000 per certificate)	1,398	75	700	773	61,621	61,679	58	4.19%	1.52%	1.19%
Dawood Hercules Corporation Limited (Face value of Rs. 90,000 per certificate)	470	500	250	720	64,574	64,589	15	1.33%	1.59%	1.08%
Total					126,195	126,268	73	5.52%	3.11%	
Total - June 30, 2019					172,993	172,312	(681)	5.25%	6.13%	

5.5 Sukuk Certificates - unlisted

Name of investee company	As at July 1, 2019	Purchased during the period	Disposed off / matured during the period	As at December 31, 2019	Carrying value as at December 31, 2019	Market value as at December 31, 2019	Unrealised appreciation as at December 31, 2019	Market value as a percentage of total investments	Market value as a percentage of net assets	Investment as a percentage of total issue size
Power Generation and Distribution										
The Hub Power Company Limited (Face value of Rs. 100,000 per certificate)	-	250	-	250	25,213	25,225	12	1.71%	0.62%	0.42%
Total					25,213	25,225	12	1.71%	0.62%	
Total - June 30, 2019					-	-	-	-	-	

5.6 Commercial Papers

Tenor	Face Value				Carrying value as at December 31, 2019	Market value as at December 31, 2019	Unrealised appreciation/ (diminution) as at December 31, 2019	Market value as a percentage of total investments	Market value as a percentage of net assets
	As at July 1, 2019	Purchased during the period	Disposed off / matured during the period	As at December 31, 2019					
	----- Rupees in '000 -----				----- Rupees in '000 -----		----- Percentage -----		
Power Generation and Distribution									
The Hub Power Company Limited (Face value of Rs. 1,000,000 per paper)	50,000	300,000	50,000	300,000	290,818	290,818	-	19.75%	7.15%
Total	50,000	300,000	50,000	300,000	290,818	290,818	-	19.75%	7.15%
Total - June 30, 2019					49,662	49,662	-	1.51%	1.77%

5.7 Net unrealised diminution on re-measurement of investments classified as financial assets at fair value through profit or loss	Note	(Un-audited)	(Audited)
		December 31, 2019	June 30, 2019
		----- (Rupees in '000) -----	
Market value of securities	5.1, 5.2, 5.3, 5.4, 5.5, 5.6	1,472,427	3,280,471
Less: carrying value of securities	5.1, 5.2, 5.3, 5.4, 5.5, 5.6	1,473,696	3,289,668
		<u>(1,269)</u>	<u>(9,197)</u>

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

Management fee payable	6.1	3,940	2,924
Punjab sales tax on remuneration of the Management Company	6.2	6,781	6,618
Federal excise duty on remuneration of the Management Company	6.3	41,987	41,987
Accounting and operational charges payable	6.4	4,655	1,345
Sales load payable		108	182
Selling and marketing expenses payable	6.5	11,627	5,379
		<u>69,098</u>	<u>58,435</u>

- 6.1** The Management Company has charged remuneration at the rate of 1.25% (June 30, 2019: 1.25%) per annum based on the daily net assets of the Fund. The amount of remuneration is being paid monthly in arrears.
- 6.2** During the period, an amount of Rs. 3.128 million (2018: Rs 2.777 million) was charged on account of sales tax on management fee levied through Punjab Sales Tax on Services Act, 2012.
- 6.3** 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 41.987 million is being retained in the condensed interim 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 0.111 (June 30, 2019: Re 0.150) per unit.

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

Until June 19, 2019 there was a maximum cap of 0.1% of the average annual net assets of the scheme or actual whichever is less, for allocation of such expense to the Fund. However, the SECP vide its SRO 639 dated June 20, 2019 removed the maximum cap of 0.1%.

The Management Company based on its own discretion has currently fixed a maximum capping of 0.1% of the average annual net assets of the scheme for allocation of such expenses to the Fund.

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

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

Accordingly, the Management Company based on its own discretion has currently determined a capping of 0.4% which is applied to average annual net assets of the Fund for charging of selling and marketing expenses to the Fund. This has also been approved by the Board of Directors of the Management Company.

