



**ISLAMIC INCOME FUND**  
ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023

# Annual **REPORT**



**ABL Asset Management**

Discover the potential

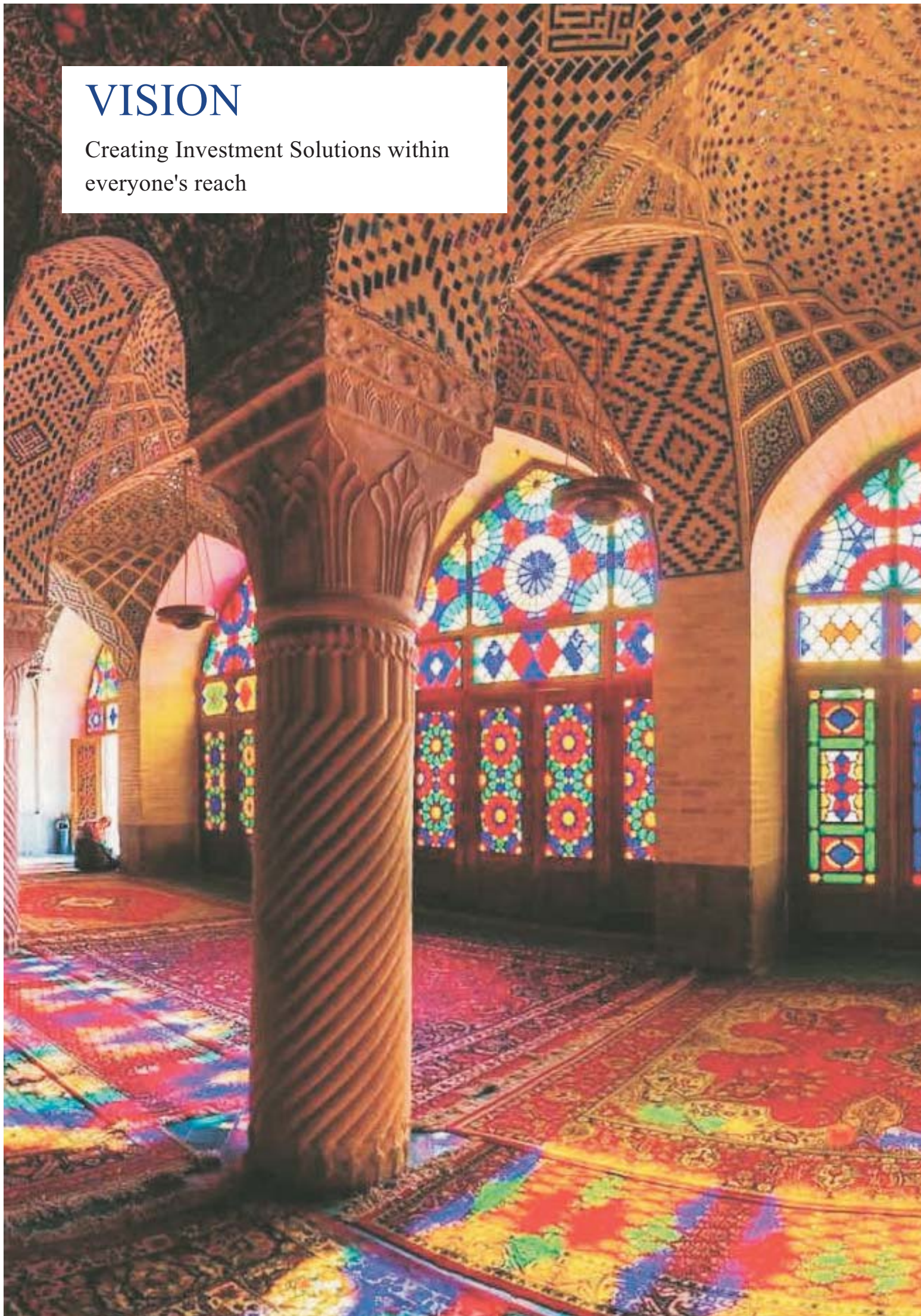


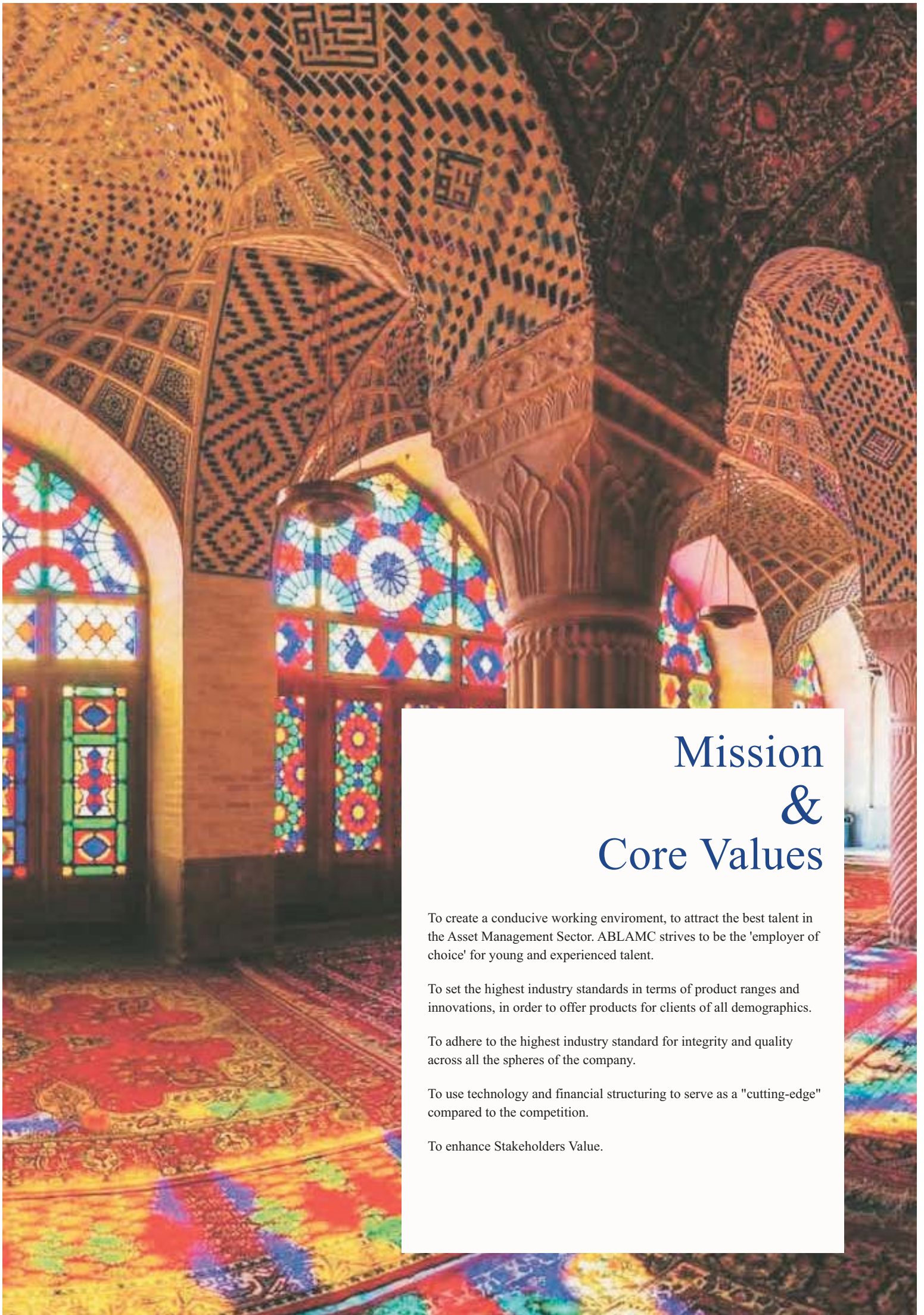
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# VISION

Creating Investment Solutions within everyone's reach





# Mission & Core Values

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

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

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

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

To enhance Stakeholders Value.



## FUND'S INFORMATION

Management Company:	ABL Asset Management Company Limited Plot/ Building # 14, Main Boulevard, DHA, Phase - VI, Lahore - 54810	
Board of Directors:	Sheikh Mukhtar Ahmed Mr. Mohammad Naeem Mukhtar Mr. Muhammad Waseem Mukhtar Mr. Aizid Razzaq Gill Ms. Saira Shahid Hussain Mr. Pervaiz Iqbal Butt Mr. Muhammad Kamran Shehzad	Chairman Non-Executive Director Non-Executive Director Non-Executive Director Independent Director Independent Director
Audit Committee:	Mr. Muhammad Kamran Shehzad Mr. Muhammad Waseem Mukhtar Mr. Pervaiz Iqbal Butt	Chairman Member Member
Human Resource and Remuneration Committee	Mr. Muhammad Waseem Mukhtar Mr. Muhammad Kamran Shehzad Mr. Pervaiz Iqbal Butt Mr. Naveed Nasim	Chairman Member Member Member
Board's Risk Management Committee	Mr. Muhammad Kamran Shehzad Mr. Pervaiz Iqbal Butt Mr. Naveed Nasim	Chairman Member Member
Board Strategic Planning & Monitoring Committee	Mr. Muhammad Waseem Mukhtar Mr. Muhammad Kamran Shehzad Mr. Pervaiz Iqbal Butt Mr. Naveed Nasim	Chairman Member Member Member
Chief Executive Officer of The Management Company:	Mr. Naveed Nasim	
Chief Financial Officer & Company Secretary:	Mr. Saqib Matin	
Chief Internal Auditor:	Mr. Kamran Shehzad	
Trustee:	Central Depository Company of Pakistan Limited CDC - House, Shara-e-Faisal, Karachi.	
Bankers to the Fund:	Allied Bank Limited Bank Al Falah Limited United Bank Limited	
Auditor:	M/s. A.F. Ferguson & Co. Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, Karachi.	
Legal Advisor:	Ijaz Ahmed & Associates Advocates & Legal Consultants No. 7, 11th Zamzama Street, Phase V DHA Karachi.	
Registrar:	ABL Asset Management Company Limited L - 48, DHA Phase - VI, Lahore - 74500	

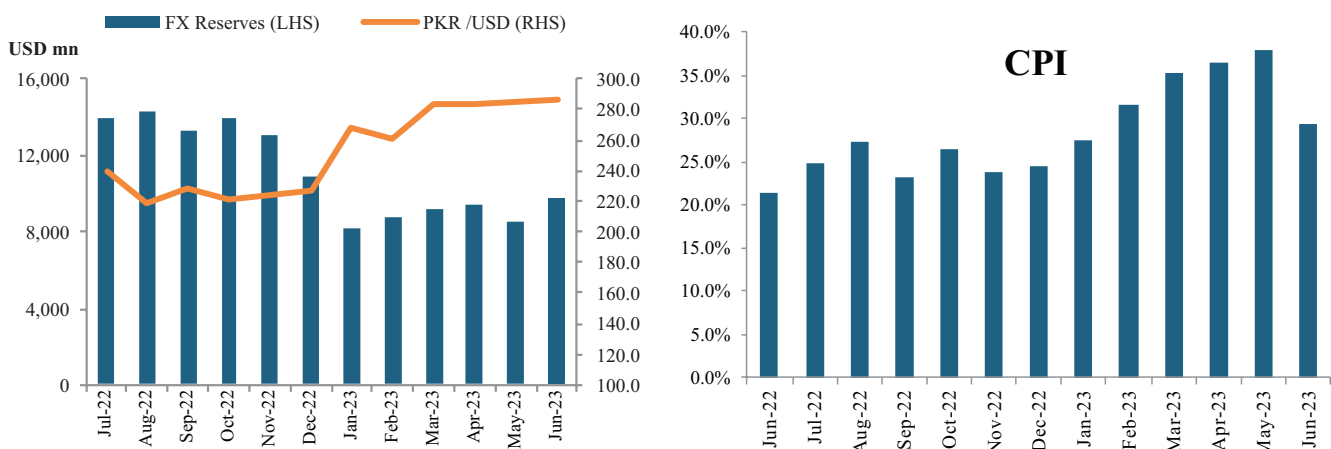


## REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

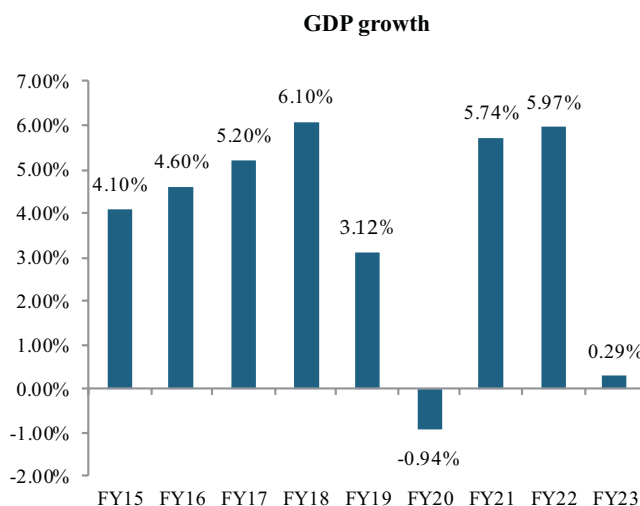
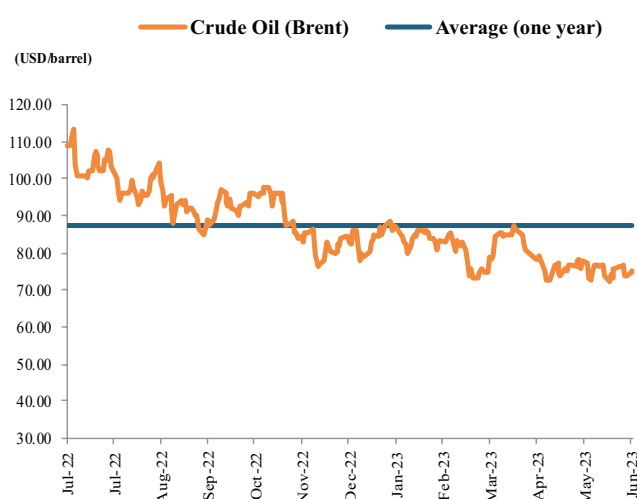
The Board of Directors of ABL Asset Management Company Limited, the management company of ABL Islamic Income Fund (ABL-IIF), is pleased to present the Condensed Interim Financial Statements (un-audited) of ABL Islamic Income Fund for the year ended on June 30, 2023.

