



# Annual Report

ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020



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

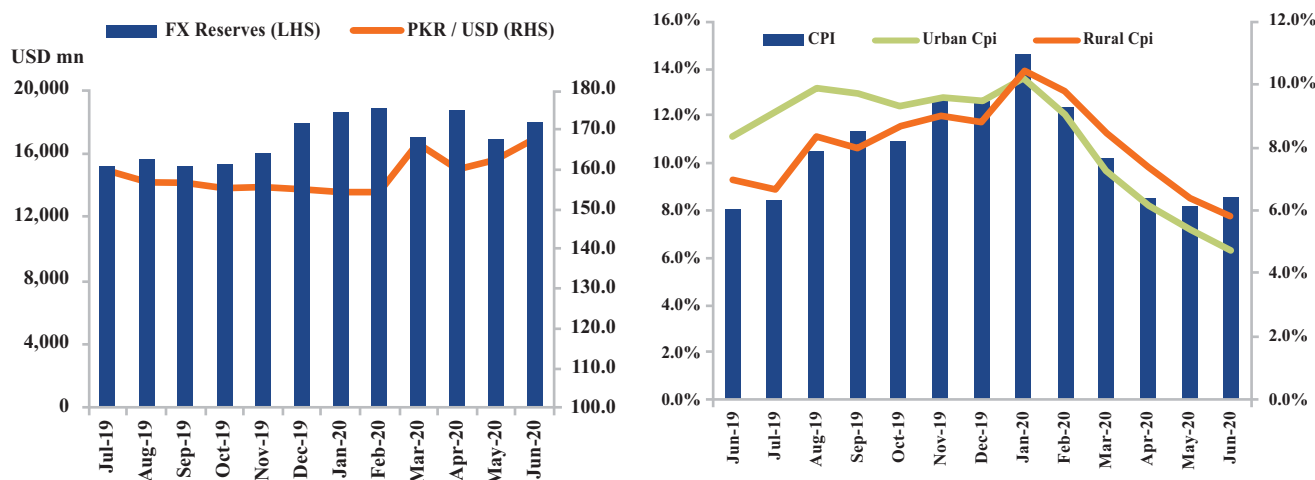
<b>Management Company:</b>	ABL Assel Management Company Limited Plot/Building # 14, Main Boulevard, DHA, Phase - VI, Lahore - 54810	
<b>Board of Directors</b>	Sheikh Mukhtar Ahmed Mr. Mohammad Naeem Mukhtar Mr. Muhammad Waseem Mukhtar Mr. Tahir Hassan Qureshi Mr. Pervaiz Iqbal Butt Mr. Muhammad Kamran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

## REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

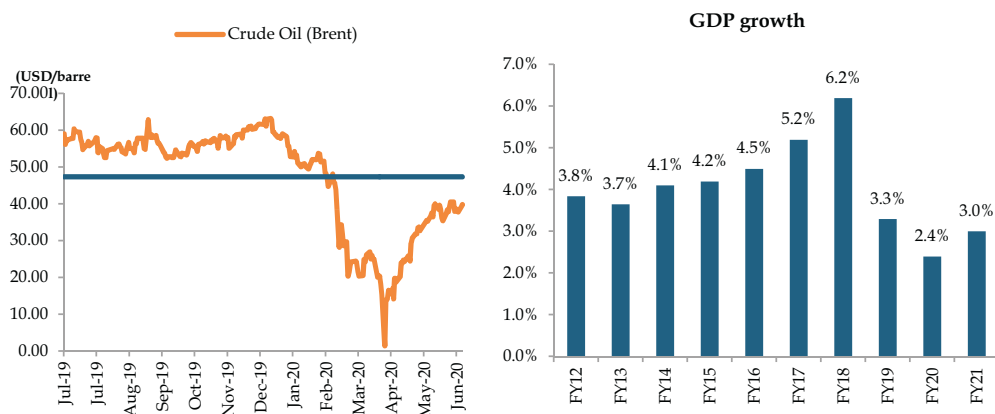
The Board of Directors of ABL Asset Management Company Limited, the management company of Allied Finergy Fund (AFF), is pleased to present the Audited Financial Statements of Allied Finergy Fund for the year ended on June 30, 2020.

### ECONOMIC PERFORMANCE REVIEW

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



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



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

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

### MUTUAL FUND INDUSTRY REVIEW FY20

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

### EQUITY MARKET REVIEW

Pakistan equity market was hanging in the balance during FY20 as the market had moved up marginally by 1.5%YoY and closed at 34,422. In 1HFY20, KSE-100 showed a tremendous performance and bounced back as one of the best market in the world and surged by almost 36% but in 2HFY20, the market witnessed the worst

drop after the announcement of lockdown in the country. Before the COVID-19 outbreak, the government was proactively taking measures to support the economy by curtailing CAD, raising tax collection, IMF bailout package, strengthening forex reserve, to name a few. Though, after the outbreak of COVID-19, economic activities were halted amid the lockdown in the country and KSE-100 had lost almost 23% (8,752points) in a single month (Mar'20) but afterward market had recovered by 18% on the back of construction package and other inducements by government in the 4QFY20. After almost two months of smart lockdown, economy started to reopen as the government and other institutions were proactively taking measure to revive the economy including i) 625bps reduction in the policy rate and other incentives by SBP ii) corona relief package of PKR 1.3tn by government iii) PKR 50bn package to support agriculture, and iv) no extra burden of taxes in federal budget FY21.

The average traded volume increased by 26.6%YoY and value declined by 3.5%YoY to 196.5 million and USD45.5 million, respectively. Foreigners remained net seller of USD284.8 million worth of shares. On the local front, Individual investors and Insurance companies remained at the forefront with net buying of worth USD213.2 million and USD127.6 million, respectively whereas, Banks/DFI sold USD54.5 million worth of shares. After the incredible first half, the market witnessed the bearish run due to COVID-19 pandemic where the major index dragged by commercial banks, oil & gas exploration companies, tobacco and Power Generation & Distribution, each contributed 1275, 481, 363 and 339 points respectively. Going forward, we believe the market will rebound with the ease down in economic activities and consumer spending. The government has taken significant measures to support the economy including construction package, amnesty scheme, tax exemptions, and Naya Pakistan housing scheme which would create a positive impact for different sectors especially the construction sector. Now, investors are hopeful about the reports of early progress in developing treatments for the COVID-19 and we expect a sharp recovery in the market during 2HFY21. KSE-100 index is trading at an attractive level of 2021E P/E of 7.8x and offering a healthy dividend yield of 6.1%.

## **FUND PERFORMANCE**

For the Year ended FY20, Allied Finergy Fund posted a negative return of 5.48% against a positive benchmark return of 5.60%, reflecting an underperformance of 11.08%.

The Fund was invested 75.96% in equities and 22.80% in cash. During the year AFF's AUM increased by 10.69% and stood at Rs. 495.77 million on 30th June'20, as compared to 447.89 million on 30th June'19.

## **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 # 12 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, 2020 is given in note No. 23 of the Financial Statements.

## **AUDITORS**

M/s. A.F. Fergusons & Co. (Chartered Accountants), have been re-appointed as auditors for the year ending June 30, 2021 for Allied Finergy Fund (AFF).

## **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) to 'AM2++' (AM-Two-Double Plus). Outlook on the assigned rating is 'Stable'.

## **OUTLOOK**

The KSE-100 index remained under pressure especially during second half of FY20 mainly owing to COVID-19 pandemic. However, the smart lockdown imposed by the sitting govt. all over the country eased off the build-up of new cases recently. In order to provide the much-needed support to the deteriorating economy the incumbent govt. declared the massive rate cuts during past couple of monetary policy announcements. Specific focus on construction sector from the government and pace-up in civil/engineering works on mega dam projects are expected to boost the economic activity across the board. Low international commodities prices have provided the respite to the external account and are expected to keep the inflation in check - most probably in single digit - for next fiscal year. Going forward, the market is expected to improve gradually, however the full swing will remain dependent on the successful implementation of structural reforms by the PTI govt. and effective vaccine announcement to curtail the impact of prevalent pandemic all over the world.

## ACKNOWLEDGEMENT

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

**For & on behalf of the Board**



**Director**  
**Lahore, August 18, 2020**



**Alee Khalid Ghaznavi**  
**Chief Executive Officer**



## FUND MANAGER REPORT

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### OBJECTIVE

The investment objective of the Fund is to earn a potentially high return through asset allocation between Shari'ah Compliant Equity Instruments, Shari'ah Compliant Fixed Income Instruments, Shari'ah Compliant Money Market Instruments and any other Shari'ah Compliant instrument as permitted by the SECP and Shari'ah Advisor.

### EQUITY MARKET REVIEW

Pakistan equity market was hanging in the balance during FY20 as the market had moved up marginally by 1.5%YoY and closed at 34,422. In 1HFY20, KSE-100 showed a tremendous performance and bounced back as one of the best markets in the world and surged by almost 36% but in 2HFY20, the market witnessed the worst drop after the announcement of lockdown in the country. Before the COVID-19 outbreak, the government was proactively taking measures to support the economy by curtailing CAD, raising tax collection, IMF bailout package, strengthening forex reserve, to name a few. Though, after the outbreak of COVID-19, economic activities were halted amid the lockdown in the country and KSE-100 had lost almost 23% (8,752points) in a single month (Mar'20) but afterward market had recovered by 18% on the back of construction package and other inducements by government in the 4QFY20. After almost two months of smart lockdown, economy started to reopen as the government and other institutions were proactively taking measure to revive the economy including i) 625bps reduction in the policy rate and other incentives by SBP ii) corona relief package of PKR 1.3tn by government iii) PKR 50bn package to support agriculture, and iv) no extra burden of taxes in federal budget FY21. The average traded volume increased by 26.6%YoY and value declined by 3.5%YoY to 196.5 million and USD45.5 million, respectively. Foreigners remained net seller of USD284.8 million worth of shares. On the local front, Individual investors and Insurance companies remained at the forefront with net buying of worth USD213.2 million and USD127.6 million, respectively whereas, Banks/DFI sold USD54.5 million worth of shares. After the incredible first half, the market witnessed the bearish run due to COVID-19 pandemic where the major index dragged by commercial banks, oil & gas exploration companies, tobacco and Power Generation & Distribution, each contributed 1275, 481, 363 and 339 points respectively. Going forward, we believe the market will rebound with the ease down in economic activities and consumer spending. The government has taken significant measures to support the economy including construction package, amnesty scheme, tax exemptions, and Naya Pakistan housing scheme which would create a positive impact for different sectors especially the construction sector. Now, investors are hopeful about the reports of early progress in developing treatments for the COVID-19 and we expect a sharp recovery in the market during 2HFY21. KSE-100 index is trading at an attractive level of 2021E P/E of 7.8x and offering a healthy dividend yield of 6.1%.