		(Un-audited) December 31, 2019	(Audited) June 30, 2019
	Note	-----Rupees in '000-----	

7	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN			
----------	--------------------------------------------------------------------------	--	--	--

	Annual fee payable	7.1	<u>313</u>	<u>2,051</u>
--	--------------------	-----	------------	--------------

- 7.1 In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP).

Effective from July 1, 2019, the SECP vide SRO No. 685(I)/2019 dated June 28, 2019, revised the rate of annual fee to 0.02% of net assets, applicable on all categories of CISs. Previously, the rate of annual fee applicable to income funds was 0.075%. Accordingly, the Fund has charged the SECP Fee at the rate of 0.02% of net assets during the current period.

		(Un-audited) December 31, 2019	(Audited) June 30, 2019
	Note	-----Rupees in '000-----	

8	ACCRUED EXPENSES AND OTHER LIABILITIES			
	Auditors' remuneration payable		243	250
	Brokerage payable		1,216	238
	Rating fee payable		134	-
	Printing charges payable		161	80
	Withholding tax payable		186	21,050
	Provision for Sindh Workers' Welfare Fund	8.1	10,609	10,609
	Other payable		<u>1,311</u>	<u>1,311</u>
			<u>13,860</u>	<u>33,538</u>

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

The Fund has made provision for SWWF from May 21, 2015 till June 30, 2017 amounting to Rs 10.609 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 had been relocated from the Province of Sindh to the Province of Punjab.

Had the provision for SWWF not been recorded in these condensed interim financial statements of the Fund for the period from May 21, 2015 to June 30, 2017, the net asset value of the Fund as at December 31, 2019 would have been higher by Re 0.028 (June 30, 2019: Re 0.038) per unit.

9 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2019 and June 30, 2019.

10 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unitholders. Since the management intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2020 to the unit holders in the manner as explained above, no provision for taxation has been made in these condensed interim financial statements during the period.

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.

11 EARNING PER UNIT

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

12 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at December 31, 2019 is 1.19% which includes 0.12% representing government levies on the Fund such as sales taxes, annual fee payable to the SECP etc. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as income scheme.

13 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

13.1 Connected persons include ABL Asset Management Company Limited being the Management Company, the Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes managed by the Management Company, any entity in which the Management Company, its CISs or their connected persons have material interest, any person or company beneficially owning directly or indirectly 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



- 13.2 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.
- 13.3 Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.
- 13.4 Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.
- 13.5 **Detail of transactions with related parties / connected persons during the period:**

	(Un-audited)	
	Half Year ended December 31,	
	2019	2018
	-----Rupees in '000-----	
ABL Asset Management Company Limited - Management Company		
Issue of 15,398,348 (2018: Nil) units	158,885	-
Redemption of 42,808,500 (2018: Nil) units	440,000	-
Remuneration of the Management Company	19,548	17,356
Punjab sales tax on remuneration of Management Company	3,128	2,777
Accounting and operational charges	4,655	1,387
Selling and marketing expenses	6,248	5,547
Sales load paid	-	87
Central Depository Company of Pakistan Limited - Trustee		
Remuneration for the period	1,016	1,419
Sindh sales tax on remuneration	132	186
Settlement charges	14	13
Allied Bank Limited		
Profit on saving account	32,444	3,932
Bank charges	49	3
Murree Brewery Company Limited		
Redemption of Nil (2018: 32,698,819) units	-	334,963
Coronet Foods (Private) Limited		
Issue of 14,527,618 (2018: 1,269,249) units	151,721	12,846
English Biscuit Manufacturers (Private) Limited		
Issue of 33,510,988 (2018: 3,100,035) units	352,583	31,374
ABL Financial Planning Fund - Conservative Allocation Plan		
Issue of Nil (2018: 160,511) units	-	1,624
Redemption of 55,369 (2018: 928,496) units	570	9,420
ABL Financial Planning Fund - Active Allocation Plan		
Issue of 1,920,345 (2018: 820,718) units	20,000	8,307
Redemption of 10,012,558 (2018: 3,384,579) units	105,505	34,545
ABL Financial Planning Fund - Strategic Allocation Plan		
Issue of 3,168,568 (2018: 214,767) units	352,583	2,174
Redemption of 1,415,005 (2018: 4,722,197) units	14,980	47,948