### ECONOMIC PERFORMANCE REVIEW

The economic landscape has been marred by a series of severe macroeconomic imbalances, twin deficit, an unprecedented flood, supply shocks, political instability and global economic slowdown. As a result, the overall economic growth for FY23 has been hampered with a mere 0.3% year on year growth rate. However, it is worth noticing that the agriculture and services sector contributed positively in this meagre economic growth trajectory by posting growth of 1.6% and 0.9% respectively whereas, performance of industrial sector remained dismal, exhibiting negative growth of 2.9% during the same period. The lackluster performance of industrial growth was primarily driven by restrictive import policy amidst dwindling foreign exchange reserves. The limitations imposed on the import of industrial raw material remained obstacles in production process, negatively impacting large-scale manufacturing. The per capita income has witnessed a decline from USD 1765 to USD 1568 in FY23. This deceleration can be ascribed to depreciation of PKR relative to USD and contraction of gross domestic product (GDP).



Throughout FY23, the consumer price index (CPI) has presented worrisome picture with the average inflation rate reaching 29.0%YoY against the 12.1%YOY in the corresponding period last year. This significant increase in price has been observed across various sectors, including transportation, housing, and food. The historic high inflation attributed to several factors such as hike in energy tariffs, elevated fuel prices, depreciating PKR relative to USD and supply shocks resulting from an unprecedented flood in the country. Reflection of aforementioned factors observed in food index which contributed most in headline inflation. Looking ahead, we anticipate that full year inflation would remain in double digits. The thesis is premised on expected hike in electricity & gas tariff to fulfill the IMF requirement which would directly or indirectly push up the CPI index. Furthermore, anticipated depreciation of PKR due to market-based exchange rate and lifting of import ban may also contribute to an upward trend in price level.



On the balance of payment front, the country has achieved a significant improvement by posting a cumulative deficit of USD 2.9bn against the deficit of USD 15.2bn in the same period last year. This reduction in the current account deficit can be primarily attributed to a 35.1% year-on-year decline in the trade deficit, which has been achieved through measures aimed at curtailing imports. Furthermore, remittances have decreased by 15.8% amounting to USD 27bn. It is noteworthy that a substantial disparity remained between the exchange rates in the interbank and open market, allowing foreigners the opportunity to exchange currency at the open market rate resultantly, remittance have declined. Foreign exchange reserves of country stood at USD 9.1bn as of June 30, 2023 providing total import cover of ~ 2 months.

### MUTUAL FUND INDUSTRY REVIEW FY23

Total assets under management (AUMs) of the open-end mutual fund industry posted a growth of 29% during FY23 (from PKR 1274 billion to PKR 1643 billion), mainly on account of substantial flows in money market and fixed income funds due to rising interest rates, alongside rising T-bills and PIBs yields. Equity market funds, including Conventional and Islamic, witnessed a decline of 29% to close the period at PKR 130.4 billion. Although, the total money market and fixed income funds' AUMs increased by 35% and 46% to PKR 917 billion and PKR 438 billion, respectively.

### OBJECTIVE

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

### ISLAMIC MONEY MARKET REVIEW

Throughout FY23, Pakistan's economy was plagued by destructive floods, higher inflation, and political uncertainty causing significant damage to the economy. The nation experienced a record-breaking inflation of 38% in May23', primarily driven by soaring food and energy prices. The delay in the International Monetary Fund's 9th and 10th reviews further exacerbated the adverse economic situation. Additionally, debt repayments put a strain on foreign exchange reserves, leading to an unprecedented 38% devaluation of the Pakistani rupee against the US dollar. To address current account deficits, the government implemented import restrictions. The mounting pressure on foreign reserves, coupled with the alarming inflation figures, prompted the State Bank of Pakistan to raise the policy rate by a substantial 825 basis points to 22%.

During the year, GOP Ijarah Sukuks market remained active as the government ended up issuing a total of PKR 737 Billion in Variable Rate GOP Ijarah Sukuk and PKR 134 Billion in Fixed Rate GOP Ijarah Sukuk. Secondary market yield of Fixed Rate GOP Ijarah Sukuk remained volatile and moved in tandem with the PIB yields therefore the market shifted its preference from fixed rate to variable rate instrument during the rising interest rate cycle.

During the year, SBP introduced both shorter (7days) and longer tenor (63 days and 77 days) OMOs. SBP announced a total of 93 OMO injections and remained a net lender of total of PKR 454 Billion.

## **FUND PERFORMANCE**

For the year ended FY23, ABL Islamic Income Fund posted an annualized return of 12.42%, against the benchmark return of 6.04%, thereby outperforming the benchmark by 638bps. Net assets of ABL IIF closed at PKR 1,012. 8 million as at June 30 2023 as compared to PKR 3,532.28 million as at June 30, 2022.

At the end of FY23, fund had 53.07% exposure in Corporate Sukuks, while 37.61% of the exposure was placed with Banks.

## **ADDITIONAL MATTERS**

1. The detail of Directors of the Management Company is disclosed in this Annual Report.
2. Financial Statements present fairly the state of affairs, the results of operations, cash flows and the changes in unit holder's fund;
3. Proper books of accounts of the Fund have been maintained.
4. Appropriate accounting policies have been consistently applied in the preparation of the financial statements and accounting estimates are based on reasonable and prudent judgments;
5. Relevant International Accounting Standards, as applicable in Pakistan, provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 & Non-Banking Finance Companies and Notified Entities Regulations, 2008, requirements of the Trust Deed and directives issued by the Securities and Exchange Commission of Pakistan, have been followed in the preparation of the financial statements;
6. The system of internal control is sound in design and has been effectively implemented and monitored;
7. There have been no significant doubts upon the Funds' ability to continue as going concern;
8. Performance table of the Fund is given on page # 11 of the Annual Report;
9. There is no statutory payment on account of taxes, duties, levies and charges outstanding other than already disclosed in the financial statements;
10. The statement as to the value of investments of Provident Fund is not applicable in the case of the Fund as employee's retirement benefits expenses are borne by the Management Company;
11. The pattern of unit holding as at June 30, 2023 is given in note No. 23 of the Financial Statements.



## AUDITORS

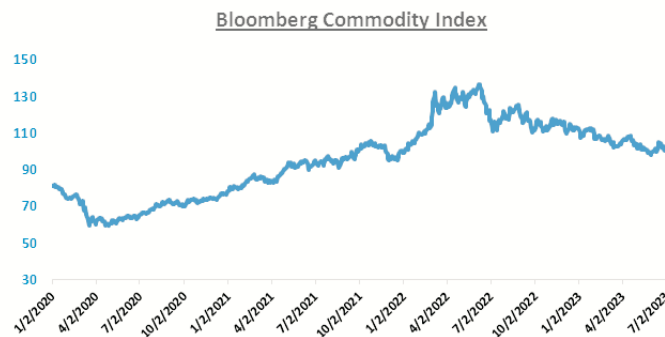
M/s. A.F. Fergusons & Co. (Chartered Accountants), have been re-appointed as auditors for the year ending June 30, 2024 for ABL Islamic Income Fund (ABL-IIF).

## FUND STABILITY RATING

On December 30, 2022: VIS Credit rating Company (VIS) has reaffirmed the Fund Stability Rating (FSR) of ABL Islamic Income Fund (ABL IIF) at 'A+ (f)' (Single A plus (f)).

## MANAGEMENT QUALITY RATING

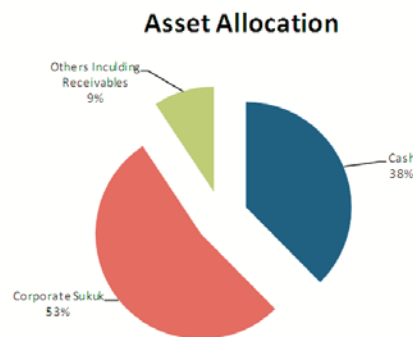
On October 26, 2022: The Pakistan Credit Rating Agency Limited (PACRA) has upgraded the Management Quality Rating (MQR) of ABL Asset Management Company (ABL AMC) at 'AM1' (AM-One). Outlook on the assigned rating is 'Stable'.



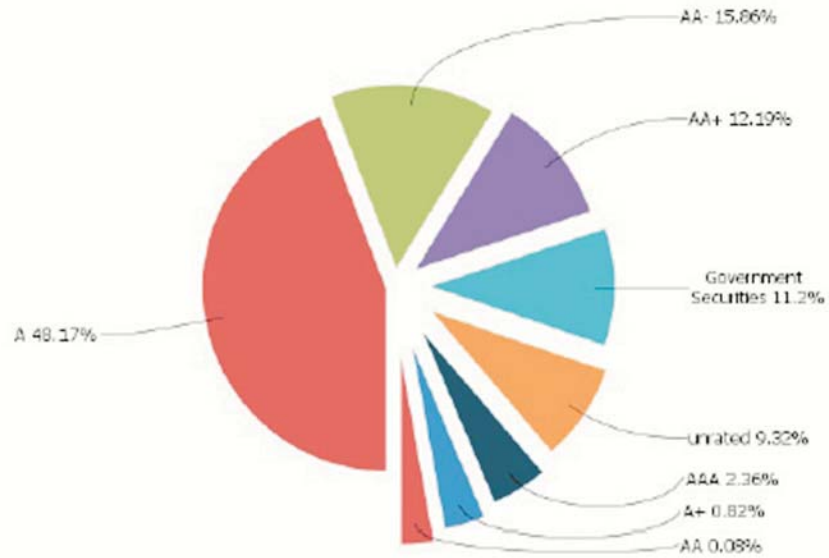
**Source: Bloomberg**

Despite declining global commodity prices, as can be seen in the chart above, inflation in Pakistan is expected to remain in double digits primarily because of depreciating rupee and disrupted supply of inputs because of restrictions on opening of LCs.

Recent changes in the policy rate by SBP indicates that the policy rate is expected to remain on the higher side during FY24 therefore in order to minimize interest rate risk in our portfolios we will stay invested in floating rate short term sukuks and bank deposit deals. In order to further augment returns we are in process of signing musharaka agreements with top rated Islamic banks so we can place money directly in the Islamic interbank market and structuring transactions with DFIs.



## CREDIT QUALITY OF PORTFOLIO (% OF TOTAL ASSETS)



### 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 and on behalf of the Board

**Director**  
Lahore, August 24, 2023



**Naveed Nasim**  
Chief Executive Officer





## FUND MANAGER REPORT

### OBJECTIVE

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

### ISLAMIC MONEY MARKET REVIEW

Throughout FY23, Pakistan's economy was plagued by destructive floods, higher inflation, and political uncertainty causing significant damage to the economy. The nation experienced a record-breaking inflation of 38% in May23', primarily driven by soaring food and energy prices. The delay in the International Monetary Fund's 9th and 10th reviews further exacerbated the adverse economic situation. Additionally, debt repayments put a strain on foreign exchange reserves, leading to an unprecedented 38% devaluation of the Pakistani rupee against the US dollar. To address current account deficits, the government implemented import restrictions. The mounting pressure on foreign reserves, coupled with the alarming inflation figures, prompted the State Bank of Pakistan to raise the policy rate by a substantial 825 basis points to 22%.

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Secondary market yield of Fixed Rate GOP Ijarah Sukuk remained volatile and moved in tandem with the PIB yields therefore the market shifted its preference from fixed rate to variable rate instrument during the rising interest rate cycle.