### ISLAMIC MONEY MARKET REVIEW

During the period under review money market remained the volatile, as SBP's stance moved from monetary tightening to easing. SBP raised interest rates in July19 by 100 bps to combat inflation and attract foreign investments

in PKR denominated debt instruments. However, these plans came undone when coronavirus upended the hopes for economic revival and SBP was forced to cut interest rate by 625bps by the end of Jun'20. During FY20, the Government issued Pakistan Energy Sukuk (PES) I and II and raised PKR 200bn in each round to address circular debt in power sector. PES-1 got listed on Pakistan Stock Exchange on Oct 24, 2019 and offered six-month Kibor plus 80bps to be paid semi-annually. The tenor of PES-1 is 10 year. Similarly, Government issued PES-2 in May 2020 at six-month KIBOR minus 10bps having maturity of 10 years. Moreover, Government also issued two Ijarah's worth PKR 75bn each. Additionally, Corporate sector also enthusiastically participated in Islamic debt market to meet its capital needs as we have witnessed healthy issuance of Islamic instruments by corporates during FY20.

Pakistan investment bonds (PIBs) trading yields came down from 13.72% to 8.69%, with this the yield curve finally moved into normal slope. During the year, the money market witnessed a seasonal lack of liquidity as SBP continued with frequent open market operations (OMOs). At the end of the period under review, the SBP remained a net lender of worth PKR 1041 billion under a single reverse repo arrangement at a cut-off rate of 7.03%. On the T-bills side, the 3-Month cut off yields decreased from 12.75% to 7.09%. During the period under review participation in 6 & 12M remained high as the market participants' expectation for inflation started to come down as SBP started cutting interest rates. The cut-offs for 12M T-bill came down by ~608bps to 7.05% whereas the bond cut off yields for 3, 5 & 10 years closed at 7.35%, 8.11% & 8.69% respectively

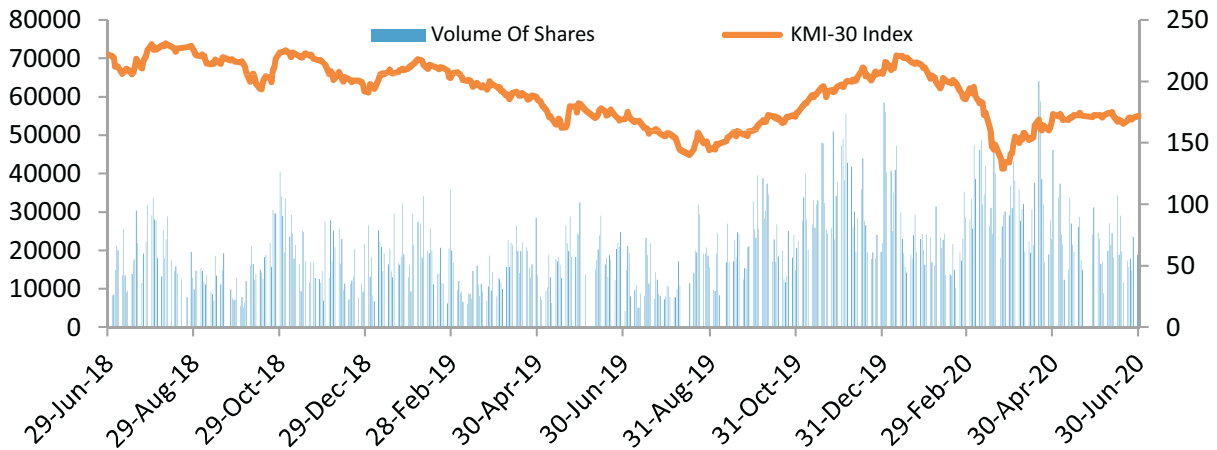
## FUND PERFORMANCE

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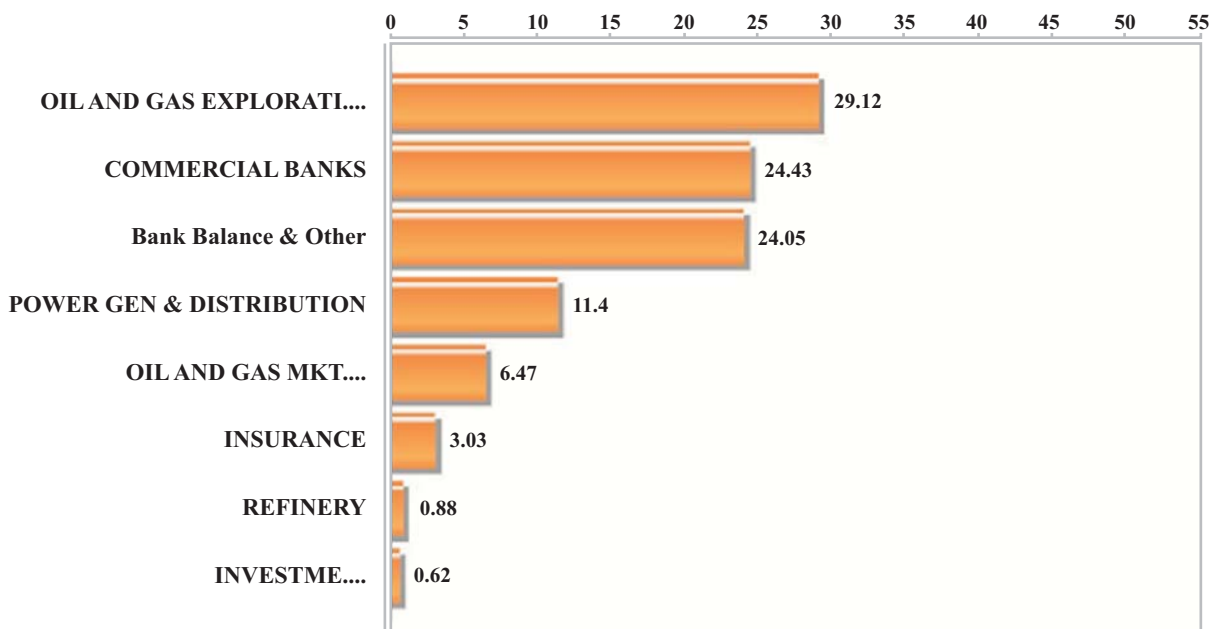
The Fund was invested 75.96% in equities and 22.80% in cash. During the year AFF's AUM increased by 10.69% and stood at Rs. 495.77 million on 30th June'20, as compared to 447.89 million on 30th June'19.

**AFF vs BENCHMARK (12m Rolling Returns)**





## SECTOR ALLOCATION (% OF TOTAL ASSETS)



## OUTLOOK

The KSE-100 index remained under pressure especially during second half of FY20 mainly owing to COVID-19 pandemic. However, the smart lockdown imposed by the sitting govt. all over the country eased off the build-up of new cases recently. In order to provide the much-needed support to the deteriorating economy the incumbent govt. declared the massive rate cuts during past couple of monetary policy announcements. Specific focus on construction sector from the government and pace-up in civil/engineering works on mega dam projects are expected to boost the economic activity across the board. Low international commodities prices have provided the respite to the external account and are expected to keep the inflation in check - most probably in single digit - for next fiscal year. Going forward, the market is expected to improve gradually, however the full swing will remain dependent on the successful implementation of structural reforms by the PTI govt. and effective vaccine announcement to curtail the impact of prevalent pandemic all over the world.

## PERFORMANCE TABLE

	June 2020	For the period from November 23, 2018 to June 30, 2019
	----- (Rupees per '000) -----	
Net Assets	495,775	447,890
Net Income	(52,906)	(12,775)
	----- (Rupees per unit) -----	
Net Assets value	9.2518	9.7887
Interim distribution	-	-
Final distribution	-	-
Distribution date final	-	-
Closing offer price	9.5738	10.0824
Closing repurchase price	9.2518	9.7887
Highest offer price	8.5201	10.7988
Lowest offer price	8.2336	9.8809
Highest repurchase price per unit	11.776	10.4843
Lowest repurchase price per unit	7.9567	9.5931
	----- Percentage -----	
Total return of the fund		
- capital growth	-7.49%	-3.54%
- income distribution	0.00%	0.00%
Average return of the fund		
One Year	-5.48%	-
Since Inception	-7.49%	-3.54%

### 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  
URL: www.cdcpakistan.com  
Email: info@cdcpak.com



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**ALLIED FINERGY 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 Finergy 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, 2020 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 24, 2020





**INDEPENDENT AUDITOR'S REPORT**

**To the Unit holders of Allied Finergy Fund**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of Allied Finergy Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2020, and the income statement, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2020, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

**Basis for Opinion**

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

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. This matter was 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 this matter.

Following is the key audit matter:

S.No.	Key Audit Matter	How the matter was addressed in our audit
1	<p><b>Net Asset Value</b> (Refer notes 4 and 5 to the annexed financial statements)</p> <p>The bank balances and investments constitute the most significant component of the net asset value (NAV). The bank balances and investments of the Fund as at June 30, 2020 amounted to Rs. 115.586 million and Rs. 385.125 million respectively.</p> <p>The existence of bank balances and the existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2020 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>tested the design and operating effectiveness of the key controls for valuation of investments;</li> <li>obtained independent confirmations for verifying the existence of the investment portfolio and bank balances as at June 30, 2020 and traced balances in these confirmations with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed;</li> </ul>

A.F.F.C.O

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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
		<ul style="list-style-type: none"> <li>re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and</li> <li>obtained bank reconciliation statements and tested reconciling items on a sample basis.</li> </ul>

#### 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.

AFFCO



A.F. FERGUSON & Co.