13.6 Details of balances outstanding at the period / year end with related parties / connected persons are as follows:

	(Un-audited) December 31, 2019	(Audited) June 30, 2019
	-----Rupees in '000-----	
ABL Asset Management Company Limited - Management Company		
Management fee payable	3,940	2,924
Punjab sales tax payable on remuneration	6,781	6,618
Accounting and operational charges payable	4,655	1,345
Selling and marketing expense payable	11,627	5,379
Sales load payable	108	182
Federal excise duty on remuneration of the Management Company	41,987	41,987
Outstanding of 5,883,763 (June 30, 2019: 33,293,915) units	63,160	335,007
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	205	237
Sindh sales tax on remuneration	27	31
Security deposit	100	100
Balance in IPS account	130	76
Allied Bank Limited		
Accrued interest	8,317	954
Bank balances	56,253	37,764
English Biscuit Manufacturers (Private) Limited		
Outstanding of 118,236,454 (June 30, 2019: 84,725,466) units	1,269,233	852,516
Coronet Foods (Private) Limited		
Outstanding of 49,216,824 (June 30, 2019: 34,689,206) units	528,328	349,046
ABL Financial Planning Fund - Conservative Allocation Plan		
Outstanding of 2,224,022 (June 30, 2019: 2,279,391) units	23,874	22,935
ABL Financial Planning Fund - Active Allocation Plan		
Outstanding of 4,613,570 (June 30, 2019: 12,705,783) units	49,525	127,847
ABL Financial Planning Fund - Strategic Allocation Plan		
Outstanding of 1,753,563 (June 30, 2019: Nil) units	18,824	-

14 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.

14.1 Fair value hierarchy

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

Level 1: 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 December 31, 2019 and June 30, 2019, the Fund held the following financial instruments measured at fair value:

(Un-audited)				
As at December 31, 2019				
Level 1	Level 2	Level 3	Total	
----- (Rupees in '000) -----				
Financial assets				
Government securities - Market Treasury Bill	-	751,824	-	751,824
Government securities - Pakistan Investment Bonds	-	9,278	-	9,278
Commercial papers*	-	290,818	-	290,818
Term finance certificates - unlisted	-	269,014	-	269,014
Sukuk certificates - listed	-	126,268	-	126,268
Sukuk certificates - unlisted	-	25,225	-	25,225
	-	<u>1,472,427</u>	-	<u>1,472,427</u>

(Audited)				
As at June 30, 2019				
Level 1	Level 2	Level 3	Total	
----- (Rupees in '000) -----				
Financial assets				
Term finance certificates	-	286,425	-	286,425
Sukuk certificates - listed	-	172,312	-	172,312
Sukuk certificates - unlisted	-	-	-	-
Commercial papers*	-	49,662	-	49,662
Government securities - Market Treasury Bills	-	2,213,621	-	2,213,621
Government securities - Pakistan Investment Bonds	-	558,451	-	558,451
	-	<u>3,280,471</u>	-	<u>3,280,471</u>

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

15 GENERAL

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

15.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for better presentation and disclosure. There have been no significant reclassifications during the period.

16 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on **04 Feb 2020** by the Board of Directors of the Management Company.

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



Saqib Mateen
Chief Financial Officer



Aleo Khalid Ghaznavi
Chief Executive Officer



Pervaiz Iqbal Butt
Director

میسرز اے ایف فرگوسن اینڈ کمپنی (چارٹرڈ اکاؤنٹنٹس) کو ، اے بی ایل گورنمنٹ سیکیورٹیز فنڈ (اے بی ایل جی ایس ایف) کے لئے 30 جون 2020 کو ختم ہونے والے سال کے لئے دوبارہ آڈیٹر مقرر کیا گیا ہے۔

فنڈ استحکام کی درجہ بندی

JCR-VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ (JCR-VIS) نے 16 جنوری ، 2019 کو ، اے بی ایل گورنمنٹ سیکیورٹیز فنڈ کی فنڈ استحکام کی درجہ بندی کی تصدیق (A (f) (سنگل)) پر کی ہے۔