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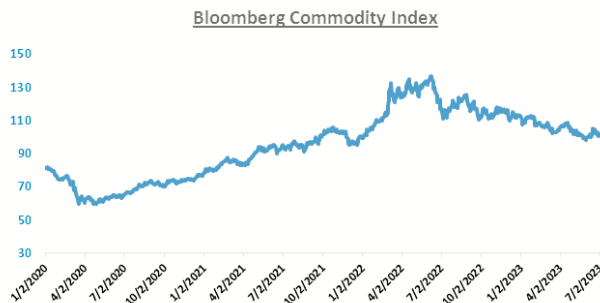
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### OUTLOOK AND STRATEGY

Going forward inflation is expected to remain on the higher side during the first half of FY24, IMF estimates an average inflation of 26% p.a. for FY24 with inflation expected to decline to 16% p.a. during the last quarter of FY24.



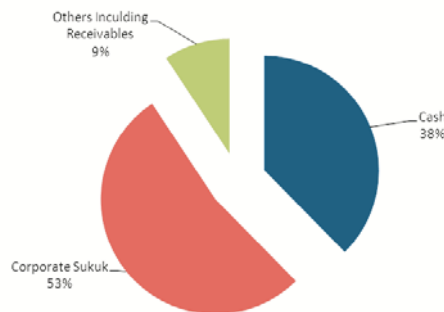
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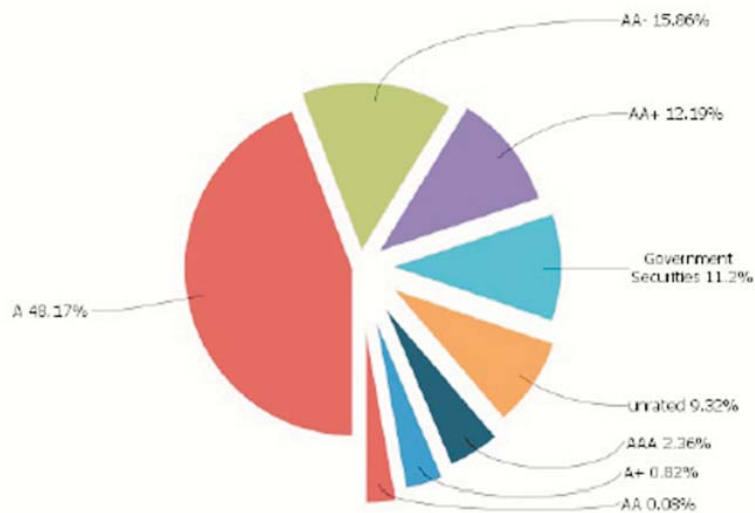
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ABL Islamic Income Fund Performance		FY-2023
Yield		12.42 %
Average of 6 Month Deposit Rate of 3 A rated Islamic Banks		6.04 %
Weighted Average Time to Maturity of Net Assets (days)		1087.61
Asset under management as at June 30,2023 (PKR mn)		1,012.80
Closing NAV per unit as on June 30,2023 (PKR) (Ex-Dividend)		10.2675

**Asset Allocation**



**CREDIT QUALITY OF PORTFOLIO (% OF TOTAL ASSETS)**





## PERFORMANCE TABLE

	June 2023	June 2022	June 2021	June 2020	June 2019	June 2018
	------(Rupees in '000)-----					
Net Assets	1,012,806	3,532,281	4,737,569	6,141,183	3,732,590	5,019,570
Net Income	241,749	393,330	360,902	596,195	315,631	254,092
	------(Rupees per unit)-----					
Net Assets value	10.2675	10.2442	10.2127	10.2112	10.1965	10.6100
Interim distribution*	-	-	-	-	0.4270	-
Final distribution	1.2462	0.8471	0.5854	1.1375	0.8481	-
Final distribution date	June 25, 2023	June 24, 2022	June 27, 2021	June 26, 2020	June 26, 2019	-
Closing offer price	10.4462	10.4224	10.3904	10.3889	10.3494	10.7692
Closing repurchase price	10.2675	10.2442	10.2127	10.2112	10.1965	10.6100
Highest offer price	11.6903	11.2522	10.9830	11.5312	11.1966	10.7706
Lowest offer price	10.4260	10.3920	10.3875	10.3762	10.3395	10.3186
Highest repurchase price per unit	11.4904	11.0598	10.7952	11.3340	11.0311	10.6114
Lowest repurchase price per unit	10.2477	10.2143	10.2098	10.1987	10.1867	10.1661
	-----Percentage-----					
Total return of the fund						
- capital growth	-0.04%	0.16%	-0.10%	-0.09%	-4.28%	4.37%
- income distribution	12.46%	8.47%	5.85%	11.38%	12.75%	0.00%
Average return of the fund						
First Year	12.42%	8.63%	5.75%	11.28%	8.47%	4.37%
Second Year	11.06%	7.44%	8.85%	10.36%	6.60%	5.15%
Third Year	9.71%	9.28%	9.22%	8.66%	6.55%	5.57%
Fourth Year	10.93%	9.67%	8.31%	8.29%	6.65%	6.72%
Fifth Year	11.18%	8.95%	8.16%	8.18%	7.52%	7.63%
Sixth Year	10.45%	8.83%	8.17%	8.86%	8.30%	8.48%
Seventh Year	10.28%	8.84%	8.85%	9.54%	9.09%	9.63%
Eighth Year	10.24%	9.49%	9.54%	10.26%	10.20%	-
Ninth Year	10.86%	10.17%	10.29%	11.35%	-	-
Tenth Year	11.53%	10.92%	11.38%	-	-	-
Eleventh Year	12.29%	12.02%	-	-	-	-
Twelfth Year	13.42%	-	-	-	-	-
Since Inception	14.35%	12.91%	12.24%	12.20%	11.05%	10.49%
Weighted average Portfolio duration in days	1088	527	399	788	592	457

### Distribution History\*

2019	
Date	Rate Re. Per Unit
July 03, 2018	0.2970
August 01, 2018	0.1300

### Disclaimer

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

**CENTRAL DEPOSITORY COMPANY  
OF PAKISTAN LIMITED**

**Head Office:**

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

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

Fax: (92-21) 34326021 - 23

URL: [www.cdcpakistan.com](http://www.cdcpakistan.com)

Email: [info@cdcpak.com](mailto:info@cdcpak.com)



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**ABL ISLAMIC INCOME FUND**

**Report of the Trustee pursuant to Regulation 41(h) and clause 8 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 Islamic Income Fund (the Fund) are of the opinion that ABL Asset Management Company Limited being the Management Company of the Fund has in all material respects managed the Fund during the year period ended June 30, 2023 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;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) 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 25, 2023





**Al-Hilal**  
— Shariah Advisors —

September 19, 2023



الحمد لله رب العالمين، والصلاة والسلام على سيد الأنبياء والمرسلين، وعلى آله وصحبه أجمعين، وبعد

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

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

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

Keeping in view the above; we certify that:

We have reviewed all the investment and operational activities of the fund including all transactions and found them to comply with the Shariah guidelines. On the basis of information provided by the management company, all operations of the fund for the year ended June 30, 2023 comply with the provided Shariah guidelines. Therefore, it is resolved that investments in ABL Islamic Income Fund managed by ABL Asset Management Limited are halal and in accordance with Shariah principles.

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

والله أعلم بالصواب، وصلى الله على نبيينا محمد وعلى آله وصحبه وبارك وسلم

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

  
Mufti Irshad Ahmad Aijaz  
Member Shariah Council



  
Faraz Younus Bandukda, CFA  
Chief Executive

**Al-Hilal Shariah Advisors (Pvt) Limited**  
Suite 807, 8<sup>th</sup> Floor, Horizon Towers, Com 2/6, Khayaban-e-Saadi,  
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ABL Islamic Income Fund

 ABL Asset Management  
Discover the potential

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

We were engaged by the Board of Directors of **ABL Asset Management Company Limited** (the Management Company) to report on the Management Company's assessment of compliance with the Shariah Principles of **ABL Islamic Income Fund** (the Fund), as set out in the annexed Statement of Compliance with the Shariah Principles (the Statement) prepared by the Management Company for the year ended June 30, 2023, in the form of an independent reasonable assurance conclusion about whether the annexed statement reflects, in all material respects the status of compliance of the Fund with the Shariah Principles as specified in the Offering Document and the guidelines issued by the Shariah Advisor. Our engagement was conducted by a team of assurance practitioners.

**Applicable Criteria**

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

**Management's Responsibility for Shariah Compliance**

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

**Our Independence and Quality Control**

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

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

**Our responsibility and summary of work performed**

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



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

■ KARACHI ■ LAHORE ■ ISLAMABAD



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

The procedures performed primarily comprised the following:

- checking compliance of specific guidelines relating to charity, maintaining bank accounts and for making investments of the Fund.
- checking that the Shariah Advisor has certified that the operations of the Fund, its investments and placements made during the year ended June 30, 2023 are in compliance with the Shariah Principles.

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

#### **Conclusion**

Based on the procedures performed during our reasonable assurance engagement, we report that in our opinion, the annexed Statement presents fairly, in all material respects, the status of the Fund's compliance with the Shariah Principles specified in the Offering Document and in the guidelines issued by the Shariah Advisor for the year ended June 30, 2023.



A.F. Ferguson & Co.

Chartered Accountants

Dated: September 27, 2023

Karachi



INDEPENDENT AUDITOR'S REPORT

To the Unit holders of ABL Islamic Income Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of ABL Islamic Income Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2023, 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, 2023, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matters

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

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	<p><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, 2023 amounted to Rs. 392.120 million and Rs. 553.440 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, 2023 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, 2023 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> <li>re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies.</li> <li>obtained bank reconciliation statements and tested reconciling items on a sample basis.</li> </ul>

AFC

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network  
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KARACHI LAHORE ISLAMABAD



### **Other Information**

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

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

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

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

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

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.





- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

#### Report on Other Legal and Regulatory Requirements

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

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

  
A.F. Ferguson & Co.  
Chartered Accountants  
Karachi

Dated: September 27, 2023

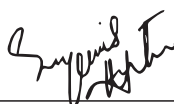
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**ABL ISLAMIC INCOME FUND**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT JUNE 30, 2023**

	Note	2023	2022
----- Rupees in '000 -----			
<b>Assets</b>			
Bank balances	4	392,120	1,841,431
Investments	5	553,440	1,610,829
Deposit and other receivables	6	67,117	60,195
Profit receivable	7	18,939	73,991
Receivable against issuance and conversion of units		11,044	-
<b>Total assets</b>		<b>1,042,660</b>	<b>3,586,446</b>
<b>Liabilities</b>			
Payable to ABL Asset Management Company Limited - Management Company	8	11,735	18,820
Payable to Central Depository Company of Pakistan Limited - Trustee	9	76	258
Payable to the Securities and Exchange Commission of Pakistan	10	441	961
Payable against redemption and conversion of units		1,615	7,943
Dividend payable		-	6,593
Accrued expenses and other liabilities	11	15,987	19,590
<b>Total liabilities</b>		<b>29,854</b>	<b>54,165</b>
<b>NET ASSETS</b>		<b>1,012,806</b>	<b>3,532,281</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>1,012,806</b>	<b>3,532,281</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	12		
----- Number of units -----			
<b>NUMBER OF UNITS IN ISSUE</b>		<b>98,641,918</b>	<b>344,808,601</b>
----- Rupees -----			
<b>NET ASSET VALUE PER UNIT</b>		<b>10.2675</b>	<b>10.2442</b>

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

For ABL Asset Management Company Limited  
(Management Company)



Saqib Matin  
Chief Financial Officer



Naveed Nasim  
Chief Executive Officer



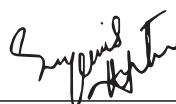
Pervaiz Iqbal Butt  
Director

**ABL ISLAMIC INCOME FUND**  
**INCOME STATEMENT**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	2023	2022
Note	----- Rupees in '000 -----	
<b>Income</b>		
Profit earned	13 329,706	436,900
Other income	1,555	-
Loss on sale of investments - net	(38,566)	(505)
Unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	5.4 (16,982)	17,318
	<u>(55,548)</u>	<u>16,813</u>
<b>Total income</b>	<u>275,713</u>	<u>453,713</u>
<b>Expenses</b>		
Remuneration of ABL Asset Management Company Limited - Management Company	8.1 20,586	39,549
Punjab Sales Tax on remuneration of the Management Company	8.2 3,294	6,328
Accounting and operational charges	8.4 3,437	4,803
Selling and marketing expenses	8.5 2,073	7,203
Remuneration of the Central Depository Company of Pakistan - Trustee	9.1 1,654	3,603
Sindh Sales Tax on remuneration of the Trustee	9.2 215	468
Annual fee to the Securities and Exchange Commission of Pakistan	10.1 441	961
Brokerage expense	317	185
Auditors' remuneration	14 704	536
Annual rating fee	273	261
Legal and professional charges	376	232
Annual listing fee	28	28
Shariah advisory fee	358	358
Printing charges	167	116
Settlement and bank charges	41	431
<b>Total operating expenses</b>	<u>33,964</u>	<u>65,062</u>
Reversal of provision for Sindh Workers' Welfare Fund	-	4,679
<b>Net income for the year before taxation</b>	<u>241,749</u>	<u>393,330</u>
Taxation	15 -	-
<b>Net income for the year after taxation</b>	<u>241,749</u>	<u>393,330</u>
Other comprehensive income for the year	-	-
<b>Total comprehensive income for the year</b>	<u>241,749</u>	<u>393,330</u>
<b>Earnings per unit</b>		
<b>Allocation of net income for the year</b>		
Net income for the year after taxation	241,749	393,330
Income already paid on units redeemed	(157,982)	(189,048)
	<u>83,767</u>	<u>204,282</u>
<b>Accounting income available for distribution:</b>		
- Relating to capital gains	-	16,813
- Excluding capital gains	83,767	187,469
	<u>83,767</u>	<u>204,282</u>