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

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

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

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

#### **Report on Other Legal and Regulatory Requirements**

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

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

*A.F. Ferguson & Co.*

A.F. Ferguson & Co.  
Chartered Accountants  
Karachi

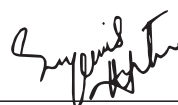
Date: September 24, 2020

**ALLIED FINERGY FUND**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT JUNE 30, 2020**

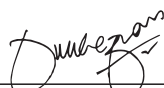
	Note	2020	2019
-----Rupees in '000-----			
<b>Assets</b>			
Bank balances	4	115,586	158,173
Investments	5	385,125	261,413
Dividend and profit receivable	6	584	2,081
Security deposits	7	2,500	-
Preliminary expenses and floatation costs	8	2,421	3,164
Receivable against sale of investments		-	1,050
Receivable against sale of units		-	28,838
Advances and other receivable	9	797	628
<b>Total assets</b>		<b>507,013</b>	<b>455,347</b>
<b>Liabilities</b>			
Payable to ABL Asset Management Company Limited - Management Company	10	9,337	5,954
Payable to Central Depository Company of Pakistan - Trustee	11	97	85
Payable to the Securities and Exchange Commission of Pakistan	12	104	282
Payable against purchase of investments		929	-
Accrued expenses and other liabilities	13	771	1,136
<b>Total liabilities</b>		<b>11,238</b>	<b>7,457</b>
<b>NET ASSETS</b>		<b>495,775</b>	<b>447,890</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>495,775</b>	<b>447,890</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	14		
-----Number of units-----			
<b>NUMBER OF UNITS IN ISSUE</b>		<b>53,586,395</b>	<b>45,755,787</b>
-----Rupees-----			
<b>NET ASSET VALUE PER UNIT</b>		<b>9.2519</b>	<b>9.7887</b>

The annexed notes from 1 to 31 form an integral part of these financial statements.

For ABL Asset Management Company Limited  
(Management Company)



Saqib Matin  
Chief Financial Officer



Aleo Khalid Ghaznavi  
Chief Executive Officer




Pervaiz Iqbal Butt  
Director

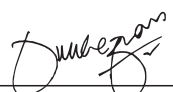
**ALLIED FINERGY FUND**  
**INCOME STATEMENT**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	For the year ended June 30, 2020	For the period from November 23, 2018 to June 30, 2019
<b>Note ----- Rupees in '000 -----</b>		
<b>Income</b>		
Profit on savings accounts	19,127	16,298
Dividend income	18,224	8,164
Gain on sale of investments - net	4,876	1,799
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(70,582)	(27,750)
	(65,706)	(25,951)
<b>Total loss</b>	(28,355)	(1,489)
<b>Expenses</b>		
Remuneration of ABL Asset Management Company Limited - Management Company	10,396	5,947
Punjab Sales Tax on remuneration of the Management Company	1,663	952
Accounting and operational charges	520	297
Selling and marketing expenses	6,777	1,185
Remuneration of Central Depository Company of Pakistan - Trustee	1,047	595
Sindh Sales Tax on remuneration of the Trustee	136	77
Annual fees to the Securities and Exchange Commission of Pakistan	104	282
Securities transaction cost	2,092	951
Auditors' remuneration	302	225
Listing fee	28	21
Amortisation of preliminary expenses and floatation costs	743	447
Printing charges	99	273
Legal and professional charges	151	-
Settlement and bank charges	493	34
<b>Total operating expenses</b>	24,551	11,286
<b>Net loss for the period before taxation</b>	(52,906)	(12,775)
Taxation	-	-
<b>Net loss for the period after taxation</b>	(52,906)	(12,775)
Other comprehensive income for the year / period	-	-
<b>Total comprehensive loss for the year / period</b>	(52,906)	(12,775)
<b>Earnings / (loss) per unit</b>		
<b>Allocation of net income for the period</b>		
Net income for the period after taxation	-	-
Income already paid on units redeemed	-	-
<b>Accounting income available for distribution:</b>		
- Relating to capital gains	-	-
- Excluding capital gains	-	-

The annexed notes from 1 to 31 form an integral part of these financial statements.

For ABL Asset Management Company Limited  
(Management Company)

  
 Saqib Matin  
 Chief Financial Officer

  
 Aleo Khalid Ghaznavi  
 Chief Executive Officer

  
 Pervaiz Iqbal Butt  
 Director



# ALLIED FINERGY FUND

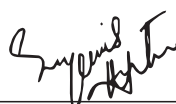
## CASH FLOW STATEMENT

### FOR THE YEAR ENDED JUNE 30, 2020

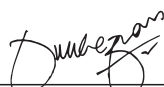
	For the year ended June 30, 2020	For the period from November 23, 2018 to June 30, 2019
Note	----- Rupees in '000 -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss for the year / period before taxation	(52,906)	(12,775)
<b>Adjustments for:</b>		
Profit on savings accounts	(19,127)	(16,298)
Dividend income	(18,224)	(8,164)
Amortisation of preliminary expenses and floatation costs	743	447
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	70,582	27,750
	33,974	3,735
<b>Increase in assets</b>		
Advances and other receivable	(169)	(628)
Security deposit	(2,500)	-
<b>Increase in liabilities</b>		
Payable to ABL Asset Management Company Limited - Management Company	3,383	2,343
Payable to Central Depository Company of Pakistan - Trustee	12	85
Payable to the Securities and Exchange Commission of Pakistan	(178)	282
Accrued expenses and other liabilities	(365)	1,136
	2,852	3,846
	(18,749)	(5,822)
Profit on savings accounts received	20,130	14,711
Dividend received	18,718	7,670
Net amount paid on purchase and sale of investments	(192,315)	(290,213)
<b>Net cash used in operating activities</b>	(172,216)	(273,654)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net receipts from issuance of units	1,319,511	1,486,965
Net payments against redemption of units	(1,189,882)	(1,055,138)
<b>Net cash generated from financing activities</b>	129,629	431,827
<b>Net increase in cash and cash equivalents</b>	(42,587)	158,173
Cash and cash equivalents at the beginning of the year / period	158,173	-
<b>Cash and cash equivalents at the end of the year / period</b>	115,586	158,173

The annexed notes from 1 to 31 form an integral part of these financial statements.

For ABL Asset Management Company Limited  
(Management Company)



Saqib Matin  
Chief Financial Officer



Alee Khalid Ghaznavi  
Chief Executive Officer



Pervaiz Iqbal Butt  
Director

# ALLIED FINERGY FUND

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### AS AT JUNE 30, 2020

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#### 1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 Allied Finergy Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered into on August 09, 2018 between ABL Asset Management Company Limited as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Securities and Exchange Commission of Pakistan (SECP) authorised constitution of the Trust Deed vide letter no. SCD/AMCW/AFF/55/2018 dated August 09, 2018 in accordance with the requirements 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 asset allocation scheme by the Board of Directors of the Management Company and is listed on the Pakistan Stock Exchange Limited. The units of the Fund are offered to the public for subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.

1.3 "The objective of the fund is to seek long term capital appreciation through investments in equity stocks, primarily from the financial and energy sector / segment / industry, fixed income Instruments and money market instruments based on market outlook.

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 VIIIA of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

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

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's 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 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 and amendments

## Effective date (accounting periods beginning on or after)

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, 2020 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 and valuation of financial assets (notes 3.3 and 5) 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 these financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistan Rupee, which is the Fund's functional and presentation currency.

## 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- 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 unless otherwise stated.

### 3.2 Cash and cash equivalents

These comprise balances with banks in savings and current accounts and other short-term highly liquid investments with original maturities of three months or less.

### 3.3 Financial assets

#### 3.3.1 Initial recognition and measurement

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

#### 3.3.2 Classification and subsequent measurement

##### 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.

#### 3.3.3 Impairment

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



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

#### **3.3.4 Impairment loss on debt securities**

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

#### **3.3.5 Regular way contracts**

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

#### **3.3.6 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 Financial liabilities**

#### **3.4.1 Classification and subsequent measurement**

Financial liabilities are classified and subsequently measured at amortised cost.

#### **3.4.2 Derecognition**

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

### **3.5 Offsetting of financial assets and financial liabilities**

Financial assets and financial liabilities are offset and the net amount is reported in the 'Statement of Assets and Liabilities' when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

### **3.6 Provisions**

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

### **3.7 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.

### **3.8 Issue and redemption of units**

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

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

### **3.9 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 period in which these arise.
- Interest income on bank balances is recognised on an accrual basis.
- Dividend income is recognised when the right to receive the dividend is established.

### 3.12 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee of the SECP 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 period, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders in cash.

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

### 3.14 Earnings per unit

Earnings / (loss) per unit is calculated by dividing the net income of the year before taxation of the Fund by the weighted average number of units outstanding during the year. The determination of earning per unit is not practicable as disclosed in note 18.

### 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.

### 3.16 Preliminary expenses and floatation costs

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

## 4 BANK BALANCES

		2020	2019
	Note	----- Rupees in '000 -----	-----
Balances with banks in:			
Savings accounts	4.1	<u>115,586</u>	<u>158,173</u>

4.1 This includes balances of Rs 23.333 million (2019: Rs 19.801 million) maintained with Allied Bank Limited (a related party) that carry profit at 6.00% per annum (2019: 8.00%). Other savings accounts of the Fund carry profit rates ranging from 5.00% to 6.00% per annum (2019: 13.20% per annum).

## 5 INVESTMENTS

		2020	2019
	Note	----- Rupees in '000 -----	-----
<b>At fair value through profit or loss</b>			
- Quoted equity securities	5.1	<u>385,125</u>	<u>261,413</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 otherwise.