مینجمنٹ کمپنی کی کوالٹی کی درجہ بندی

31 دسمبر ، 2019 کو ، JCR-VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ (JCR-VIS) نے اے بی ایل ایسٹ مینجمنٹ کمپنی لمیٹڈ (ABL AMC) کی (AM2 ++ (AM-two-Double Plus)) کی مینجمنٹ کوالٹی ریٹنگ کی تصدیق کردی ہے۔ (اے ایم ٹو پلس) تفویض کردہ درجہ بندی پر اوٹ لک 'مستحکم' ہے۔

اعتراف

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

بورڈ کی طرف سے اور بورڈ کے لئے

علی خالد غزنوی
چیف ایگزیکٹو آفیسر

ڈائریکٹر

لاہور ، 04 فروری 2020



اوپن اینڈ میوچل فنڈ انڈسٹری کے ایسٹ انٹر مینجمنٹ (اے یو ایم) میں (PKR 5721) ارب سے (PKR 705) ارب تک) 1HFY20 کے دوران 29 فیصد کی زبردست نشوونما ہوئی، خاص طور پر خطرے والے اثاثوں کے لئے تجدید جوش و جذبے کے تحت ایکویٹیٹی میں کافی بہاؤ کی وجہ سے۔ روایتی اور اسلامی ایکویٹی سمیت ایکویٹی فنڈز میں اے ایم یو میں 15.22 فیصد کی نمایاں اضافہ ریکارڈ کیا گیا تاکہ اس مدت کو پی کے آر 191 ارب پر بند کیا جاسکے۔ اس نمو کو بنیادی طور پر مارکیٹ کی مضبوط کارکردگی سے منسوب کیا جاسکتا ہے جہاں پیداوار کے منحنی خطوط، اقتصادی راہداری میں آسانی کی توقع اور معیشت کے اشارے سے خطرناک اثاثوں کے لئے سرمایہ کاروں کی صلاحیت میں اضافہ ہوتا ہے۔ اسی طرح روایتی اور اسلامی فنڈز سمیت مقررہ انکم فنڈز میں 37.00 فیصد اضافے سے پی کے آر 386 بلین اے یو ایم میں آدھے سال کو بند کر دیا گیا۔ مقررہ آمدنی کی بھوک میں 6 سالہ اعلیٰ سود کی شرحوں میں اضافہ کیا گیا تھا۔

فنڈ کی کارکردگی

اے بی ایل جی ایس ایف نے HFY201 کے دوران 13.53% کی بینچ مارک کارکردگی کے مقابلہ میں 13.26% کی سالانہ واپسی حاصل کی، اس طرح 27 بی پی ایس کی کم کارکردگی دکھائی گئی۔

پچھلے نصف کے مقابلے میں اور صنعت کے ساتھیوں کے مقابلے میں فنڈ کی واپسی میں نمایاں بہتری آئی ہے کیونکہ تجارتی الفا (PIBs) میں پوزیشن لے کر پورٹ فولیو کی مدت میں اضافہ کر کے پیدا کیا گیا تھا، کیونکہ سود کی شرح مستحکم ہو گئی۔ مزید، قرضوں کے پورٹ فولیو میں جاری پیداوار میں بھی بہتری آئی کیونکہ کوپن کے اعلیٰ نرخوں پر ایڈجسٹ ہوئے جس سے پورٹ فولیو کی چلتی پیداوار کو بہتر بنانے میں مزید مدد ملی۔

مدت کے دوران، اے بی ایل گورنمنٹ سیکیورٹیز فنڈ کی اے ایم ایم جون 2019 میں PKR 2,811.07mn سے، دسمبر 2019 کو PKR 4,069.59mn تک بڑھ گئی کیونکہ سود کی شرح مستحکم ہوئی اور طویل مدتی فنڈ کے منافع میں بہتری آئی۔ مدت کے اختتام پر، سرکاری اثاثوں (ٹی بل) میں سرمایہ کاری کل اثاثوں کا 15.49 فیصد رہا۔ مزید یہ کہ پی آئی بی، ٹی ایف سی اور کیش اثاثوں کی نمائش بالترتیب کل پورٹ فولیو میں 0.19 فیصد، 8.66 فیصد اور 68.65 فیصد رہی۔ فنڈ کی پورٹ فولیو کی اوسط مقدار میں پختگی جون 2019 کے 452 دن کے مقابلے میں 22.5 دن رہی۔