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

For ABL Asset Management Company Limited  
(Management Company)



Saqib Matin  
Chief Financial Officer



Naveed Nasim  
Chief Executive Officer



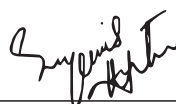
Pervaiz Iqbal Butt  
Director

**ABL ISLAMIC INCOME FUND**  
**STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	2023			2022		
	Capital value	Undistri-buted income	Total	Capital value	Undistri-buted income	Total
	----- Rupees in '000 -----					
<b>Net assets at the beginning of the year</b>	3,427,037	105,244	3,532,281	4,643,392	94,177	4,737,569
Issue of 172,972,236 (2022: 677,239,344) units						
- Capital value (at net asset value per unit at the beginning of the year)	1,771,962	-	1,771,962	6,916,442	-	6,916,442
- Element of income	74,915	-	74,915	196,737	-	196,737
<b>Total proceeds on issuance of units</b>	1,846,877		1,846,877	7,113,179	-	7,113,179
Redemption of 419,138,919 (2022: 796,319,976) units						
- Capital value (at net asset value per unit at the beginning of the year)	4,293,743	-	4,293,743	8,132,577	-	8,132,577
- Element of loss	45,095	157,982	203,077	119,056	189,048	308,104
<b>Total payments on redemption of units</b>	4,338,838	157,982	4,496,820	8,251,633	189,048	8,440,681
Total comprehensive income for the year	-	241,749	241,749	-	393,330	393,330
Distribution for the year ended June 30, 2023 @ Rs. 1.2462 per unit on June 25, 2023 (2022: @ 0.8471 per unit on June 24, 2022)	(29,304)	(81,977)	(111,281)	(77,901)	(193,215)	(271,116)
Net income for the year less distribution	(29,304)	159,772	130,468	(77,901)	200,115	122,214
<b>Net assets at the end of the year</b>	<u>905,772</u>	<u>107,034</u>	<u>1,012,806</u>	<u>3,427,037</u>	<u>105,244</u>	<u>3,532,281</u>
<b>Undistributed income brought forward</b>						
- Realised income		87,926			92,024	
- Unrealised income		17,318			2,153	
		<u>105,244</u>			<u>94,177</u>	
<b>Accounting income available for distribution</b>						
- Relating to capital gains		-			16,813	
- Excluding capital gains		83,767			187,469	
		<u>83,767</u>			<u>204,282</u>	
Distribution during the year		(81,977)			(193,215)	
Undistributed income carried forward		<u>107,034</u>			<u>105,244</u>	
<b>Undistributed income carried forward</b>						
- Realised income		124,016			87,926	
- Unrealised (loss) / income		(16,982)			17,318	
		<u>107,034</u>			<u>105,244</u>	
				<b>(Rupees)</b>		<b>(Rupees)</b>
Net asset value per unit at the beginning of the year				<u>10.2442</u>		<u>10.2127</u>
Net asset value per unit at the end of the year				<u>10.2675</u>		<u>10.2442</u>

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

For ABL Asset Management Company Limited  
(Management Company)



Saqib Matin  
Chief Financial Officer



Naveed Nasim  
Chief Executive Officer



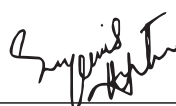
Pervaiz Iqbal Butt  
Director

**ABL ISLAMIC INCOME FUND  
CASH FLOW STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2023**

	2023	2022
Note	----- Rupees in '000 -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the year before taxation	241,749	393,330
<b>Adjustments for:</b>		
Profit earned	13 (329,706)	(436,900)
Unrealised diminution / (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	5.4 16,982	(17,318)
	(312,724)	(454,218)
<b>Increase in assets</b>		
Deposit and other receivables	(6,922)	(6,351)
<b>Decrease in liabilities</b>		
Payable to ABL Asset Management Company Limited - Management Company	(7,085)	(1,015)
Payable to Central Depository Company of Pakistan Limited - Trustee	(182)	(125)
Payable to the Securities and Exchange Commission of Pakistan	(520)	(304)
Accrued expenses and other liabilities	(3,603)	(9,667)
	(11,390)	(11,111)
	(89,287)	(78,350)
Profit received	384,758	416,586
Net amount received on purchase and sale of investments	1,040,407	815,306
	1,335,878	1,153,542
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts from issuance and conversion of units - net of refund of capital	1,806,529	7,067,726
Payments against redemption and conversion of units	(4,503,148)	(8,459,288)
Dividend paid	(88,570)	(186,622)
<b>Net cash used in financing activities</b>	(2,785,189)	(1,578,184)
	(1,449,311)	(424,642)
<b>Net decrease in cash and cash equivalents during the year</b>	(1,449,311)	(424,642)
Cash and cash equivalents at the beginning of the year	1,841,431	2,266,073
	4 392,120	1,841,431

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

For ABL Asset Management Company Limited  
(Management Company)



Saqib Matin  
Chief Financial Officer



Naveed Nasim  
Chief Executive Officer



Pervaiz Iqbal Butt  
Director



# ABL ISLAMIC INCOME FUND

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2023

---

#### 1 LEGAL STATUS AND NATURE OF BUSINESS

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

During the year ended June 30, 2021, the Trust Act, 1882 had been repealed due to the promulgation of Provincial Trust Act namely "The Punjab Trusts Act, 2020" (the Punjab Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Consequently, the Fund was required to be registered under the Punjab Trust Act. Accordingly, on June 20, 2023, the Fund has been registered as a Trust under the Punjab Trust Act and has been issued a Trust Registration Certificate.

1.2 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).

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

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

1.5 The Management Company has been assigned a quality rating of 'AM1' by Pakistan Credit Rating Agency (PACRA) dated October 26, 2022 (2022: 'AM2++' dated December 31, 2021). The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes. Furthermore, VIS Credit Rating Company Limited has reaffirmed the stability rating of the Fund to "A+(f)" dated December 30, 2022 [2022: "A+(f)" dated January 18, 2022].

1.6 The title to the assets of the Fund are held in the name of 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) 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 VIII A 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 VIII A of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's accounting period beginning on July 1, 2022. However, these do not have any significant impact on the Fund's operations and, therefore, have not been disclosed in these financial statements.

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2023. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these financial statements.

## **2.4 Critical accounting estimates and judgments**

The preparation of the financial statements in conformity with the accounting and reporting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and income and expenses. It also requires the management to exercise judgment in the application of the Fund's accounting policies. The estimates and associated assumptions are based on historical experience and various other factors, including expectation of future events, that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying value of assets and liabilities. These estimates and 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 the current and future years.

The estimates and judgments that have a significant effect on these financial statements of the Fund relate to classification and valuation of financial assets (notes 3.2 and 5).

## **2.5 Accounting convention**

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

## **2.6 Functional and presentation currency**

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

## **3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented, unless otherwise stated.

### **3.1 Cash and cash equivalents**

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

### **3.2 Financial assets**

#### **3.2.1 Initial recognition and measurement**

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

### 3.2.2 Classification and subsequent measurement

#### Debt instruments

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

- amortised cost
- fair value through other comprehensive income "(FVOCI)"
- fair value through profit or loss "(FVPL)"

based on the business model of the entity.

However, IFRS 9 also provides an option whereby securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognised at FVPL. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVPL.

### 3.2.3 Impairment

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

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

### 3.2.4 Impairment loss on debt securities

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

As allowed by the SECP, the Management Company may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, considering the specific credit and financial condition of the debt security issuer and in accordance with the provisioning policy duly approved by the Board of Directors of the Management Company. The provisioning policy approved by the Board of Directors has also been placed on the Management Company's website as required under the SECP's Circular.

### 3.2.5 Regular way contracts

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

### 3.2.6 Derecognition

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

## 3.3 Financial liabilities

### 3.3.1 Classification and subsequent measurement

Financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair values and subsequently stated at amortised cost.

### 3.3.2 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the Income Statement.

### 3.4 Offsetting of financial assets and financial liabilities

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

### 3.5 Provisions

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

### 3.6 Net asset value per unit

The Net Asset Value (NAV) per unit as disclosed in the 'Statement of Assets and Liabilities' is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

### 3.7 Issuance 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 applications during business hours of that day. The redemption price is equal to NAV as of the close of the business day, less an amount as the Management Company may consider to be an appropriate provision of duties and charges.

### 3.8 Distributions to unit holders

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

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

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

Element of income represents the difference between net asset 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 is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

### 3.10 Revenue recognition

- Gains / (losses) arising on sale of investments are recorded at the date at which the transaction takes place;
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are recorded in the year in which these arise;
- Profit on sukuk certificates, commercial papers, certificates of musharakah and bai muajjal is recognised on an accrual basis using the effective yield method; and

- Profit on balances with banks and other income is recognised on an accrual basis.

### 3.11 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee to the SECP are recognised in the Income Statement on an accrual basis.

### 3.12 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistani 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.

### 3.13 Taxation

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

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

### 3.14 Earnings per unit

Earnings per unit is calculated by dividing the net income of the year after 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 16.

4	BANK BALANCES	Note	2023 Rupees in '000	2022 Rupees in '000
	Balances with banks in:			
	Savings accounts	4.1	391,059	1,817,244
	Current accounts	4.2	1,061	24,187
			<u>392,120</u>	<u>1,841,431</u>

4.1 These include a balance of Rs. 6.024 million (2022: Rs. 497.685 million) maintained with Allied Bank Limited (a related party) that carries profit at the rate of 16.00% (2022: 14.25%) per annum. Other savings accounts of the Fund carry profit rates ranging from 19.00% to 19.50% (2022: 11.75% to 14.75%) per annum.

4.2 This represents balance maintained with Allied Bank Limited (a related party).

5	INVESTMENTS	Note	2023 Rupees in '000	2022 Rupees in '000
	<b>At fair value through profit or loss</b>			
	GoP Ijarah sukuk certificates	5.1	116,817	60,000
	Corporate sukuk certificates	5.2	436,623	1,550,829
	Certificates of musharakah	5.3	-	-
			<u>553,440</u>	<u>1,610,829</u>

### 5.1 GoP Ijarah sukuk certificates

Name of the security	Profit payments / principal redemptions	Issue date	Maturity date	Profit rate	As at July 1, 2022	Purchased during the year	Sold during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised diminution as at June 30, 2023	Percentage in relation to	
					(Number of certificates)			(Rupees in '000)			Net assets of the Fund	Total market value of investments	
GoP Ijarah Sukuk Certificates - XI - FRR	Semi-annually / At maturity	December 15, 2021	December 15, 2026	11.40%	12,500	140,000	112,500	40,000	37,760	36,033	(1,727)	3.56%	6.51%
GoP Ijarah Sukuk Certificates - XXVI - VRR	Semi-annually / At maturity	October 26, 2022	October 26, 2027	Weighted average 6 months T-Bills	-	12,250	11,440	810	80,854	80,784	(70)	7.98%	14.60%
<b>Total as at June 30, 2023</b>									118,614	116,817	(1,797)	11.54%	21.11%
<b>Total as at June 30, 2022</b>									63,978	60,000	(3,978)	1.70%	3.72%