Name of the Investee Company	As at July 1, 2019	Purchased during the year	Bonus / right shares received during the year	Sold during the year	As at June 30, 2020	Carrying value as at June 30, 2020	Market value as at June 30, 2020	Appreciation / (diminution)	Market value as a percentage of total investments	Market value as a percentage of net assets	Paid-up value of shares held as a percentage of total paid-up capital of the Investee Company
	----- Number of shares held -----					----- Rupees in '000 -----			----- % -----		
<b>COMMERCIAL BANKS</b>											
Meezan Bank Limited (Note 5.1.1)	236,100	125,000	-	327,000	34,100	3,043	2,348	(695)	0.61%	0.47%	0.03%
United Bank Limited (Note 5.1.1)	64,000	466,800	-	294,600	236,200	31,796	24,414	(7,382)	6.34%	4.92%	0.19%
Bank Al Habib Limited (Note 5.1.1)	287,000	325,000	-	252,000	360,000	27,727	18,828	(8,899)	4.89%	3.80%	0.32%
Allied Bank Limited (related party)	75,100	120,500	-	31,100	164,500	16,655	12,597	(4,058)	3.27%	2.54%	0.14%
MCB Bank Limited	67,900	129,000	-	87,900	109,000	20,232	17,666	(2,566)	4.59%	3.56%	0.09%
Bank Al Alfalah Limited (Note 5.1.1)	525,000	315,000	-	623,952	216,048	9,398	7,253	(2,145)	1.88%	1.46%	0.12%
Bank of Punjab	731,000	2,170,000	-	1,335,000	1,566,000	17,415	13,154	(4,261)	3.42%	2.65%	0.59%
Bank Islami Pakistan Limited	-	210,000	-	210,000	-	-	-	-	-	-	-
Habib Bank Limited	195,100	450,000	-	360,000	285,100	36,713	27,618	(9,095)	7.17%	5.57%	0.19%
						162,979	123,878	(39,101)	32.17%	24.97%	
<b>INSURANCE</b>											
Adamjee Insurance Company Limited	65,000	635,500	-	373,000	327,500	12,287	10,844	(1,443)	2.82%	2.19%	0.94%
IGI Holdings Limited	-	25,000	-	-	25,000	4,762	4,524	(238)	1.17%	0.91%	0.18%
						17,049	15,368	(1,681)	3.99%	3.10%	
<b>OIL &amp; GAS EXPLORATION COMPANIES</b>											
Mari Petroleum Company Limited	15,760	32,480	2,154	18,940	31,454	33,638	38,898	5,260	10.10%	7.85%	0.24%
Oil and Gas Development Company Limited (Note 5.1.1)	306,900	688,000	-	468,000	526,900	65,149	57,432	(7,717)	14.91%	11.58%	0.12%
Pakistan Oil fields Limited	19,700	106,600	-	105,000	21,300	7,604	7,468	(136)	1.94%	1.51%	0.08%
Hi-Tech Lubricants Limited	-	341,500	-	172,000	169,500	4,898	5,132	234	1.33%	1.04%	1.46%
Pakistan Petroleum Limited (Note 5.1.1)	131,200	795,300	47,520	468,600	505,420	58,655	43,860	(14,795)	11.39%	8.85%	0.19%
						169,944	152,790	(17,154)	39.67%	30.83%	
<b>OIL &amp; GAS MARKETING COMPANIES</b>											
Pakistan State Oil Company Limited	90,400	460,500	3,300	458,100	96,100	14,512	15,199	687	3.95%	3.07%	0.20%
Shell (Pakistan) Limited	-	50,000	-	33,900	16,100	2,788	2,940	152	0.76%	0.59%	0.15%
Attock Petroleum Limited	-	17,000	-	-	17,000	4,903	5,188	285	1.35%	1.05%	0.17%
Sui Northern Gas Pipelines Limited	80,000	470,000	-	470,000	80,000	4,309	4,368	59	1.13%	0.88%	0.13%
						26,512	27,695	1,183	7.19%	5.59%	
<b>POWER GENERATION &amp; DISTRIBUTION</b>											
Hub Power Company Limited (Note 5.1.1)	350,656	813,000	-	587,500	576,156	47,767	41,771	(5,996)	10.85%	8.43%	0.44%
Pakgen Power Limited	-	393,000	-	13,500	379,500	6,280	4,558	(1,722)	1.18%	0.92%	0.10%
Kot Addu Power Company	-	450,000	-	-	450,000	11,007	9,068	(1,939)	2.35%	1.83%	0.05%
K - Electric Limited*	800,000	-	-	-	800,000	3,512	2,408	(1,104)	0.63%	0.49%	0.01%
						68,566	57,805	(10,761)	15.01%	11.67%	
<b>INV. BANKS / INV. COS. / SECURITIES COS.</b>											
Arif Habib Limited	-	176,000	-	80,000	96,000	5,858	3,123	(2,735)	0.81%	0.63%	0.16%
<b>Refinery</b>											
Attock Refinery Limited	-	50,000	-	-	50,000	4,799	4,466	(333)	1.16%	0.90%	0.05%
<b>Total as at June 30, 2020</b>						<b>455,707</b>	<b>385,125</b>	<b>(70,582)</b>	<b>100.00%</b>	<b>77.69%</b>	
<b>Total as at June 30, 2019</b>						<b>289,163</b>	<b>261,413</b>	<b>(27,750)</b>	<b>100.00%</b>	<b>58.35%</b>	

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

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:

Name of the Company	2020		2019	
	Number of shares	Market value as at June 30, 2020	Number of shares	Market value as at June 30, 2019
		Rupees in '000		Rupees in '000
Hub Power Company Limited	160,000	11,600	60,000	4,725
Oil & Gas Development Company Limited	220,000	23,980	20,000	2,630
Bank ALFalah Limited	150,000	5,036	-	-
Bank AL Habib Limited	100,000	5,230	-	-
Meezan Bank Limited	20,000	1,377	-	-
Pakistan Petroleum Limited	90,000	7,810	-	-
United Bank Limited	30,000	3,101	-	-
	<u>770,000</u>	<u>58,134</u>	<u>80,000</u>	<u>7,355</u>

	Note	2020	2019
		----- Rupees in '000 -----	
<b>5.2 Unrealised diminution on re-measurement of investments classified as financial assets at fair value through profit or loss</b>			
Market value of investments	5.1	385,125	261,413
Less: carrying value of investments	5.1	455,707	289,163
		<u>(70,582)</u>	<u>(27,750)</u>
<b>6 DIVIDEND AND PROFIT RECEIVABLE</b>			
Profit receivable		584	1,587
Dividend receivable		-	494
		<u>584</u>	<u>2,081</u>
<b>7 SECURITY DEPOSITS</b>			
Security deposit with :			
- National Clearing Company of Pakistan Limited		2,500	-
		<u>2,500</u>	<u>-</u>
<b>8 PRELIMINARY EXPENSES AND FLOATATION COSTS</b>			
Preliminary expenses and floatation costs at the beginning of the year / period	8.1	3,164	3,611
Less: amortisation during the year / period		(743)	(447)
At the end of year / period		<u>2,421</u>	<u>3,164</u>
<b>8.1</b> Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are amortised over a period of 5 years in accordance with the requirements set out in the Trust Deed of the Fund and the Non-Banking Finance Companies and Notified Entities Regulation, 2008.			
	Note	2020	2019
		----- Rupees in '000 -----	
<b>9 ADVANCES AND OTHER RECEIVABLE</b>			
Advance tax	9.1	764	595
Balance in IPS Account *		33	33
		<u>797</u>	<u>628</u>
* a related party balance			

- 9.1 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 bank deposits 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 withholder. The tax withheld on dividends and profit on bank deposits amounts to Rs 0.250 million and Rs 0.514 million (2019: Rs 0.081 million and Rs 0.514 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. A petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgment of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on dividends and profit on bank deposits has been shown as other receivable as at June 30, 2020 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

10 PAYABLE TO ABL ASSET MANAGEMENT COMPANY LIMITED - MANAGEMENT COMPANY - RELATED PARTY	Note	2020	2019
		-----Rupees in '000-----	
Management fee payable	10.1	802	753
Punjab Sales Tax payable on remuneration of the Management Company	10.2	128	121
Accounting and operational charges payable	10.3	521	235
Selling and marketing expenses payable	10.4	4,063	937
Sales and transfer load payable		202	287
Preliminary expenses and floatation cost payable		3,611	3,611
Other		10	10
		<u>9,337</u>	<u>5,954</u>

- 10.1 As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 2% (2019: 2%) per annum of the average net assets of the Fund during the period ended June 30, 2020. The remuneration is payable to the Management Company monthly in arrears.

- 10.2 During the year, an amount of Rs. 1.663 million (2019: Rs 0.952 million) was charged on account of sales tax on management fee levied through the Punjab Sales Tax on Services Act, 2012 at the rate of 16% (2019: 16%).

- 10.3 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 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.

- 10.4 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 year, 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 has currently determined a capping of 0.4% from July 1, 2019 till August 21, 2019 and 1.40% from August 22, 2019 till June 30, 2020 which is applied to average annual net assets of the Fund. This has also been approved by the Board of Directors of the Management Company.

11 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED (CDCPL) - TRUSTEE - RELATED PARTY	Note	2020	2019
		-----Rupees in '000-----	
Trustee fee payable	11.1	86	75
Sindh Sales Tax payable on trustee fee	11.2	11	10
		<u>97</u>	<u>85</u>

- 11.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed. During the year, Trustee has revised its tariff as follows:

Existing Tariff		Revised Tariff
Net assets (Rs.)	Fee	
- up to Rs. 1,000 million	Rupees 0.7 million or 0.20% per annum of NAV, whichever is higher	0.20% per annum of NAV
- exceeding Rs 1,000 million	Rupees 2.0 million plus 0.10% per annum of NAV, exceeding Rs.1,000 million	Rupees 2.0 million plus 0.10% per annum of NAV, exceeding Rs.1,000 million

Accordingly the Fund has charged trustee fee at the above rates during the year / period.