مستقبل آؤٹ لک

چونکہ بڑھتی ہوئی شرح سود ختم ہو چکی ہے، اب مارکیٹ بھی اسی کے الٹ آنے کا انتظار کر رہی ہے۔ جس کا اثر حکومت پاکستان کے زیر انتظام قرضوں کے انتظام کے ساتھ ساتھ نتیجہ عائد ہوتا ہے کہ 3 اور 5 سال کے بانڈ ٹریڈنگ کے ساتھ منافع کا منافع پالیسی کی شرح سے کم 150 سے 180 بی پی ایس ہوتا ہے۔ چونکہ مہنگائی کے دباؤ کا تسلسل برقرار ہے، ہمیں رواں مالی سال کے دوران پالیسی میں کسی خاص کمی کی توقع نہیں ہے۔

یہ فنڈ طویل عرصے کے آلات میں سرمایہ کاری کی طرف مستعدی رہے گا کیونکہ پیداوار کا گراف الٹ گیا ہے جبکہ الفا کو چھوٹے ٹینر اعلیٰ پیداوار دینے والے آلات میں سرمایہ کاری کے ذریعہ اور ٹی ڈی آر میں پلیسمنٹ کے ذریعے پیدا کیا جائے گا۔

فنڈ مجموعی منافع کو بڑھانے کے لئے کارپوریٹ قرضوں کے آلات میں فعال طور پر انعقاد / سرمایہ کاری جاری رکھے گا۔



مینجمنٹ کمپنی کے ڈائریکٹرز کی رپورٹ

اے بی ایل گورنمنٹ سیکورٹیز فنڈ (اے بی ایل-جی ایس ایف) کی انتظامی کمپنی ، اے بی ایل ایسٹ مینجمنٹ کمپنی لمیٹڈ کے بورڈ آف ڈائریکٹرز 31 دسمبر 2019 کو ختم ہونے والے نصف سال کے لئے اے بی ایل گورنمنٹ سیکورٹیز فنڈ کے کنڈینسڈ عبوری فنانشل اسٹیٹمنٹ (غیر آڈٹ شدہ) پیش کرنے پر خوش ہیں ،

اقتصادی کارکردگی کا جائزہ

توازن ادائیگی (بی او پی) بحران ، جو پاکستان کی معیشت کا سب سے بڑا مسئلہ ہے ، جسے سنہ 2019 کے دوران کامیابی کے ساتھ قابو کر لیا گیا۔ جاریہ کھاتوں کا خسارہ (سی اے ڈی) 1HFY20 کے دوران YOY %75 کی کمی سے 2.15 بلین ڈالر رہ گیا ہے۔ پچھلے سال کی اسی مدت میں 8.61 بلین ڈالر (ایس پی ایل وائی)۔ حکومت اعلیٰ انضباطی ڈیوٹی نافذ کر کے قابل روزی درآمدات پر سخت کنٹرول رکھے ہوئے ہے جبکہ سی ای پی سی سے متعلق مشینری میں کمی نے اس اقدام کی حمایت کی ہے۔ درآمدات میں YOY %18.5 کی کمی واقع ہوئی ہے اور ملک نے برآمدات میں YOY %4.8 کی معمولی نمو دیکھی۔ اگرچہ ، ملک میں برآمدات کے حجم میں متاثر کن نمو دیکھنے میں آربی ہے لیکن امریکی ڈالر کے لحاظ سے بھی برآمدات بڑھانے کی اشد ضرورت ہے۔ اگر حکومت صرف درآمدات کو روکنے کے ذریعہ سی اے ڈی کا انتظام جاری رکھنا ، اس سے صنعتی نمو کو نقصان پہنچے گا اور اس طرح ملک کی جی ڈی پی نمو کی شرح میں اضافہ ہوگا۔ اب ، اس مدت کے دوران YOY 21 کے زر مبادلہ کی شرح میں کمی کے بعد ، ہماری برآمدات بین الاقوامی مارکیٹ میں زیادہ مسابقتی ہو گئیں۔ مزید یہ کہ ، ملک کو براہ راست سرمایہ کاری میں 1.28 بلین ڈالر موصول ہوئے ہیں جو YOY 62 کی ترقی کی نمائندگی کرتے ہیں۔ 31 دسمبر 2019 کو ملک کے زر مبادلہ کے ذخائر 21 ماہ کی بلند ترین سطح پر bn17.93 امریکی ڈالر (ایس بی پی: bn11.34 امریکی ڈالر ، تجارتی بینکس: bn6.59) بن رہے ہیں اور چار مہینے کے درآمدی احاطے کی فراہمی کی اطلاع دے رہے ہیں۔ دوست ممالک ، کثیرالجہتی مالیاتی اداروں اور سیلولر تجدید لائسنسوں سے ملنے والے فنڈز نے ذخائر کی حمایت کی۔