5.1.1 The nominal value of these sukuk certificates is Rs. 100,000 each.

## 5.2 Corporate sukuk certificates

Name of the security	Profit payments / principal redemptions	Maturity date	Profit rate	As at July 1, 2022	Purchased during the year	Sold / matured during the year	As at June 30, 2023	Carrying value as at June 30, 2023	Market value as at June 30, 2023	Unrealised (diminution)/ appreciation as at June 30, 2023	Percentage in relation to	
											Net assets of the Fund	Total market value of investments
				----- (Number of certificates) -----			----- (Rupees) -----				----- % -----	
<b>COMMERCIAL BANKS</b>												
Dubai Islamic Bank Pakistan Limited (AA-, VIS)	Semi-annually	July 14, 2027	6 months KIBOR plus base rate of 0.50%	333	-	333	-	-	-	-	-	-
Dubai Islamic Bank Pakistan Limited (AA-, VIS, traded) (Face value of Rs 1,000,000 per certificate)	Semi-annually / At maturity	December 2, 2032	6 months KIBOR plus base rate of 0.70%	-	265	100	165	165,000	165,226	226	16.31%	29.85%
Al Baraka Bank Pakistan limited (AA+, PACRA, traded) (Face value of 1,000,000 per certificate)	Semi-annually / At maturity	December 22, 2031	6 months KIBOR plus base rate of 1.50%	150	-	-	150	150,000	148,500	(1,500)	14.66%	26.83%
<b>POWER GENERATION &amp; DISTRIBUTION</b>												
K-Electric Limited Sukuk V (AA+, VIS, traded) (Face value of 4,250 per certificate)	Quarterly	August 3, 2027	3 months KIBOR plus base rate of 1.70%	200	-	-	200	871	866	(5)	0.09%	0.16%
The Hub Power Company Limited (AA+, PACRA, non-traded) (Face value of 25,000 per certificate)	Quarterly / Semi-annually	August 22, 2023	3 months KIBOR plus base rate of 1.90%	4,983	-	2,000	2,983	86,231	74,796	(11,435)	7.39%	13.51%
The Hub Power Company Limited (AA+, PACRA, non-traded) (Face value of 50,000 per certificate)	Semi-annually	19 March, 2024	12 months KIBOR plus base rate of 1.90%	940	-	-	940	49,706	47,235	(2,471)	4.66%	8.53%
<b>CHEMICALS</b>												
Engro Polymer and Chemicals Limited (AA, PACRA)	Quarterly	July 11, 2026	3 months KIBOR plus base rate of 0.90%	2,250	-	2,250	-	-	-	-	-	-
<b>Total as at June 30, 2023</b>								451,808	436,623	(15,185)	43.11%	78.88%
<b>Total as at June 30, 2022</b>								1,529,533	1,550,829	21,296	43.91%	96.28%

## 5.3 Certificates of musharakah

Name of the investee company	Maturity date	Profit rate	As at July 1, 2022	Placed during the year	Matured during the year	As at June 30, 2023	Percentage in relation to	
							Net assets of the Fund	Total market value of investment
		%	----- (Rupees in '000) -----				----- % -----	
First Habib Modaraba (AA+, PACRA)	September 5, 2022	15.35%	-	340,000	340,000	-	-	-
First Habib Modaraba (AA+, PACRA)	January 12, 2023	15.50%	-	300,000	300,000	-	-	-
First Habib Modaraba (AA+, PACRA)	April 12, 2023	16.50%	-	200,000	200,000	-	-	-
<b>Total as at June 30, 2023</b>						-	-	-
<b>Total as at June 30, 2022</b>						-	-	-

## 5.4 Unrealised (diminution) / appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net

Note	2023	2022	
	----- Rupees in '000 -----		
Market value of investments	5.1, 5.2 & 5.3	553,440	1,610,829
Less: carrying value of investments	5.1, 5.2 & 5.3	570,422	1,593,511
		<u>(16,982)</u>	<u>17,318</u>

## 6 DEPOSIT AND OTHER RECEIVABLES

Security deposit with Central Depository Company of Pakistan Limited *		100	100
Balance in IPS account *		97	48
Advance tax	6.1	66,920	60,047
		<u>67,117</u>	<u>60,195</u>

- 6.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 150 and 151. However, withholding tax on profit on savings accounts and debt securities paid to the Fund has been deducted by various withholding agents based on the interpretation issued by FBR vide its letter C. no.1(43) DG (WHT)/2008-Vol.II-66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder. The tax withheld on profit on savings accounts and debt securities amounts to Rs. 66.920 million (2022: Rs. 60.047 million).

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the 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 (SCP) by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the SCP 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 profit on savings accounts and debt securities has been shown as advance tax under assets as at June 30, 2023 as, in the opinion of the management, the amount of tax deducted at source is likely to be refunded.

7	<b>PROFIT RECEIVABLE</b>	Note	2023	2022
			----- Rupees in '000 -----	
	Profit receivable on:			
	Bank balances		6,584	25,769
	Sukuk certificates		12,355	48,222
			<u>18,939</u>	<u>73,991</u>
8	<b>PAYABLE TO ABL ASSET MANAGEMENT COMPANY LIMITED - MANAGEMENT COMPANY - RELATED PARTY</b>			
	Remuneration payable	8.1	875	2,917
	Punjab Sales Tax payable on remuneration of the Management Company	8.2	1,372	1,700
	Federal Excise Duty payable on remuneration of the Management Company	8.3	8,366	8,366
	Accounting and operational charges payable	8.4	300	2,290
	Selling and marketing expenses payable	8.5	448	3,436
	Sales and transfer load payable		41	111
	Other payable		333	-
			<u>11,735</u>	<u>18,820</u>

- 8.1 As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the following rates during the year ended June 30, 2023:

Rate applicable from July 1, 2021 to September 27, 2021	Rate applicable from September 28, 2021 to June 30, 2022	Rate applicable from July 1, 2022 to June 30, 2023
1.00% of average annual net assets of the Fund	8% of gross earning subject to minimum floor of 0.40% of average annual net assets per annum and maximum cap of 1.00% of average annual net assets per annum of the Fund	8% of gross earning subject to minimum floor of 0.40% of average annual net assets per annum and maximum cap of 1.00% of average annual net assets per annum of the Fund

The remuneration is payable to the Management Company monthly in arrears.

- 8.2 During the year, an amount of Rs 3.294 million (2022: Rs 6.328 million) was charged on account of sales tax on remuneration of the Management Company levied through the Punjab Sales Tax on Services Act, 2012 at the rate of 16% (2022: 16%).
- 8.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration and sales load were already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013, a constitutional petition was filed with the Honourable Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company and sales load with effect from July 1, 2016. However, as a matter of abundant caution, the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs. 8.366 million (2022: Rs. 8.366 million) is being retained in these financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision for FED not been made, the Net Asset Value of the Fund as at June 30, 2023 would have been higher by Re. 0.085 (2022: Re. 0.024) per unit.

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

The Management Company, based on its own discretion, has charged such expenses at the rate of 0.1% (2022: 0.1%) of the average annual net assets of the Fund during the year ended June 30, 2023, subject to total expense charged being lower than actual expense incurred.

- 8.5 In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company, based on its own discretion, has charged selling and marketing expenses at the rate of 0.15% (2022: 0.15%) per annum of the average annual net assets of the Fund during the year ended June 30, 2023 while keeping in view the overall return and total expense ratio limit of the Fund as defined under the NBFC Regulations, subject to total expense charged being lower than actual expense incurred.

9	<b>PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN - TRUSTEE - RELATED PARTY</b>	Note	2023 ----- Rupees in '000 -----	2022
	Remuneration payable	9.1	67	229
	Sindh Sales Tax payable on remuneration of the Trustee	9.2	<u>9</u>	<u>29</u>
			<u>76</u>	<u>258</u>

- 9.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed at the rate of 0.075% (2022: 0.075%) per annum of average annual net assets of the Fund. Accordingly the Fund has charged trustee fee at the above mentioned rate during the year.

- 9.2 During the year, an amount of Rs. 0.215 million (2022: Rs. 0.468 million) was charged on account of sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 at the rate of 13% (2022: 13%).

10	<b>PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>	Note	2023 ----- Rupees in '000 -----	2022
	Annual fee payable	10.1	<u>441</u>	<u>961</u>

- 10.1 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 at the rate of 0.02% (2022: 0.02%) per annum of the daily net assets of the Fund.

11	<b>ACCRUED EXPENSES AND OTHER LIABILITIES</b>	2023 ----- Rupees in '000 -----	2022
	Auditors' remuneration payable	432	346
	Printing charges payable	100	84
	Brokerage payable	-	45
	Shariah advisory fee payable	30	30
	Withholding tax payable	14,599	17,969
	Capital gain tax payable	<u>826</u>	<u>1,116</u>
		<u>15,987</u>	<u>19,590</u>

- 12 **CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments outstanding as at June 30, 2023 and June 30, 2022.



	2023	2022
	----- Rupees in '000 -----	
<b>13 PROFIT EARNED</b>		
Profit earned on:		
Savings accounts	138,007	191,873
Islamic commercial papers	-	49,549
Bai muajjal	-	50,594
Certificates of musharakah	25,131	5,665
Corporate sukuk certificates	166,568	139,219
	<u>329,706</u>	<u>436,900</u>
<b>14 AUDITORS' REMUNERATION</b>		
Annual audit fee	330	300
Half yearly review of condensed interim financial information	220	180
Fee for other certifications	40	-
Out of pocket expenses	62	16
	<u>652</u>	<u>496</u>
Sindh Sales Tax	52	40
	<u>704</u>	<u>536</u>
<b>15 TAXATION</b>		

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2023 to the unit holders in the manner as explained above no provision for taxation has been made in these financial statements during the year.

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

#### 16 EARNINGS PER UNIT

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

#### 17 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2023 is 1.55% (2022: 1.36%) which includes 0.18% (2022: 0.16%) representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an 'Income Scheme'.

#### 18 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

- 18.1** Connected persons / related parties include ABL Asset Management Company Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes being 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.
- 18.2** 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.
- 18.3** Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations.
- 18.4** Remuneration to the Trustee is determined in accordance with the provisions of the Trust Deed.
- 18.5** 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.

18.6 The details of transactions carried out by the Fund with connected persons during the year and balances with them as at year end are as follows:

<b>Transactions during the year</b>	<b>2023</b>	<b>2022</b>
	----- Rupees in '000 -----	
<b>ABL Asset Management Company Limited - Management Company</b>		
Remuneration of the Management Company	20,586	39,549
Punjab Sales Tax on remuneration of the Management Company	3,294	6,328
Accounting and operational charges	3,437	4,803
Selling and marketing expenses	2,073	7,203
Issue of 296 (2022: 24,349) units	3	251
Redemption of 296 units (2022: 24,349) units	3	263
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration of the Trustee	1,654	3,603
Sindh Sales Tax on remuneration of the Trustee	215	468
Settlement charges	6	188
<b>Allied Bank Limited</b>		
Profit on savings account	4,774	66,778
Bank charges	35	218
<b>ABL Islamic Financial Planning Fund - Active Allocation Plan</b>		
Issue of Nil (2022: 9,553,429) units	-	98,500
Redemption of 7,910,536 units (2022: 14,406,397) units	85,464	152,725
<b>ABL Islamic Financial Planning Fund - Conservative Allocation Plan</b>		
Issue of Nil (2022: 271,682) units	-	2,358
Redemption of 3,547,105 units (2022: 562,062) units	38,642	6,100
<b>ABL Islamic Financial Planning Fund - Aggressive Allocation Plan</b>		
Issue of Nil (2022: 194,962) units	-	2,012
Redemption of 16,584 units (2022: 423,819) units	174	4,453
<b>ABL Islamic Financial Planning Fund - Strategic Allocation Plan I</b>		
Issue of Nil (2022: 4,985,234) units	-	51,687
Redemption of 734,043 units (2022: 10,055,225) units	7,823	105,690
<b>ABL Islamic Financial Planning Fund - Strategic Allocation Plan III</b>		
Issue of Nil (2022: 1,068,380) units	-	11,026
Redemption of 754,622 units (2022: 1,278,935) units	8,141	13,325
<b>ABL Islamic Financial Planning Fund - Capital Preservation Plan I</b>		
Issue of 13,354,888 (2022: 5,926,255) units	143,000	1,738,058
Redemption of 90,045,199 units (2022: 101,294,729) units	967,448	1,061,126
<b>ABL Islamic Financial Planning Fund - Capital Preservation Plan II</b>		
Issue of 18,524,869 (2022: 70,089,971) units	197,500	731,851
Redemption of 60,074,605 units (2022: 28,540,235) units	635,753	304,785
<b>SGS Pakistan (Private) Limited Staff Provident Fund</b>		
Issue of 16,423,039 (2022: Nil) units	186,330	-
Redemption of 14,646,111 units (2022: Nil) units	168,127	-
<b>KEY MANAGEMENT PERSONNEL AND DIRECTORS OF THE MANAGEMENT COMPANY</b>		
<b>Aizid Razzaq Gill</b>		
Issue of 81 (2022: 289) units	1	3
Redemption of Nil (2022: 19,504) units	-	200
<b>Chief Financial Officer</b>		
Issue of Nil (2022: 2,391) units	-	25
Redemption of 2,414 (2022: Nil) units	27	-