- 11.2 During the year, an amount of Rs. 0.136 million (2019: Rs. 0.077) was charged on account of sales tax @ 13% (2019: 13%) on remuneration of the Trustee levied through Sindh Sales Tax on Services Act, 2011.

	Note	2020	2019
		-----Rupees in '000-----	
<b>12 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>			
Annual fee payable	12.1	<u>104</u>	<u>282</u>

- 12.1 "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 an asset allocation scheme was 0.095%. Accordingly, the Fund has charged the SECP fee at the rate of 0.02% of net assets during the year.

	2020	2019	
		-----Rupees in '000-----	
<b>13 ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Auditors' remuneration payable	212	100	
Printing charges payable	89	74	
Brokerage payable	319	790	
Withholding tax payable	142	142	
Capital gain tax payable	9	9	
Listing fee payable	-	21	
	<u>771</u>	<u>1,136</u>	

#### 14 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2020 and June 30, 2019.

	For the year ended June 30, 2020	For the period from November 23, 2018 to June 30,
		-----Rupees in '000-----
<b>15 AUDITORS' REMUNERATION</b>		
Annual audit fee	110	100
Half yearly review of condensed interim financial statements	70	60
Fee for other certifications	100	50
Out of pocket expenses	22	15
	<u>302</u>	<u>225</u>

#### 16 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2020 is 4.72% (2019: 2.29%) which includes 0.42% (2019: 0.30%) 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 a 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 the accounting income for the period 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 period derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. The Fund has not recorded any tax liability as the Fund has incurred a net loss during the year.

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

## 18 EARNING / (LOSS) PER UNIT

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

## 19 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

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

	2020	2019
	-----Rupees in '000-----	
<b>ABL Asset Management Company Limited - Management Company</b>		
Remuneration charged	10,396	5,947
Punjab Sales Tax on remuneration of the Management Company	1,663	952
Accounting and operational charges	520	297
Selling and marketing expenses	6,777	1,185
Issue of 94,177,283 (2019: 42,031,451) units	937,583	420,983
Redemption of 69,018,355 (2019: 29,666,502) units	660,000	300,000
Outstanding 37,523,877 (June 30, 2019: 12,364,949) units	347,167	121,037
<b>Central Depository Company of Pakistan - Trustee</b>		
Remuneration of the Trustee	1,047	595
Sindh Sales Tax on remuneration	136	77
Balance in IPS account	33	33
<b>Allied Bank Limited</b>		
Profit on savings account	13,561	3,045
Bank charges	110	19
Issue of Nil (2019: 2,502,102) units	-	25,000
Outstanding 2,502,102 (June 30, 2019: 2,502,102) units	23,149	24,492
<b>Ibrahim Agencies (Private) Limited</b>		
Issue of Nil (2019: 900,000) units	-	9,000
Outstanding 900,000 (June 30, 2019: 900,000) units	8,327	8,810
<b>Key Management Personnel</b>		
<b>Executives</b>		
Issue of 1,670,133 (2019: Nil) units	15,739	-
Redemption of 1,665,348 (2019: Nil) units	16,200	-
Outstanding 4,785 (June 30, 2019: Nil) units	44	-

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

## 20 FINANCIAL INSTRUMENTS BY CATEGORY

----- 2020 -----		
At amortised cost	At fair value through profit or loss	Total
-----Rupees in '000-----		
Bank balances	115,586	115,586
Investments	-	385,125
Dividend and profit receivable	584	584
Security deposits	2,500	2,500
Advance and other receivable	33	33
<b>118,703</b>	<b>385,125</b>	<b>503,828</b>

### Financial assets

Bank balances  
Investments  
Dividend and profit receivable  
Security deposits  
Advance and other receivable

----- 2020 -----	
At amortised cost	Total
-----Rupees in '000-----	

### Financial liabilities

Payable to ABL Asset Management Company Limited - Management Company  
Payable to the Central Depository Company of Pakistan - Trustee  
Payable against purchase of investments  
Accrued expenses and other liabilities

9,337	9,337
97	97
929	929
620	620
<b>10,983</b>	<b>10,983</b>

----- 2019 -----		
At amortised cost	At fair value through profit or loss	Total
-----Rupees in '000-----		
Bank balances	158,173	158,173
Investments	-	261,413
Dividend and profit receivable	2,081	2,081
Receivable against sale of investments	1,050	1,050
Receivable against sale of units	28,838	28,838
Advance and other receivable	33	33
<b>190,175</b>	<b>261,413</b>	<b>451,588</b>

### Financial assets

Bank balances  
Investments  
Dividend and profit receivable  
Receivable against sale of investments  
Receivable against sale of units  
Advance and other receivable

----- 2019 -----	
At amortised cost	Total
-----Rupees in '000-----	

### Financial liabilities

Payable to ABL Asset Management Company Limited - Management Company  
Payable to the Central Depository Company of Pakistan - Trustee  
Accrued expenses and other liabilities

5,954	5,954
85	85
985	985
<b>7,024</b>	<b>7,024</b>

## 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, 2020, the Fund is exposed to such risk on bank balances. 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 bank balances 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. 1.156 million (2019: Rs. 1.582 million).

#### b) Sensitivity analysis for fixed rate instruments

As at 30 June 2020, 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, 2020 can be determined as follows:

2020					
Effective interest rate (%)	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		
-----Rupees in '000-----					
<b>Financial assets</b>					
Bank balances	5.00% - 6.00%	115,586	-	-	115,586
Investments		-	-	385,125	385,125
Dividend and profit receivable		-	-	584	584
Security deposits		-	-	2,500	2,500
Advances and other receivable		-	-	33	33
		115,586	-	388,242	503,828
<b>Financial liabilities</b>					
Payable to ABL Asset Management Company Limited - Management Company		-	-	9,337	9,337
Payable to Central Depository Company of Pakistan - Trustee		-	-	97	97
Payable against purchase of investments		-	-	929	929
Accrued expenses and other liabilities		-	-	620	620
		-	-	10,983	10,983
<b>On-balance sheet gap</b>		115,586	-	377,259	492,845
<b>Total interest rate sensitivity gap</b>		115,586	-	-	
<b>Cumulative interest rate sensitivity gap</b>		115,586	115,586	115,586	

2019					
Effective interest rate (%)	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		

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

#### Financial assets

Bank balances	8.00% - 13.20%	158,173	-	-	-	158,173
Investments		-	-	-	261,413	261,413
Dividend and profit receivable		-	-	-	2,081	2,081
Receivable against sale of investments		-	-	-	1,050	1,050
Receivable against sale of units		-	-	-	28,838	28,838
Advance and other receivable		-	-	-	33	33
		158,173	-	-	293,415	451,588

#### Financial liabilities

Payable to ABL Asset Management Company Limited - Management Company		-	-	-	5,954	5,954
Payable to the Central Depository Company of Pakistan - Trustee		-	-	-	85	85
Accrued expenses and other liabilities		-	-	-	985	985
		-	-	-	7,024	7,024

#### On-balance sheet gap

	158,173	-	-	286,391	444,564
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#### Total interest rate sensitivity gap

	158,173	-	-		
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#### Cumulative interest rate sensitivity gap

	158,173	158,173	158,173		
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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 Index (KSE 100) on June 30, 2020, with all other variables held constant, the total comprehensive loss of the Fund for the year would decrease / increase by Rs. 19.2562 million (2019: Rs. 13.0707 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, 2020 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the KSE 100 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.

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

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

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

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

2020						
Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total
Rupees in '000						
<b>Financial assets</b>						
Bank balances	115,586	-	-	-	-	115,586
Investments	-	-	-	-	385,125	385,125
Dividend and profit receivable	584	-	-	-	-	584
Security deposits	-	-	-	-	2,500	2,500
Advances and other receivable	33	-	-	-	-	33
	116,203	-	-	-	387,625	503,828
<b>Financial liabilities</b>						
Payable to ABL Asset Management Company Limited - Management Company	9,337	-	-	-	-	9,337
Payable to the Central Depository Company of Pakistan - Trustee	97	-	-	-	-	97
Payable against purchase of investments	929	-	-	-	-	929
Accrued expenses and other liabilities	408	212	-	-	-	620
	10,771	212	-	-	-	10,983
<b>Net financial assets</b>	105,432	(212)	-	-	387,625	492,845
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						
<b>Financial assets</b>						
Bank balances	158,173	-	-	-	-	158,173
Investments	-	-	-	-	261,413	261,413
Dividend and profit receivable	2,081	-	-	-	-	2,081
Receivable against sale of investments	1,050	-	-	-	-	1,050
Receivable against sale of units	28,838	-	-	-	-	28,838
Advance and other receivable	33	-	-	-	-	33
	190,175	-	-	-	261,413	451,588
<b>Financial liabilities</b>						
Payable to ABL Asset Management Company Limited - Management Company	5,954	-	-	-	-	5,954
Payable to the Central Depository Company of Pakistan - Trustee	85	-	-	-	-	85
Accrued expenses and other liabilities	885	100	-	-	-	985
	6,924	100	-	-	-	7,024
<b>Net financial assets</b>	183,251	(100)	-	-	261,413	444,564

### 21.3 Credit risk

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

	2020		2019	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
	Rupees in '000		Rupees in '000	
Bank balances	115,586	115,586	158,173	158,173
Investments	385,125	-	261,413	-
Dividend and profit receivable	2,421	2,421	2,081	2,081
Security deposits	2,500	2,500	-	-
Receivable against sale of investments	-	-	1,050	1,050
Receivable against sale of units	-	-	28,838	28,838
Advance and other receivable	33	33	33	33
	<u>505,665</u>	<u>120,540</u>	<u>451,588</u>	<u>190,175</u>

The maximum exposure to credit risk before any credit enhancement as at June 30, 2020 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. The credit rating profile of balances with banks and its accrued markup is as follows:

Rating	% of financial assets exposed to credit risk	
	2020	2019
<b>Bank balances</b>		
AAA	4.65%	4.38%
AA	17.20%	-
AA-	1.13%	30.64%
	<u>22.98%</u>	<u>35.02%</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, 2020 and June 30, 2019, the Fund held the following financial instruments measured at fair values:

		2020			
		Level 1	Level 2	Level 3	Total
		Rupees in '000			
<b>Financial assets</b>					
Quoted equity securities		385,125	-	-	385,125
		-----			
		2019			
		Level 1	Level 2	Level 3	Total
		Rupees in '000			
<b>Financial assets</b>					
Quoted equity securities		261,413	-	-	261,413

## 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	2020			2019		
	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	307	96,131	19.39%	325	197,691	44.14%
Associated companies & directors	3	378,642	76.38%	3	154,339	34.46%
Retirement Funds	5	16,376	3.30%	11	89,008	19.87%
Others	1	4,626	0.93%	3	6,852	1.53%
	<u>316</u>	<u>495,775</u>	<u>100.00%</u>	<u>342</u>	<u>447,890</u>	<u>100.00%</u>

25 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

Name of broker	2020	Name of broker	2019
	Percentage of commission paid		Percentage of commission paid
Intermarket Securities Limited	11.54%	JS Global Capital Limited	13.05%
Khadim Ali Shah Bukhari Securities (Private) Limited	11.12%	Taurus Securities Limited	11.77%
AL Habib Capital Markets (Private) Limited	10.77%	AKD Securities Limited	9.36%
Optimus Capital Management (Private) Limited	10.60%	AL Habib Capital Markets (Private) Limited	9.33%
ALFALAH Securities Private Limited	9.69%	BMA Capital Management Limited	9.01%
Topline Securities Limited	8.01%	Intermarket Securities Limited	8.39%
Taurus Securities Limited	6.43%	Optimus Capital Management (Private) Limited	7.75%
Arif Habib Limited	6.08%	Topline Securities Limited	7.59%
Shajar Capital Pakistan (Private) Limited	5.34%	Arif Habib Limited	7.38%
AKD Securities Limited	4.39%	Insight Securities (Private) Limited	6.43%

26 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

Name	Designation	Qualification	Overall experience (in years)
Mr. Alee Khalid Ghaznavi	Chief Executive Officer	MBA	19
Mr. Saqib Matin	CFO & Company Secretary	FCA & FPFA	21
Mr. Tanweer Haral	Head of Risk Management	MBA	25
Mr. Fahad Aziz	Head of Fixed Income	MBA	14
Mr. Ahmed Tiwana	Head of Equity	CIMA	10
Mr. Tahir Saeed	Head of Research	CFA	8
Mr. Abdul Hayee	Fund Manager - Equity	MBA & CFA	12
Mr. Abdul Rehman Tahir	Fund Manager - Fixed Income	MBA	9

27 NAME AND QUALIFICATION OF THE FUND MANAGER

Name	Designation	Qualification	Other Funds managed by the Fund Manager
Mr. Ali Ahmed Tiwana	Head of Equity	CIMA	ABL Financial Planning Fund, ABL Islamic Financial Planning Fund, ABL Stock Fund and Allied Pension Fund.

28 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The 60th, 61st, 62nd and 63rd Board of Directors meetings were held on August 08, 2019, October 30, 2019, February 04, 2020 and April 29, 2020, respectively. Information in respect of attendance by the directors and other persons in the meetings is given below:

S. No.	Name	Number of meetings			Meetings not attended
		Held	Attended	Leave granted	
1	Sheikh Mukhtar Ahmed	4	4	-	-
2	Mohammad Naeem Mukhtar	4	4	-	-
3	Muhammad Waseem Mukhtar	4	4	-	-
4	Tahir Hasan Qureshi	4	4	-	-
5	Muhammad Kamran Shehzad	4	3	1	62nd
6	Pervaiz Iqbal Butt	4	4	-	-
7	Alee Khalid Ghaznavi	4	4	-	-
<b>Other persons</b>					
8	Saqib Matin*	4	4	-	-

\* Saqib Matin attended the meetings as Company Secretary.

## 29 RATING OF THE MANAGEMENT COMPANY

The VIS Credit Rating Company Limited has determined the asset manager rating of the Management Company of AM2++ (2019: AM2++) on December 31, 2019. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

## 30 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on August 18, 2020

## 31 GENERAL

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

### 31.2 Impact of COVID-19

The COVID-19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts.

The Securities and Exchange Commission of Pakistan (SECP) has provided the following relaxations to the asset management companies operating in Pakistan for a specific period:

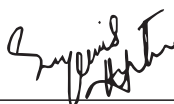
- a) The time period to regularise the exposure limits breach under Regulation 55(13) of the NBFC Regulations has been extended from four months to six months;
- b) Time period to ensure compliance with minimum fund size for Open End Schemes under Regulation 54(3b) of the NBFC regulations has been increased to 180 days for Open End Schemes;
- c) Time for announcement of daily NAV as per the regulatory requirement is extended from 18:30 pm to the start of the next working day.

### 31.3 Operational risk management

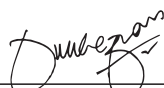
The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network ("VPN") connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

The Management Company has made an assessment of COVID-19 on the credit risk and liquidity risk and believes that there is no significant impact on the Fund.

For ABL Asset Management Company Limited  
(Management Company)



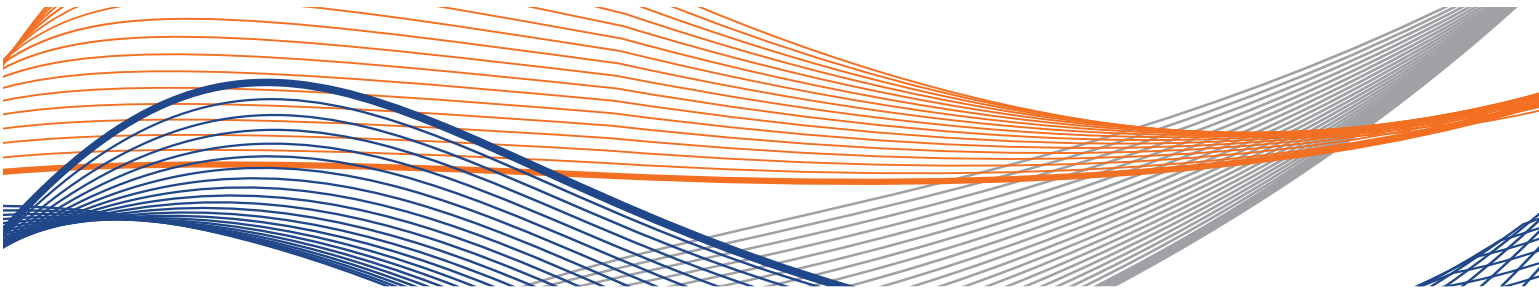
Saqib Matin  
Chief Financial Officer



Alea Khalid Ghaznavi  
Chief Executive Officer



Pervaiz Iqbal Butt  
Director



## DISCLOSURE OF PROXY VOTING

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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.ablamc.com](http://www.ablamc.com)). During the financial year, the Management Company on behalf of the Fund did not participate in 14 shareholders' meeting. Moreover, details of summarized proxies voted are as follows:

	Resolutions	For	Against	Abstain	Reason for Abstaining
Number	3	3	-	-	-
(%ages)	100	100	-	-	-



منحصر رہے گی۔ اور پوری دنیا میں وبائی امراض کے اثرات کو کم کرنے کے موثر ویکسین کی بھرتی کی خبروں کے بارے میں پر امید ہیں۔

## اعتراف

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

بورڈ کی طرف سے اور بورڈ کے لئے



ڈائریکٹر

لاہور، 18 اگست، 2020



علی خالد غزنوی  
چیف ایگزیکٹو آفیسر

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

5. متعلقہ بین الاقوامی اکاؤنٹنگ معیارات ، جیسا کہ پاکستان میں لاگو ہوتا ہے ، غیر بینکاری فنانس کمپنیوں (اسٹیبلشمنٹ اینڈ ریگولیشن) رولز 2003 اور نان بینکنگ فنانس کمپنیوں اور مطلع شدہ اداروں کے ضوابط ، 2008 کی دفعات ، ٹرسٹ ڈیڈ کی شرائط اور جاری کردہ ہدایات مالیاتی بیانات کی تیاری میں سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی پیروی کی گئی ہے۔

6. اندرونی کنٹرول کا نظام ڈیزائن میں مستحکم ہے اور اس کو موثر انداز میں لاگو اور نگرانی کیا گیا ہے۔

7. فنڈز کی تشویش کی حیثیت سے جاری رکھنے کی اہلیت پر کوئی خاص شبہات نہیں ہیں۔

8. فنڈ کی کارکردگی کا جزو سالانہ رپورٹ کے صفحہ # 12 پر دیا گیا ہے۔

9. ٹیکسوں ، ڈیوٹیوں ، محصولات اور محصولات اور مالی معاوضوں میں پہلے ہی انکشاف کے علاوہ دیگر معاوضوں کی وجہ سے کوئی قانونی ادائیگی نہیں ہے۔

10. پروویڈنٹ فنڈ کی سرمایہ کاری کی قیمت کے بارے میں بیان فنڈ کے معاملے میں لاگو نہیں ہوتا ہے کیونکہ ملازمین کی ریٹائرمنٹ کے فوائد کے اخراجات انتظامیہ کمپنی برداشت کرتی ہے۔

11. 30 جون ، 2020 کو یونٹ ہولڈنگز کا پیٹرن مالیاتی گوشوارے کے نوٹ نمبر 23 میں دیا گیا ہے۔

## آڈیٹر

میسرز۔ اے ایف فرگسن اینڈ کمپنی (چارٹرڈ اکاؤنٹنٹ) ، کو الاؤڈ فرنجی فنڈ (اے ایف ایف) کے لئے 30 جون 2021 کو ختم ہونے والے سال کے لئے بطور آڈیٹر مقرر کیا گیا ہے۔

## مینجمنٹ کمپنی کی کوالیٹی 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 کر دی ہے۔ (اے ایم ٹو پلس پلس) تفویض کردہ درجہ بندی پر آؤٹ لک 'مستحکم' ہے۔