پاکستان میں جی ڈی پی کی شرح نمو YOY %3.3 رہی جبکہ اس کے مقابلے SPLY میں YOY %3.2 تھی۔ مالی سال 18 میں جی ڈی پی کی شرح 5.2 فیصد سے نیچے آگئی ہے۔ معاشی اصلاحات اور حکومت کی طرف سے اپنائے گئے مالی اقدامات کی وجہ سے ترقی کم ہوئی۔ جولائی تا اکتوبر 2019 کے عرصہ میں ، بڑے پیمانے پر مینوفیکچرنگ (ایل ایس ایم) نے مالی اقدامات سے نمایاں طور پر انکار کیا ہے جہاں اٹوموبائل (-36.07%) ، آئرن اینڈ اسٹیل پروڈکٹ (-14.97%) ، کوک اور پیٹرولیم مصنوعات (-13.77%) ، دواسازی (-10.28%) ملک میں کم تعمیراتی سرگرمیاں اور ملک کی کمزور قوت خرید کی وجہ سے نمایاں رہی۔ تاہم ، یہ بات قابل ذکر ہے کہ ٹیکسٹائل کے شعبے نے پچھلے سال 14 فیصد کی کمی کے بعد ، سال کی قیمت میں 15 فیصد کمی کے بعد اچھی کارکردگی کا مظاہرہ کیا۔

مالی خسارہ مالی سال 19 کے دوران جی ڈی پی کے 7.3 فیصد پر برقرار رہا کیونکہ ٹیکس محصولات میں محدود اضافہ ہوا تھا جبکہ زیادہ تر بجت قرضوں کی اعلیٰ خدمت سے کم ہو گئی تھی۔ حکومت خسارے کو کم کرنے کے لئے ٹیکس کی بنیاد کو وسیع کرنے کے لئے سختی سے کام کر رہی ہے۔ 1HFY20 کے دوران پی کے آر bn118 کی کمی کی عکاسی کرتی PKR 2.20T کے طے شدہ ہدف کے مقابلے میں ملک کی ٹیکس وصولی میں PKR 2.08tr میں 16% YOY اضافہ ہوا ہے۔ نوٹ کرنے کے لئے ، آئی ایم ایف نے پی کے آر 550 سے ٹیکس وصولی کے ہدف میں پی کے آر 5.24 ٹر کو ترمیم کیا ہے۔








آگے بڑھیں تو ، جنوری 20 میں چین اور پاکستان کے مابین ایف ٹی اے کے دوسرے مرحلے کا نفاذ برآمدات میں نمو اور CAD کو مزید کم کرنے کے لئے انتہائی مثبت ہوگا۔ مزید ، کسی بھی شرح میں کٹوتی سے ترقی کو پٹری پر ڈال دیا جائے گا اور سرمایہ کاروں میں مثبت جذبات پیدا ہوں گے۔










**Be aware, Be alert,
Be safe**

Learn about investing at
www.jamapunji.pk

Key features:

-  Licensed Entities Verification
-  Scam meter*
-  Jamapunji games*
-  Tax credit calculator*
-  Company Verification
-  Insurance & Investment Checklist
-  FAQs Answered

-  Stock trading simulator
(based on live feed from KSE)
-  Knowledge center
-  Risk profiler*
-  Financial calculator
-  Subscription to Alerts (event
notifications, corporate and
regulatory actions)
-  Jamapunji application for
mobile device
-  Online Quizzes



Jama Punji is an Investor
Education Initiative of
Securities and Exchange
Commission of Pakistan

 jamapunji.pk

 [@jamapunji_pk](https://twitter.com/jamapunji_pk)