<b>Amounts / balances outstanding as at year end</b>	<b>2023</b>	<b>2022</b>
	----- Rupees in '000 -----	
<b>ABL Asset Management Company Limited - Management Company</b>		
Remuneration payable	875	2,917
Punjab Sales Tax payable on remuneration of the Management Company	1,372	1,700
Federal Excise Duty payable on remuneration of the Management Company	8,366	8,366
Accounting and operational charges payable	300	2,290
Selling and marketing expenses payable	448	3,436
Sales and transfer load payable	41	111
Other payable	333	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable to the Trustee	67	229
Sindh Sales Tax payable on remuneration of the Trustee	9	29
<b>Allied Bank Limited</b>		
Profit receivable on savings account	43	3,680
Bank balance	7,085	521,872
<b>ABL Islamic Financial Planning Fund - Active Allocation Plan</b>		
Outstanding Nil (2022: 7,910,536) units	-	81,037
<b>ABL Islamic Financial Planning Fund - Conservative Allocation Plan</b>		
Outstanding Nil (2022: 3,547,105) units	-	36,337
<b>ABL Islamic Financial Planning Fund - Aggressive Allocation Plan</b>		
Outstanding Nil (2022: 16,584) units	-	170
<b>ABL Islamic Financial Planning Fund - Strategic Allocation Plan I</b>		
Outstanding Nil (2022: 734,043) units	-	7,520
<b>ABL Islamic Financial Planning Fund - Strategic Allocation Plan III</b>		
Outstanding Nil (2022: 754,622) units	-	7,730
<b>ABL Islamic Financial Planning Fund - Capital Preservation Plan I</b>		
Outstanding Nil (2022: 76,690,311) units	-	785,631
<b>ABL Islamic Financial Planning Fund - Capital Preservation Plan II</b>		
Outstanding Nil (2022: 41,549,736) units	-	425,644
<b>SGS Pakistan (Private) Ltd. Staff Provident Fund</b>		
Outstanding 16,423,039 (2022: 14,646,111) units	168,624	-
<b>Directors and key management personnel of the Management Company</b>		
<b>Azid Razzaq Gill</b>		
Outstanding 865 (2022: 784) units	9	8
<b>Chief Financial Officer</b>		
Outstanding Nil (2022: 2,414) units	-	25

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

**19 FINANCIAL INSTRUMENTS BY CATEGORY**

	2023		
	At amortised cost	At fair value through profit or loss	Total
	----- Rupees in '000 -----		
<b>Financial assets</b>			
Bank balances	392,120	-	392,120
Investments	-	553,440	553,440
Deposit and other receivables	197	-	197
Profit receivable	18,939	-	18,939
Receivable against issuance and conversion of units	11,044	-	11,044
	<u>422,300</u>	<u>553,440</u>	<u>975,740</u>

**Financial liabilities**

Payable to ABL Asset Management Company Limited - Management Company  
 Payable to Central Depository Company of Pakistan Limited - Trustee  
 Payable against redemption and conversion of units  
 Accrued expenses and other liabilities

2023	
At amortised cost	Total

11,735	11,735
76	76
1,615	1,615
562	562
<u>13,988</u>	<u>13,988</u>

**Financial assets**

Bank balances  
 Investments  
 Deposit and other receivable  
 Profit receivable

2022		
At amortised cost	At fair value through profit or loss	Total

1,841,431	-	1,841,431
-	1,610,829	1,610,829
148	-	148
73,991	-	73,991
<u>1,915,570</u>	<u>1,610,829</u>	<u>3,526,399</u>

**Financial liabilities**

Payable to ABL Asset Management Company Limited - Management Company  
 Payable to Central Depository Company of Pakistan Limited - Trustee  
 Payable against redemption and conversion of units  
 Dividend payable  
 Accrued expenses and other liabilities

2022	
At amortised cost	Total

18,820	18,820
258	258
7,943	7,943
6,593	6,593
505	505
<u>34,119</u>	<u>34,119</u>

**20 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.

**20.1 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 / profit rate risk, currency risk, and price risk.

**(i) Profit rate risk**

Profit 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 profit rates. As of June 30, 2023, the Fund is exposed to such risk on bank balances and investment in sukuk certificates. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

**a) Sensitivity analysis for variable rate instruments**

Presently, the Fund holds balances with bank balances, GoP ijarah sukuk certificates and KIBOR based sukuk certificates which expose the Fund to cash flow profit rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income for the year and net assets of the Fund would have been higher / lower by Rs. 9.085 million (2022: Rs. 33.681 million).

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

As at June 30, 2023, the Fund holds investment in GoP ijarah sukuk certificates which expose the Fund to fair value profit rate risk. In case of 100 basis points increase / decrease in rates announced by the Financial Markets Association of Pakistan with all other variables held constant, the net income for the year and net assets of the Fund would have been higher / lower by Rs. 0.361 million (2022: Rs. 0.600 million).

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

The Fund's profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2023 can be determined as follows:

2023						
Effective yield / profit rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / profit 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	16.00% - 19.50%	391,059	-	-	1,061	392,120
Investments	11.40% - 23.94%	75,662	441,745	36,033	-	553,440
Deposit and other receivable		-	-	-	197	197
Profit receivable		-	-	-	18,939	18,939
Receivable against issuance and conversion of units		-	-	-	11,044	11,044
		466,721	441,745	36,033	31,241	975,740
<b>Financial liabilities</b>						
Payable to ABL Asset Management Company Limited - Management Company		-	-	-	11,735	11,735
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	76	76
Payable against redemption and conversion of units		-	-	-	1,615	1,615
Accrued expenses and other liabilities		-	-	-	562	562
		-	-	-	13,988	13,988
<b>On-balance sheet gap</b>		466,721	441,745	36,033	17,253	961,752
<b>Total profit rate sensitivity gap</b>		466,721	441,745	36,033		
<b>Cumulative profit rate sensitivity gap</b>		466,721	908,466	944,499		

2022						
Effective yield / profit rate (%)	Exposed to yield / profit rate risk			Not exposed to yield / profit 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	11.75% - 14.75%	1,817,244	-	-	24,187	1,841,431
Investments	7.90% - 16.93%	1,400,829	210,000	-	-	1,610,829
Deposit and other receivable		-	-	-	148	148
Profit receivable		-	-	-	73,991	73,991
		3,218,073	210,000	-	98,326	3,526,399
<b>Financial liabilities</b>						
Payable to ABL Asset Management Company Limited - Management Company		-	-	-	18,820	18,820
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	258	258
Payable against redemption and conversion of units		-	-	-	7,943	7,943
Dividend payable		-	-	-	6,593	6,593
Accrued expenses and other liabilities		-	-	-	505	505
		-	-	-	34,119	34,119
<b>On-balance sheet gap</b>		3,218,073	210,000	-	64,207	3,492,280
<b>Total profit rate sensitivity gap</b>		3,218,073	210,000	-		
<b>Cumulative profit rate sensitivity gap</b>		3,218,073	3,428,073	3,428,073		

**(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 profit rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Equity price risk is the risk that the fair value of equity instruments decreases as a result of changes in the level of equity indices and the value of individual stocks. The Fund does not have any investment in equity securities as of June 30, 2023.

## 20.2 Liquidity risk

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

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

As per the NBFC Regulations the Fund can borrow in the short-term to ensure settlement the maximum limit of which is fifteen percent of the net assets up to 90 days and would be secured by the assets of the Fund.

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 year to the contractual maturity dates. However, the assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month:

	2023						Total
	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	
----- Rupees in '000 -----							
<b>Financial assets</b>							
Bank balances	392,120	-	-	-	-	-	392,120
Investments	-	74,796	47,235	117,683	313,726	-	553,440
Deposit and other receivable	97	-	-	-	-	100	197
Profit receivable	18,939	-	-	-	-	-	18,939
Receivable against issuance and conversion of units	11,044	-	-	-	-	-	11,044
	422,200	74,796	47,235	117,683	313,726	100	975,740
<b>Financial liabilities</b>							
Payable to ABL Asset Management Limited - Management Company	11,735	-	-	-	-	-	11,735
Payable to Central Depository Company Limited - Trustee	76	-	-	-	-	-	76
Payable against redemption and conversion of units	1,615	-	-	-	-	-	1,615
Accrued expenses and other liabilities	130	432	-	-	-	-	562
	13,556	432	-	-	-	-	13,988
<b>Net financial assets</b>	408,644	74,364	47,235	117,683	313,726	100	961,752

	2022						Total
	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	
----- Rupees in '000 -----							
<b>Financial assets</b>							
Bank balances	1,841,431	-	-	-	-	-	1,841,431
Investments	-	325,000	393,196	397,456	495,177	-	1,610,829
Deposit and other receivable	48	-	-	-	-	100	148
Profit receivable	73,991	-	-	-	-	-	73,991
	1,915,470	325,000	393,196	397,456	495,177	100	3,526,399
<b>Financial liabilities</b>							
Payable to ABL Asset Management Limited - Management Company	18,820	-	-	-	-	-	18,820
Payable to Central Depository Company Limited - Trustee	258	-	-	-	-	-	258
Payable against redemption and conversion of units	7,943	-	-	-	-	-	7,943
Dividend payable	6,593	-	-	-	-	-	6,593
Accrued expenses and other liabilities	159	346	-	-	-	-	505
	33,773	346	-	-	-	-	34,119
<b>Net financial assets</b>	1,881,697	324,654	393,196	397,456	495,177	100	3,492,280

### 20.3 Credit risk

20.3.1 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:

	2023		2022	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
----- Rupees in '000 -----				
Bank balances	392,120	392,120	1,841,431	1,841,431
Investments	553,440	436,623	1,610,829	1,550,829
Deposit and other receivable	197	197	148	148
Profit receivable	18,939	15,525	73,991	73,991
Receivable against issuance and conversion of units	11,044	11,044	-	-
	975,740	855,509	3,526,399	3,466,399

The maximum exposure to credit risk before any credit enhancement as at June 30, 2023 is the carrying amount of the financial assets. Investment in government securities and profit accrued thereon, however, is not exposed to credit risk and have been excluded from the above analysis as investment in government securities are guaranteed by the Government of Pakistan.

### 20.3.2 Credit quality of financial assets

The Fund's significant credit risk arises mainly on account of its placements in banks, investment in sukuk certificates and profit accrued thereon. The credit rating profile of bank balances, sukuk certificates and its accrued profit is as follows:

Rating	% of financial assets exposed to credit risk	
	2023	2022
<b>Bank balances and profit accrued thereon</b>		
AAA	3.62%	16.18%
AA+	0.43%	0.12%
AA	0.09%	36.12%
AA-	0.20%	0.05%
A+	36.52%	0.03%
A	-	0.63%
<b>Sukuk certificates and profit accrued thereon</b>		
AA+	13.02%	23.54%
AA	0.09%	6.95%
AA-	17.24%	9.93%
A	15.31%	4.33%
	86.52%	97.88%

### 20.3.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic and industry factors similarly affect groups of counter parties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. As transactions are entered with credit worthy parties and are within the regulatory limits, therefore any significant concentration of credit risk is mitigated.

All financial assets of the Fund as at June 30, 2023 and June 30, 2022 are unsecured and are not impaired.

## 21 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 reporting 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, 2023, and June 30, 2022 the Fund held the following financial instruments measured at fair value:

### ASSETS

#### At fair value through profit or loss

	2023			
	Level 1	Level 2	Level 3	Total
	----- Rupees in '000 -----			
Corporate sukuk certificates	-	436,623	-	436,623
GoP Ijarah sukuk certificates	-	116,817	-	116,817
	<u>-</u>	<u>553,440</u>	<u>-</u>	<u>553,440</u>

#### At fair value through profit or loss

	2022			
	Level 1	Level 2	Level 3	Total
	----- Rupees in '000 -----			
Corporate sukuk certificates	-	1,550,829	-	1,550,829
GoP Ijarah sukuk certificates	-	60,000	-	60,000
	<u>-</u>	<u>1,610,829</u>	<u>-</u>	<u>1,610,829</u>

## 22 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 20, the Fund endeavors 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.



23 UNIT HOLDING PATTERN OF THE FUND

Category	2023			2022		
	Number of unit holders	Investment amount	Percentage of total	Number of unit holders	Investment amount	Percentage of total
	(Rupees in '000)			(Rupees in '000)		
Individuals	2,485	565,643	55.85%	2,605	1,391,386	39.39%
Associated companies and directors	1	9	-	9	1,344,102	38.05%
Insurance companies	7	92,494	9.13%	7	193,718	5.48%
Retirement funds	18	299,974	29.62%	27	517,666	14.66%
Public limited companies	8	1,087	0.11%	9	24,601	0.70%
Others	15	53,599	5.29%	16	60,808	1.72%
	<u>2,534</u>	<u>1,012,806</u>	<u>100.00%</u>	<u>2,673</u>	<u>3,532,281</u>	<u>100.00%</u>

24 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

2023		2022	
Name of broker	Percentage of commission	Name of broker	Percentage of commission
JS Global Capital Limited	100.00%	Next Capital Limited	69.49%
		BIPL Securities Limited	25.14%
		Vector Capital (Private) Limited	5.17%
		Bright Capital (Private) Limited	0.20%

24.1 The Fund has traded with only the above mentioned 1 broker / dealer during the year ended June 30, 2023 (2022: 4 brokers / dealers).