## آؤٹ لک

خاص طور پر COVID-19 وبائی امراض کی وجہ سے مالی سال 20 کے دوسرے نصف حصے کے دوران خاص طور پر KSE-100 انڈیکس دباؤ میں رہا۔ تاہم ، حکومت کی طرف سے مسلط سمارٹ لاک ڈاؤن کی وجہ سے حال ہی میں پورے ملک میں نئے کیسوں کی تشکیل میں کمی پیدا ہو گئی ہے۔ حکومت کی جانب سے پالیسی کے اعلانات میں بڑے پیمانے پر شرح میں کمی کا اعلان کیا تاکہ بگڑتی ہوئی معیشت کو مطلوبہ امداد فراہم کی جا سکے۔ حکومت کی جانب سے تعمیراتی شعبے پر خصوصی توجہ اور میگا ڈیم منصوبوں پر سول / انجینئرنگ کے کاموں میں تیزی لانے کی توقع سے معاشی سرگرمی کو فروغ ملے گا۔ کم بین الاقوامی اجناس کی قیمتوں نے بیرونی اکاؤنٹ کو مہلت مہیا کر دی ہے اور توقع ہے کہ اگلے مالی سال کے لئے مہنگائی کو روکنے کا امکان ہے۔ توقع ہے کہ مارکیٹ میں بتدریج بہتری آئے گی ، تاہم تحریک انصاف کی حکومت کی طرف سے پوری قوت ساختی اصلاحات کے کامیاب نفاذ پر

## اسٹاک مارکیٹ کا جائزہ

مالی سال 20 کے دوران پاکستان ایکویٹی مارکیٹ میں توازن برقرار رہا جب مارکیٹ 1.5 فیصد YoY سے معمولی حد تک بڑھ چکی تھی اور 34,422 پر بند ہوئی تھی۔ 20HFY1 میں ، کے ایس ای 100 نے زبردست کارکردگی کا مظاہرہ کیا اور دنیا کی بہترین مارکیٹ میں سے ایک کے طور پر واپس باؤنس کیا اور اس میں تقریباً 36% کا اضافہ ہوا لیکن 20HFY2 میں ، ملک میں لاک ڈاؤن کے اعلان کے بعد مارکیٹ میں بدترین کمی دیکھنے میں آئی۔ COVID-19 پھیلنے سے پہلے ، حکومت CAD کو کم کر کے ، ٹیکس کی وصولی میں اضافہ ، آئی ایم ایف بیل آؤٹ پیکیج ، غیر ملکی کرنسی کے ذخائر کو تقویت دے کر ، معیشت کی مدد کے لئے اقدامات کر رہی تھی۔ اگرچہ ، کوویڈ 19 کے پھیلنے کے بعد ، ملک میں لاک ڈاؤن کے درمیان معاشی سرگرمیاں رک گئیں اور کے ایس ای 100 ایک ہی مہینے میں (مارچ 20) تقریباً 23 فیصد (8,752 پوائنٹس) کھو چکی تھی لیکن اس کے بعد مارکیٹ میں 18 فیصد کی تیزی آچکی ہے۔ 20QFY4 میں حکومت کی طرف سے تعمیراتی پیکیج اور دیگر مراعات کی پشت پر۔ قریب دو ماہ کے سمارٹ لاک ڈاؤن کے بعد ، معیشت دوبارہ کھلنا شروع ہوگئی کیونکہ حکومت اور دیگر ادارے معیشت کو بحال کرنے کے لئے عملی اقدامات اٹھا رہے ہیں جس میں (i) پالیسی کی شرح میں 625bps کمی اور ایس بی پی کے ذریعہ دیگر مراعات (ii) PKR 1.3tn کے کورونا ریلیف پیکیج (iii) زراعت کی مدد کے لئے 50bn PKR پیکیج ، اور (iv) وفاقی بجٹ مالی سال 21 میں ٹیکسوں کا کوئی اضافی بوجھ نہیں۔

اوسط تجارت والے حجم میں YoY %26.6 کا اضافہ ہوا اور قیمت %3.5 YoY سے بالترتیب 196.5 ملین اور USD45.5 ملین رہ گئی۔ غیر ملکی 284.8 ملین ڈالر کے حصص کا خالص فروخت کنندہ رہے۔ مقامی محاذ پر ، انفرادی سرمایہ کار اور انشورنس کمپنیاں بالترتیب 213.2 ملین ڈالر اور 1212.66 ملین ڈالر کی خالص خریداری کے ساتھ سرفہرست رہیں ، جبکہ بینکوں / DFI نے 455 ملین ڈالر کے حصص فروخت کیے۔ ناقابل یقین پہلی ششماہی کے بعد ، مارکیٹ کوویڈ 19 وبائی بیماری کی وجہ سے مندی کا شکار رہا ، جس میں تجارتی بینکوں ، تیل و گیس کی تلاش کمپنیوں ، تمباکو اور بجلی پیدا کرنے اور تقسیم کے ذریعہ گھریلو اہم انڈیکس نے 1275 ، 481 ، 363 اور 339 پوائنٹس کا حصہ ڈالا۔ بالترتیب آگے بڑھتے ہوئے ، ہمیں یقین ہے کہ اقتصادی سرگرمیوں اور صارفین کے اخراجات میں آسانی کے ساتھ منڈی میں تیزی آئے گی۔ حکومت نے معیشت کی مدد کے لئے اہم اقدامات اٹھائے ہیں جن میں تعمیراتی پیکیج ، ایمنسٹی اسکیم ، ٹیکس چھوٹ ، اور نیا پاکستان ہاؤسنگ اسکیم شامل ہے جو مختلف شعبوں خصوصاً تعمیراتی شعبے کے لئے مثبت اثرات مرتب کرے گی۔ اب ، سرمایہ کار COVID-19 کے علاج معالجے میں ابتدائی پیشرفت کی خبروں کے بارے میں پرامید ہیں اور ہم 20HFY2 کے دوران مارکیٹ میں تیزی سے بحالی کی توقع کرتے ہیں۔ کے ایس ای 100 انڈیکس x7.8 کی 2021E P/E کی پرکشش سطح پر تجارت کر رہا ہے اور 6.1 of کی صحت مند منافع بخش پیداوار کی پیش کش کر رہا ہے۔

## فنڈ کی کارکردگی

مالی سال 20 کے اختتام پذیر سال کے لئے ، الائیڈ فرنچس فنڈ نے 5,88 فیصد کی منفی واپسی شائع کی ، جو 5,60% کی مثبت بینچ مارک ریٹرن کے مقابلے میں 11.08 فیصد کی کم کارکردگی کی عکاسی کرتی ہے۔

اس فنڈ میں 75.96 فیصد ایکویٹی اور 22.80% نقد رقم کی سرمایہ کاری کی گئی تھی۔ سال کے دوران AFF کی AUM میں 10.69% کا اضافہ ہوا اور وہ 30 جون 20 کو 495.77 ملین ، جبکہ 30 جون 19 کو 447.89 ملین تھے۔

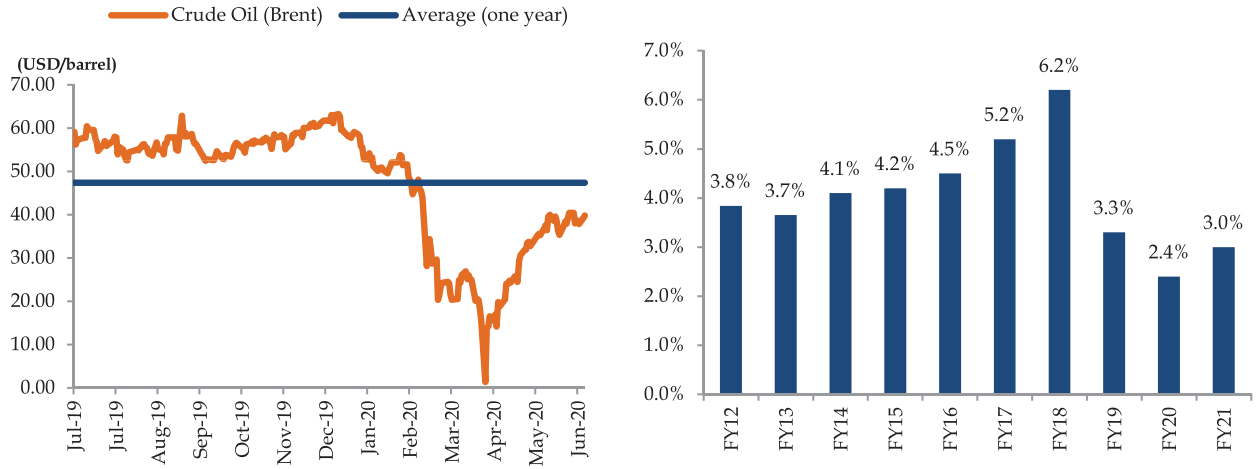
## اضافی معاملات

1. انتظامیہ کمپنی کے ڈائریکٹرز کی تفصیل اس سالانہ رپورٹ میں ظاہر کی گئی ہے۔

2. مالی بیانات معاملات کی منصفانہ حالت ، پیش کردہ کارروائیوں ، نقد بہاؤ اور یونٹ ہولڈر کے فنڈ میں بدلاؤ پیش کرتے ہیں۔

3. فنڈ کے اکاؤنٹس کی مناسب کتابیں برقرار رکھی گئیں۔

## GDP growth



پاکستان نے مالی سال 20 میں جی ڈی پی کی منفی نمو -0.4% کی اطلاع دی ہے جو مالی سال 19 میں 3.3% سے ڈوب رہی ہے۔ وبائی مرض نے QCY2020 میں معاشی سرگرمیوں کو بری طرح متاثر کیا ہے۔ اس طرح معیشت مثبت نمو کو برقرار نہیں رکھ سکی۔ جولائی-اپریل 2020 کے عرصہ میں ، بڑے پیمانے پر مینوفیکچرنگ (LSM) نے SPLY میں 2.82 فیصد کمی کے مقابلہ میں 8.96% YoY کی نمایاں کمی کی۔ ٹیکسٹائل (-8.68%) ، کوک اور پٹرولیم مصنوعات (21.15%) ، آئرن اینڈ اسٹیل مصنوعات (-15.68%) ، آٹوموبائل (-41.90%) ، دواسازی (-5.31%) ، اور الیکٹرانکس (جنوری میں کمی کو بڑھانے والے اہم شراکت کار تھے۔ -19.74%)۔ صنعت اور معیشت کی حالت کا جائزہ لیتے ہوئے ، حکومت نے سمارٹ لاک ڈاؤن کرنے کا فیصلہ کیا جہاں تمام بڑی صنعتوں کو چلانے کی اجازت دی گئی ہے۔ ہم توقع کرتے ہیں کہ اگلے مالی سال میں یہ جی ڈی پی کے سکڑنے سے بچ سکے گا۔ تاہم ، شرح نمو کے متاثر کن ہونے کی توقع نہیں کی جارہی ہے۔