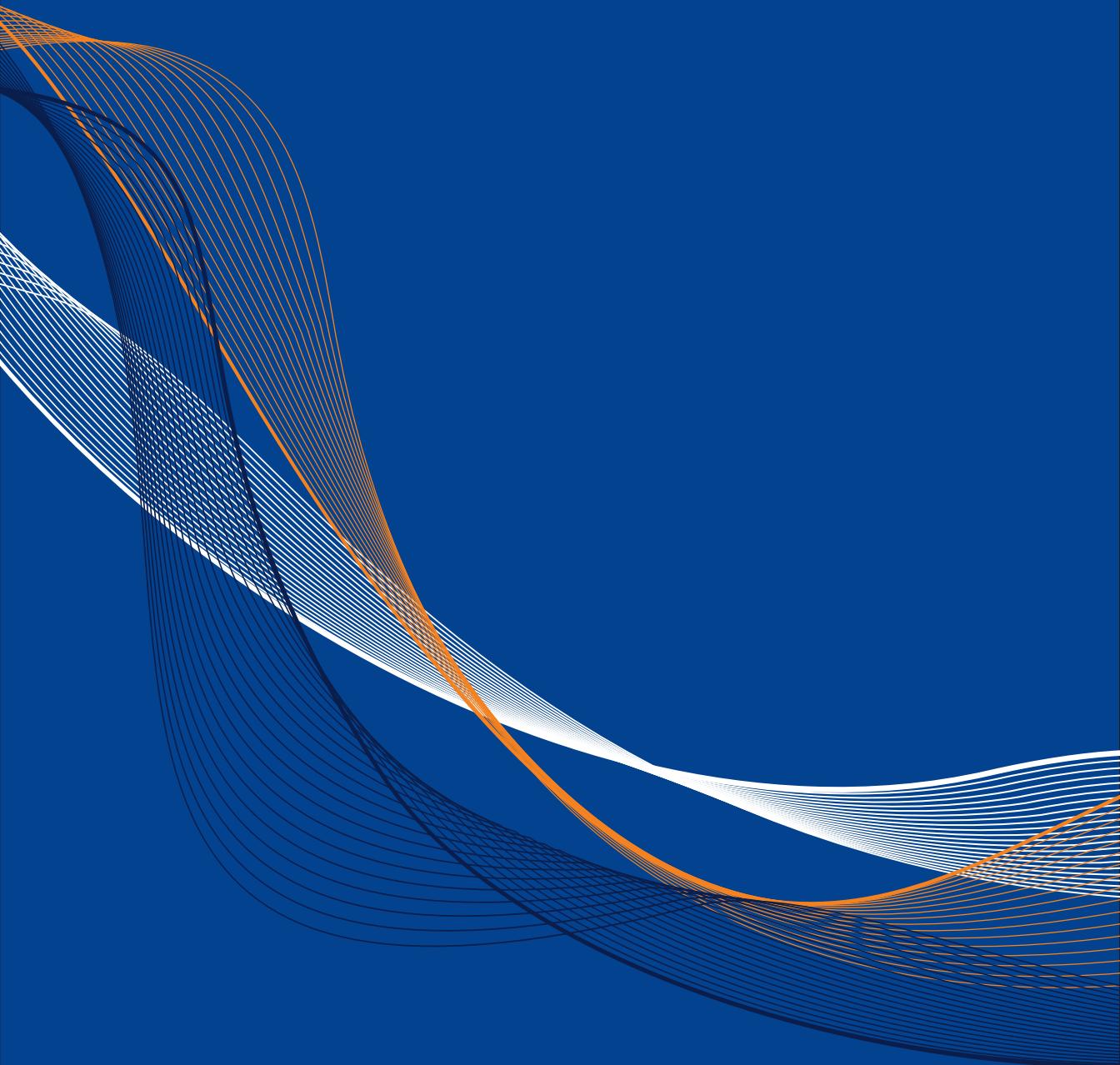
*Mobile apps are also available for download for android and ios devices





ABL Asset Management

Discover the potential



For Information on ABL AMC's Funds, please visit



www.ablamc.com or 0800-22526

or visit any Allied Bank Branch