25 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. Naveed Nasim	Chief Executive Officer	MBA	24
Mr. Saqib Matin	CFO & Company Secretary	FCA & FPFA	24
Mr. Wajeeh Haider	Acting Head of Risk Management	M. Econ.	11
Mr. Fahad Aziz	Head of Fixed Income	MBA	17
Mr. Amjad Hussain	Senior Fund Manager - Equity	BS Hons. & CFA	10
Mr. Kamran Anwar	Fund Manager - Equity	MBA	7
Mr. Muhammad Abdul Hayee	Head of Research	MBA & CFA	15
Mr. Abdul Rehman Tahir	Fund Manager - Fixed Income	MBA & CFA	12

26 NAME AND QUALIFICATION OF THE FUND MANAGER

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

27 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The 72nd, 73rd, 74th and 75th meeting of the Board of Directors were held on August 24, 2022, October 26, 2022, February 14, 2023 and April 28, 2023, respectively. Information in respect of attendance by the directors and other persons in the meetings is given below:

S. No.	Name	Number of meetings			Meetings not attended
		Held	Attended	Leave granted	
1	Sheikh Mukhtar Ahmed	4	4	-	-
2	Mohammad Naeem Mukhtar	4	3	1	73rd
3	Muhammad Waseem Mukhtar	4	4	-	-
4	Mr. Aizid Razzaq Gill	4	4	-	-
5	Ms. Saira Shahid Hussain	4	4	-	-
6	Muhammad Kamran Shehzad	4	4	-	-
7	Pervaiz Iqbal Butt	4	4	-	-
8	Alee Khalid Ghaznavi *	2	2	-	-
9	Naveed Nasim ** (Chief Executive Officer)	2	2	-	-
	<b>Other persons</b>				
10	Saqib Matin ***	4	4	-	-

\* Mr. Alee Khalid Ghaznavi resigned from the position of Chief Executive Officer (CEO) with effect from January 25, 2023.

\*\* Mr. Naveed Nasim was appointed as the Chief Executive Officer (CEO) with effect from February 1, 2023.

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

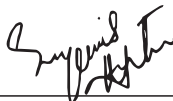
## 28 GENERAL

28.1 Figures have been rounded off to the nearest thousand Rupees, unless otherwise stated.

## 29 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **August 24, 2023** by the Board of Directors of the Management Company.

For ABL Asset Management Company Limited  
(Management Company)



Saqib Matin  
Chief Financial Officer



Naveed Nasim  
Chief Executive Officer



Pervaiz Iqbal Butt  
Director

## اعتراف


ہم اپنے قابل قدر سرمایہ کاروں کا شکریہ ادا کرتے ہیں جنہوں نے ہم پر اعتماد کیا ہے۔ بورڈ 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

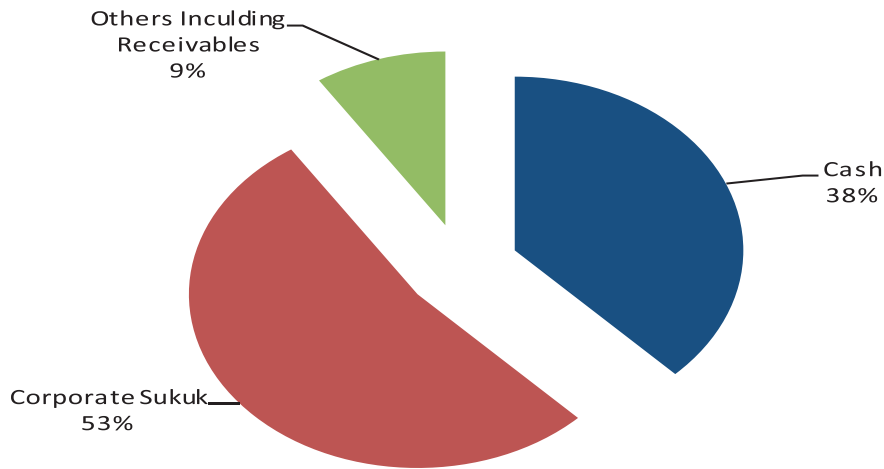
لاہور، 24 اگست، 2023



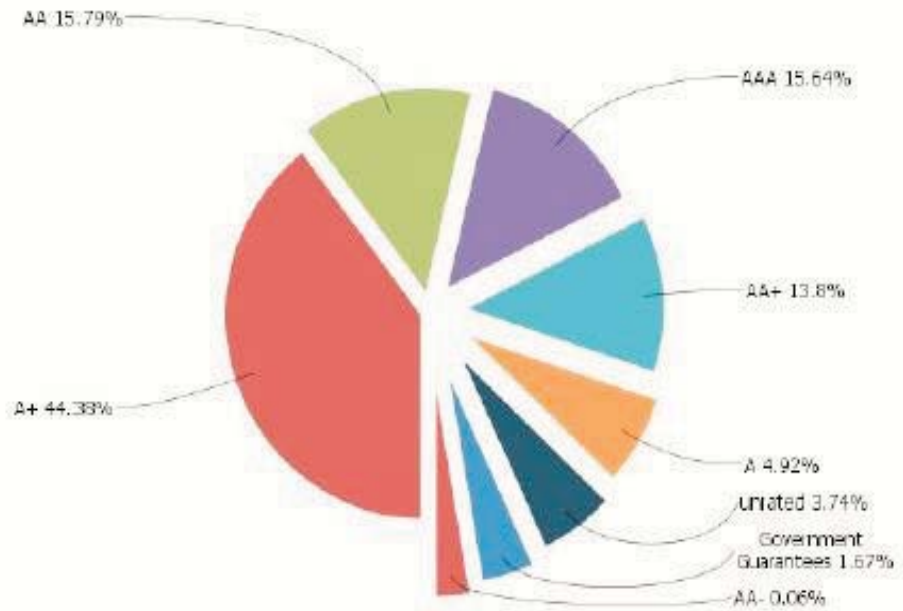
نوید نسیم  
چیف ایگزیکٹو آفیسر

اسٹیٹ بینک کی جانب سے پالیسی ریٹ میں حالیہ تبدیلیاں اس بات کی نشاندہی کرتی ہیں کہ مالی سال 24 کے دوران پالیسی ریٹ کے زیادہ رہنے کی توقع ہے اس لیے اپنے پورٹ فولیوز میں شرح سود کے خطرے کو کم کرنے کے لیے ہم فلوٹنگ ریٹ شارٹ ٹرم سکوک اور بینک ڈپازٹ ڈیلیز میں سرمایہ کاری کرتے رہیں گے۔ ریٹرن کو مزید بڑھانے کے لیے ہم اعلیٰ درجہ کے اسلامی بینکوں کے ساتھ مشارکہ کے معاہدوں پر دستخط کرنے کے عمل میں ہیں تاکہ ہم اسلامی انٹریٹ مارکیٹ میں براہ راست رقم رکھ سکیں اور DFIs کے ساتھ لین دین کا ڈھانچہ بنا سکیں۔

## Asset Allocation



## CREDIT QUALITY OF PORTFOLIO (% OF TOTAL ASSETS)



## آڈیٹر

میسرز اے ایف فرگوسن اینڈ کمپنی (چارٹرڈ اکاؤنٹنٹس)، کو اے بی ایل اسلامک انکم فنڈ (اے بی ایل - آئی آئی ایف) کے لئے 30 جون 2024 کو ختم ہونے والے سال کے لئے آڈیٹر مقرر کیا گیا ہے۔

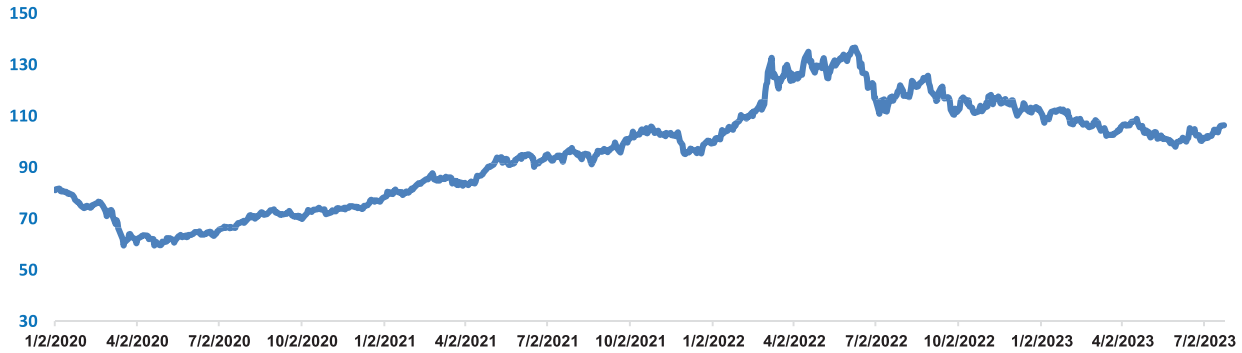
## فنڈ استحکام کی درجہ بندی

30 دسمبر 2022 کو: VIS کریڈٹ ریٹنگ کمپنی (VIS) نے ABL اسلامک انکم فنڈ (ABL IIF) کی فنڈ اسٹیبلٹی ریٹنگ (FSR) کی (A+ (f) (سنگل اے پلس (f)) پر دوبارہ تصدیق کی ہے۔

## مینجمنٹ کمپنی کی کوالٹی کی درجہ بندی

26 اکتوبر 2022 کو: پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے ABL ایسیٹ مینجمنٹ کمپنی (ABL AMC) کی مینجمنٹ کوالٹی ریٹنگ (MQR) کو (AM-One) (AM1) پر اپ گریڈ کر دیا ہے۔ تفویض کردہ درجہ بندی پر آؤٹ لک 'مستحکم' ہے۔

Bloomberg Commodity Index



کموڈٹی کی عالمی قیمتوں میں کمی کے باوجود، جیسا کہ اوپر کے چارٹ میں دیکھا جاسکتا ہے، پاکستان میں افراط زر کے دوہرے ہندسوں میں رہنے کی توقع ہے بنیادی طور پر روپے کی قدر میں کمی اور ایل سی کھولنے پر پابندیوں کی وجہ سے ان پٹ کی سپلائی میں خلل۔

## فنڈ کی کارکردگی

مالی سال 23 کو ختم ہونے والے سال کے لیے، ABL اسلامک انکم فنڈ نے 6.04% کے بیچ مارک ریٹرن کے مقابلے میں 12.42% کا سالانہ ریٹرن پوسٹ کیا، اس طرح بیچ مارک کو 638 bps سے پیچھے چھوڑ دیا۔ ABL IIF کے خالص اثاثے 30 جون 2022 کو PKR 3,532.28 ملین کے مقابلے میں 30 جون 2023 تک PKR 1,012 ملین پر بند ہوئے۔ مالی سال 23 کے اختتام پر، کارپوریٹ سکوک میں فنڈ کا 53.07% ایکسپوزر تھا، جب کہ 37.61% ایکسپوزر بینکوں کے پاس تھا۔

## اضافی معاملات

1. انتظامیہ کمپنی کے ڈائریکٹرز کی تفصیل اس سالانہ رپورٹ میں ظاہر کی گئی ہے۔
2. مالی بیانات معاملات کی منصفانہ حالت، پیش کردہ کارروائیوں، نقد بہاؤ اور یونٹ ہولڈر کے فنڈ میں بدلاؤ پیش کرتے ہیں۔
3. فنڈ کے اکاؤنٹس کی مناسب کتابیں برقرار رکھی گئیں۔
4. مالی بیانات کی تیاری میں مناسب اکاؤنٹنگ پالیسیاں مستقل طور پر لاگو ہوتی ہیں اور محاسبہ کا تخمینہ معقول اور محتاط فیصلوں پر مبنی ہوتا ہے۔
5. متعلقہ بین الاقوامی اکاؤنٹنگ معیارات، جیسا کہ پاکستان میں لاگو ہوتا ہے، غیر بینکاری فنانس کمپنیوں (اسٹیبلشمنٹ اینڈ ریگولیشن) رولز 2003 اور نان بینکنگ فنانس کمپنیوں اور مطلع شدہ اداروں کے ضوابط، 2008 کی دفعات، ٹرسٹ ڈیڈ کی شرائط اور جاری کردہ ہدایات مالیاتی بیانات کی تیاری میں سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی پیروی کی گئی ہے۔
6. اندرونی کنٹرول کا نظام ڈیزائن میں مستحکم ہے اور اس کو موثر انداز میں لاگو اور نگرانی کیا گیا ہے۔
7. فنڈ کی تشویش کی حیثیت سے جاری رکھنے کی اہلیت پر کوئی خاص شبہات نہیں ہیں۔
8. فنڈ کی کارکردگی کا جزو سالانہ رپورٹ کے صفحہ #11 پر دیا گیا ہے۔
9. ٹیکسوں، ڈیوٹیوں، محصولات اور محصولات اور مالی معاونتوں میں پہلے ہی انکشاف کے علاوہ دیگر معاونتوں 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، 2023 کو یونٹ ہولڈنگز کا پیٹرن مالیاتی گوشوارے کے نوٹ نمبر 23 میں دیا گیا ہے۔