آگے بڑھتے ہوئے ، خاص طور پر قلیل مدت میں ، مارکیٹ کی سمت آنے والے نتائج اور ملک میں کورونا وائرس وبائی صورتحال کی طرح طے کرے گی۔ اور اس کا اثر معیشت پر پڑتا ہے۔ توقع کی جا رہی ہے کہ حکومت کی جانب سے صنعت کو سپورٹ کرنے کے لئے جو مراعات دی گئیں وہ باقی CY20 میں بھی پوری ہوجائیں گی۔ نمایاں چیز یہ کہ قرض کے پرنسپل پر اضافی رعایتی مدت ملنا جو نقد بہاؤ کو سنبھالنے میں مدد کریں گے جبکہ معاشی سرگرمیوں کو فروغ دینے کے لئے تعمیراتی پیکج۔ اور ملک میں روزگار کے مواقع پیدا کرنا۔ ان کے علاوہ ، پالیسی کی شرح کو کافی حد تک کم کرکے 7% فیصد کر دیا گیا ہے ، جو صنعتوں اور صارفین کو ایک اور بڑی راحت ہے۔

## میوچل فنڈ انڈسٹری کا جائزہ

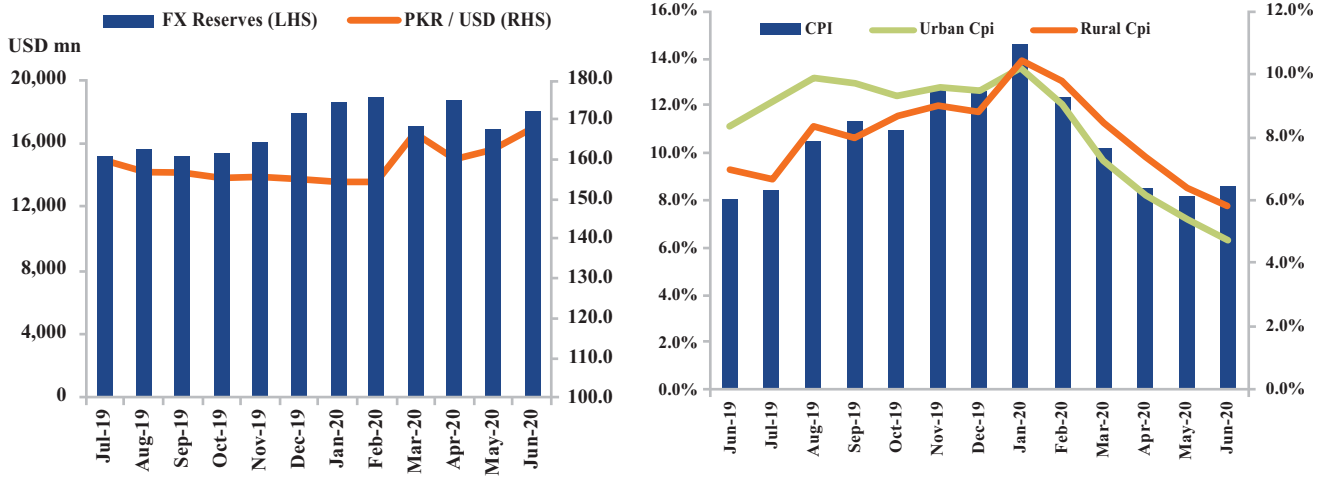
اوپن اینڈ میوچل فنڈ کے زیر انتظام کل اثاثوں میں مالی سال 20 کے دوران bn572 PKR سے bn788 PKR تک 38% کی نمایاں نمو رہی ، خاص طور پر منی مارکیٹ فنڈ اور فیکسڈ انکم فنڈ میں بڑے پیمانے پر آمدنی کی وجہ سے روایتی اور اسلامی سمیت منی مارکیٹ فنڈ میں پی کے آر bn318 سال کے اختتام پر 92% رہی اور اس میں تحاشا اضافہ دیکھنے میں آیا۔ روایتی اور شرعی دونوں کے مطابق فیکسڈ انکم فنڈ کی AUMs نے اس مدت کے دوران 66% تک اضافہ کیا۔ اس نمو کو بنیادی طور پر 9MFY20 کے دوران معاہدہ مندانہ مالیاتی پالیسی ماحول میں اعلیٰ منافع حاصل کرنے کے لئے سرمایہ کاروں کی بھوک کی وجہ قرار دیا جاسکتا ہے۔ مقررہ آمدنی کے برعکس ، اس مدت کے دوران ایکویٹی مارکیٹ AUMs میں 5% کمی واقع ہوئی ہے۔ ملک میں لاک ڈاؤن اور کورونا وائرس کے بڑھتے ہوئے معاملات سے سرمایہ کار پر خطراتوں میں ہونے والی سرمایہ کاری سے محتاط رہتا ہے۔ کوویڈ 19 کی وجہ سے ایکویٹی مارکیٹ میں ہنگامہ خیزی اور مالی سال 20 کے دوران تیل کی بین الاقوامی قیمتوں میں غیر یقینی صورتحال نے ایکویٹی فنڈز کی گھٹتی اے ای ایم میں اہم کردار ادا کیا۔

## مینجمنٹ کمپنی کے ڈائریکٹرز کی رپورٹ

الائیڈ فائنانرجی فنڈ (اے ایف ایف) کی انتظامی کمپنی، اے بی ایل ایسٹ مینجمنٹ کمپنی لمیٹڈ کے بورڈ آف ڈائریکٹرز 30 جون، 2020 کو ختم ہونے والے سال کے لئے الائیڈ فائنانرجی فنڈ کے کنڈسیڈ آڈٹ شدہ فنانشل اسٹیٹمنٹ پیش کرنے پر خوشی محسوس کرتے ہیں۔

### اقتصادی کارکردگی کا جائزہ

سپلائی کے ضمنی مسائل کے ساتھ لاک ڈاؤن نے ملک میں افراط زر کا دباؤ پیدا کیا کیونکہ جون 2010 میں ہم نے 11 ماہ میں کم شرح افادیت YoY %8.22 حاصل کرنے کے بعد جون 20 میں YoY %8.59 کی سی پی آئی دیکھی۔ مئی 20 میں ماہانہ بنیاد پر، افراط زر میں 0.81% کا اضافہ ہوا ہے جبکہ اس سے پچھلے مہینے میں 0.32 فیصد اضافہ ہوا تھا۔ ماہ کے دوران اشیائے خوردونوش کی قیمتوں میں زبردست اضافہ دیکھا گیا۔ مالی سال 20 کے اوسط IPCN نے SPLY میں YoY %6.80 کے مقابلہ میں YoY %10.76 پر کلک کیا۔ ہم تخمینہ رکھتے ہیں کہ مالی سال 21 کے لئے اوسطا NCPI %7.3 YOY رہیں گے۔



کرنٹ اکاؤنٹ خسارے میں کمی (سی اے ڈی) نے ایک مستحکم BOP پوزیشن کی راہ ہموار کر دی۔ 11MFY20 کے دوران YoY %74 کی کمی سے bn3.28 ڈالر تک آیا۔ درآمدات YoY %20 کی کمی سے 46.63 بلین ڈالر رہ گئیں جبکہ عالمی سطح پر لاک ڈاؤن کے باوجود صرف 7 فیصد YoY کی طرف سے MFY2011 کے دوران bn25.99 ڈالر کی قیمت میں کمی ریکارڈ کی گئی۔ تاہم، کارکنوں کی ترسیلات زر میں YoY %6 کا اضافہ ہوا جس کی قیمت bn23.12 ڈالر تک پہنچ گئی۔ ہمارے خیال میں کارکنوں کی ترسیلات زر کو خطرہ ختم ہوتا ہے کیونکہ پوری دنیا میں معاشی سرگرمیاں بڑھ رہی ہیں۔ تاہم، تیل کی بین الاقوامی قیمتوں میں اضافے اور ملک میں بجلی کی طلب کو پورا کرنے کے لئے فرنس آنل درآمد کرنے کی حکومت کی جانب سے دی گئی اجازت کی وجہ سے تیل کی درآمدی زیادہ بل کی وجہ سے سی اے ڈی آنے والے مہینوں میں بڑھ سکتی ہے۔ 03 جولائی 2020 کو ملک کے زرمبادلہ کے ذخائر 18.79 بلین ڈالر ہیں۔ جو 3.09 ماہ کا درآمدی احاطہ فراہم کرتا ہے۔ وبائی مرض سے لڑنے کے لئے، آئی ایم ایف، اے ڈی پی، ڈبلیو بی اور دوست ممالک کے ساتھ ساتھ پیرس کلب سمیت متعدد بین الاقوامی ادارے، پاکستان کی مدد کے لئے آگے آئے ہیں جس کے نتیجے میں ذخائر مستحکم ہوئے ہیں۔ مالی سال کی بات ہے تو، مالی سال 20 کے دوران، عارضی ٹیکس وصولی 3.98tn PKR تک پہنچ گئی ہے، جو %4 YoY کے اضافے کی عکاسی کرتی ہے۔ جون 20 کے مہینے کے دوران، ٹیکس وصولی 398bn PKR کے ترمیم شدہ ہدف کے مقابلے میں 420bn PKR پر رہی۔

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