## میوچل فنڈ انڈسٹری کا جائزہ

اوپن اینڈ میوچل فنڈ انڈسٹری کے کل اثاثوں کے زیر انتظام (AUMs) میں مالی سال 23 کے دوران 29 فیصد اضافہ ہوا (1274 بلین روپے سے 1643 بلین تک)، بنیادی طور پر کرنسی مارکیٹ میں کافی بہاؤ اور فلکسڈ انکم فنڈز میں اضافے کی وجہ سے شرح سود، بڑھتے ہوئے T-Bills اور PIBs کی پیداوار کے ساتھ۔ ایکویٹی مارکیٹ فنڈز، بشمول روایتی اور اسلامی، میں 29% کی کمی دیکھی گئی جو اس مدت کو 130.4 بلین روپے پر بند کرتی ہے۔ اگرچہ، کل منی مارکیٹ اور فلکسڈ انکم فنڈز کے AUMs بالترتیب 35% اور 46% بڑھ کر 917 PKR بلین اور 438 PKR بلین ہو گئے۔

### مقصد

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

### اسلامی منی مارکیٹ کا جائزہ

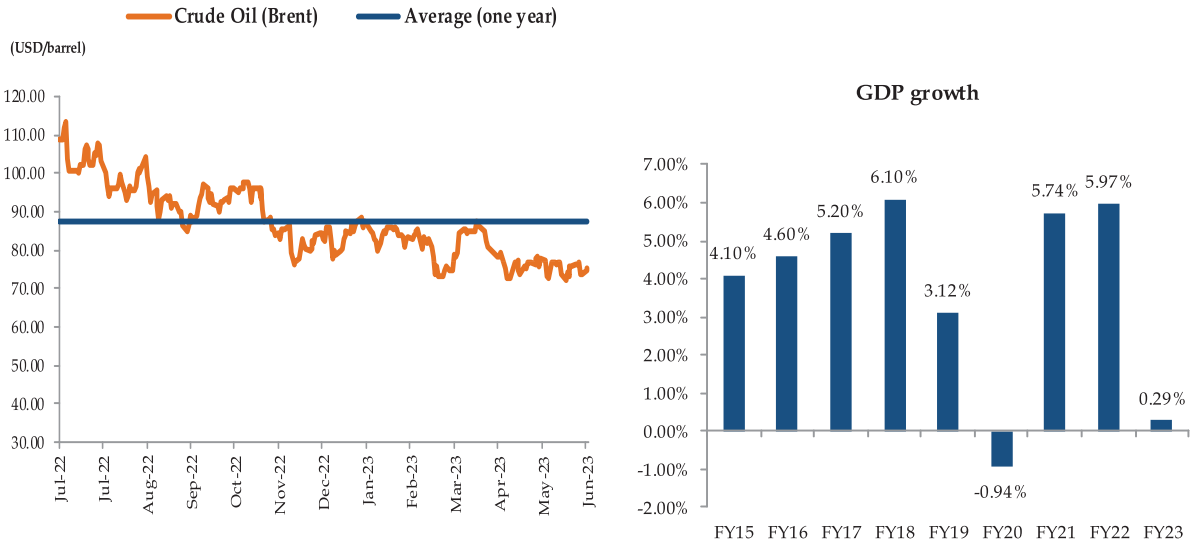
پورے FY23 کے دوران، پاکستان کی معیشت تباہ کن سیلابوں، مہنگائی میں اضافے، اور سیاسی غیر یقینی صورتحال سے دوچار رہی جس نے معیشت کو نمایاں نقصان پہنچایا۔ قوم نے مئی 23 میں 38 فیصد کی ریکارڈ ٹوٹ مہنگائی کا تجربہ کیا، بنیادی طور پر خوراک اور توانائی کی قیمتوں میں اضافے کی وجہ سے۔ بین الاقوامی مالیاتی فنڈ کے 9 ویں اور 10 ویں جائزوں میں تاخیر نے منفی معاشی صورتحال کو مزید بڑھا دیا۔ مزید برآں، قرضوں کی ادائیگیوں سے زرمبادلہ کے ذخائر پر دباؤ پڑتا ہے، جس کے نتیجے میں امریکی ڈالر کے مقابلے پاکستانی روپے کی قدر میں غیر معمولی 38 فیصد کمی واقع ہوئی۔ کرنٹ اکاؤنٹ خسارے سے نمٹنے کے لیے حکومت نے درآمدی پابندیاں لاگو کر دیں۔ غیر ملکی ذخائر بڑھتے ہوئے دباؤ کے ساتھ ساتھ مہنگائی کے خطرناک اعداد و شمار نے اسٹیٹ بینک آف پاکستان کو پالیسی ریٹ کو 825 بیسیس پوائنٹس سے 22 فیصد تک بڑھانے پر مجبور کیا۔

سال کے دوران، GOP اجارہ سکوک مارکیٹ فعال رہی کیونکہ حکومت نے کل 737 PKR بلین متغیر شرح GOP اجارہ سکوک اور 134 PKR بلین PKR فلکسڈ ریٹ GOP اجارہ سکوک جاری کی۔

فلکسڈ ریٹ GOP اجارہ سکوک کی ثانوی مارکیٹ کی پیداوار غیر مستحکم رہی اور PIB کی پیداوار کے ساتھ مل کر آگے بڑھی اس لیے مارکیٹ نے شرح سود میں اضافے کے دوران اپنی ترجیح کو مقررہ شرح سے متغیر شرح کے آلے کی طرف منتقل کر دیا۔

سال کے دوران، اسٹیٹ بینک نے چھوٹے (7 دن) اور طویل مدت (63 دن اور 77 دن) دونوں OMO متعارف کرائے ہیں۔ SBP نے کل 93 OMO نجیکٹنز کا اعلان کیا اور کل 454 PKR بلین کا خالص قرض دہندہ رہا۔

پورے FY23 کے دوران، کنزیومر پرائس انڈیکس (CPI) نے تشویشناک تصویر پیش کی ہے جس میں افراط زر کی اوسط شرح 29.0% YoY تک پہنچ گئی ہے جو پچھلے سال کی اسی مدت میں 12.1% YOY تھی۔ قیمت میں یہ نمایاں اضافہ نقل و حمل، رہائش اور خوراک سمیت مختلف شعبوں میں دیکھا گیا ہے۔ تاریخی بلند افراط زر کئی عوامل سے منسوب ہے جیسے توانائی کے نرخوں میں اضافہ، ایندھن کی قیمتوں میں اضافہ، USD کے مقابلے میں PKR کی قدر میں کمی اور ملک میں غیر معمولی سیلاب کے نتیجے میں سپلائی کے جھٹکے۔ فوڈ انڈیکس میں مشاہدہ کیے گئے مذکورہ عوامل کی عکاسی جس نے ہیڈلائن افراط زر میں سب سے زیادہ حصہ ڈالا۔ آگے دیکھتے ہوئے، ہم توقع کرتے ہیں کہ پورے سال کی افراط زر دوہرے ہندسوں میں رہے گی۔ یہ مقالہ آئی ایم ایف کی ضرورت کو پورا کرنے کے لیے بجلی اور گیس کے نرخوں میں متوقع اضافے پر مبنی ہے جس سے براہ راست یا بالواسطہ سی پی آئی انڈیکس میں اضافہ ہوگا۔ مزید برآں، مارکیٹ پر مبنی شرح مبادلہ کی وجہ سے PKR کی متوقع قدر میں کمی اور درآمدی پابندی کے خاتمے سے قیمت کی سطح میں اضافے کے رجحان میں بھی حصہ ڈال سکتا ہے۔



ادائیگی کے توازن کے محاذ پر، ملک نے گزشتہ سال کی اسی مدت میں USD 15.2bn کے خسارے کے مقابلے میں USD 2.9bn کا مجموعی خسارہ پوسٹ کر کے نمایاں بہتری حاصل کی ہے۔ کرنٹ اکاؤنٹ خسارے میں اس کمی کو بنیادی طور پر تجارتی خسارے میں 35.1 فیصد سال بہ سال کمی سے منسوب کیا جاسکتا ہے، جو درآمدات کو کم کرنے کے لیے اقدامات کے ذریعے حاصل کیا گیا ہے۔ مزید برآں، ترسیلات زر میں 15.8 فیصد کمی واقع ہوئی ہے جو کہ USD 27bn تک پہنچ گئی ہے۔ یہ بات قابل ذکر ہے کہ انٹربینک اور اوپن مارکیٹ میں زر مبادلہ کی شرحوں کے درمیان کافی تفاوت برقرار ہے، جس سے غیر ملکیوں کو اوپن مارکیٹ ریٹ پر کرنسی کے تبادلے کا موقع ملا جس کے نتیجے میں ترسیلات زر میں کمی آئی ہے۔ ملک کے زر مبادلہ کے ذخائر 30 جون 2023 تک 9.1 بلین امریکی ڈالر تھے جو 2 ماہ کا کل درآمدی احاطہ فراہم کرتے ہیں۔

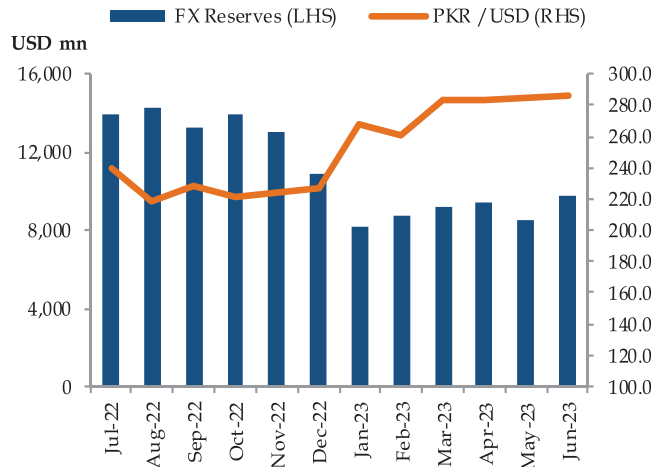
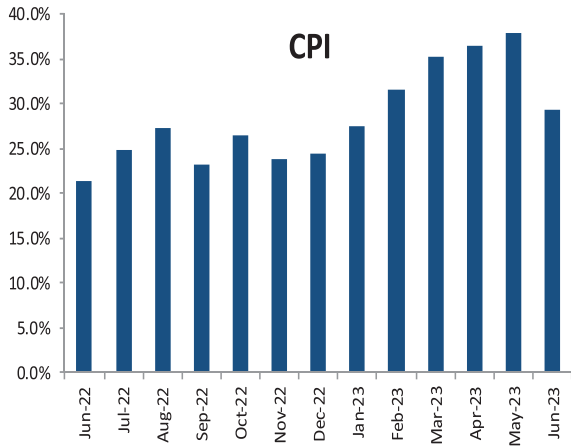


## مینجمنٹ کمپنی کے ڈائریکٹرز کی رپورٹ

اے بی ایل اسلامیک انکم فنڈ (اے بی ایل - IIF) کی انتظامیہ کمپنی، اے بی ایل ایسٹ مینجمنٹ کمپنی لمیٹڈ کے بورڈ آف ڈائریکٹرز 30 جون 2023ء کو ختم ہونے والے سال کے لئے اے بی ایل اسلامیک انکم فنڈ کے آڈٹ شدہ فنانشل اسٹیٹمنٹ پیش کرنے پر خوشی محسوس کرتے ہیں۔

### اقتصادی کارکردگی کا جائزہ

معاشی منظر نامے کو شدید معاشی عدم توازن، جڑواں خسارہ، ایک بے مثال سیلاب، سپلائی کے جھٹکے، سیاسی عدم استحکام اور عالمی معاشی سست روی نے متاثر کیا ہے۔ نتیجتاً، مالی سال 23ء کے لیے مجموعی اقتصادی نمو صرف 0.3 فیصد سالانہ شرح نمو کے ساتھ متاثر ہوئی ہے۔ تاہم، یہ بات قابل توجہ ہے کہ زراعت اور خدمات کے شعبے نے بالترتیب 1.6% اور 0.9% کی نمو کے ذریعے اس معمولی اقتصادی ترقی کی رفتار میں مثبت کردار ادا کیا جبکہ اسی عرصے کے دوران صنعتی شعبے کی کارکردگی مایوس کن رہی، جس میں 2.9% کی منفی نمو ظاہر ہوئی۔ صنعتی ترقی کی ناقص کارکردگی بنیادی طور پر غیر ملکی زرمبادلہ کے کم ہوتے ذخائر کے درمیان محدود درآمدی پالیسی کی وجہ سے تھی۔ صنعتی خام مال کی درآمد پر عائد پابندیاں پیداواری عمل میں رکاوٹیں بنی ہوئی ہیں، جس سے بڑے پیمانے پر مینوفیکچرنگ پر منفی اثر پڑتا ہے۔ FY23 میں فی کس آمدنی USD 1765 سے کم ہو کر USD 1568 تک پہنچ گئی ہے۔ اس کمی کو امریکی ڈالر کی نسبت PKR کی قدر میں کمی اور مجموعی گھریلو پیداوار (GDP) کے سکڑاؤ سے منسوب کیا جاسکتا ہے۔





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