



ABL Government Securities Fund

# Half Yearly Report

CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE HALF YEAR ENDED DECEMBER 31, 2020



ABL Asset Management

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## FUND'S INFORMATION

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



## REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

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The Board of Directors of ABL Asset Management Company Limited, the management company of ABL Government Securities Fund (ABL-GSF), is pleased to present the Condensed Interim Financial Statements (un-audited) of ABL Government Securities Fund for the half year ended December 31, 2020.

### ECONOMIC PERFORMANCE REVIEW

During the period, average inflation clocked in at 8.63%YoY compared to 11.10%YoY in SPLY. This reduction in inflation has been witnessed predominantly because of the base effect. The food index increased by 12.90%YoY due to higher food prices amid supply shocks, locust attack, and higher agriculture commodity prices in international markets. Similarly, the housing, water, electricity & gas index raised by 4.55%YoY while the transport index spiked up by 12.72%YoY on the back of tariff adjustments, quarterly rent adjustments, and recovered fuel and related transport prices. All these kept the benefit of the base effect in check. Going forward, we estimate the inflation to settle between 8.7-8.8%YoY.

Pakistan's economy shrunk by 0.40% during the FY20 due to Covid-19 lockdown and already battered economy. However, in the 2HCY20, the economy came back on track on the incentives announced by the government and monetary easing by the SBP. The large-scale manufacturing (LSM) data during the period of Jul-Oct'20 also depicting the same case as increased by 5.46%YoY against 5.52%YoY decline in the SPLY. The major sectors those contributed to the growth were food, beverages & tobacco (2.14%YoY), non-metallic mineral products (1.75%), pharmaceutical (0.70%YoY), and textile (0.67%YoY).

On balance of payment front, the country posted a cumulative surplus of USD 1.64bn during 5MFY21 against the deficit of USD 1.74bn which is unprecedented. The primary reason behind this was the 26.91%YoY higher remittances amounting to USD 11.77bn. This increase in remittances could be attributed partly to declining transactions through illegal channels due to government crackdown, and rest could be attributed to lack of air travel. Moving ahead, total exports remained down by 6.85%YoY to USD 11.70bn while the imports dropped by 3.96%YoY to USD 21.25bn. Trade size remained down by 5.01%YoY arriving at USD 32.95bn. Foreign exchange reserves of the country stand at USD 20.25bn, as of December 20, 2020, providing a total import cover of ~4.77 months.

On the fiscal side, tax collection has reached to ~PKR 2.20tr vs. a target of ~PKR 2.21tr resulting in a deficit of ~PKR 15bn.

### MUTUAL FUND INDUSTRY REVIEW

Total assets under management (AUMs) of the open-end mutual fund industry posted an immense growth of 23%YoY (from PKR 788bn to PKR 970bn), mainly on account of substantial inflows in the money market fund. The pandemic created demand for safe havens. Money market and fixed income funds (including Islamic and conventional) witnessed a huge growth of 31%YoY and 18%YoY to close the period at PKR 379bn and PKR 220bn, respectively. On the other hand, equity funds - including both conventional and Islamic - swelled by 30%YoY to close the period at PKR 222bn.



## **MONEY MARKET REVIEW:**

Government of Pakistan continued its efforts to support the economy by announcing various relief packages to support businesses such as debt restructuring and construction packages. SBP also followed a pro-growth policy by keeping interest rates unchanged at 7%, an aggregate decrease of 625bps from the high of 13.25% during 1HFY20.

T-bill yields across 3M, 6M and 12M increased from 6.71%, 6.65% and 6.73% to 7.11%, 7.18% and 7.28% respectively at the end of Dec'20. During the 1HFY21, market avoided taking exposure across longer tenor instruments therefore participation in 3M T-bill remained high.

During 1HFY21 the inversion in yield curve normalized as the longer duration 3Y, 5Y, and 10Y Pakistan investment bonds (PIBs) yields changed from 11.64%, 10.91%, 11.0% to 8.27%, 9.25%, and 9.98% respectively. Market's participation remained lack luster as the banks and the ministry remained in a deadlock, with the market's attempt to acquire 3, 5 & 10 year bonds at higher rate which did not coincide with the debt office's view of lower yields resulting in negligible issuance during the said period.

During the period under review SBP continued with frequent open market operations (OMOs), SBP conducted thirty-nine OMOs and remained a net lender of PKR 870.45bn as of 31st Dec 2020.

## **FUND PERFORMANCE**

ABL GSF yielded an annualized return of 3.87% during 1HFY21 against the benchmark performance of 7.07%, posting an underperformance of 320 bps. The underperformance can be attributed to revaluation losses in the PIBs.

At the end of the period, exposure in T-Bills stood at 16.18%, PIBs 31.74%, TFCs 5.39% while Cash assets recorded at 40.79%. The fund's weighted average maturity of the portfolio stood at 671.5 days in Dec'20 compared to 1049 days in Jun'20. AUMs of ABL GSF closed at PKR 3,143.06mn at Dec'20, from PKR 4,679.35mn in Jun'20.

## **AUDITORS**

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

## **FUND STABILITY RATING**

On December 31, 2020: VIS Credit Rating Company Limited (VIS) has upgraded the Fund Stability Rating (FSR) of ABL Government Securities Fund (ABL GSF) to 'AA- (f)' (Double A Minus (f)) from 'A+ (f)' (A plus (f)).

## **MANAGEMENT QUALITY RATING**

On December 31, 2020: VIS Credit Rating Company Limited (VIS) has maintained the Management Quality Rating (MQR) of ABL Asset Management Company (ABL AMC) at 'AM2++' (AM-Two-Double Plus). Outlook on the assigned rating has been revised from 'Stable' to 'Positive'.

## **FUTURE OUTLOOK**

We do not expect any significant changes to the policy rate of 7.00% at least on a medium term view while shorter



tenor instruments are expected to remain active. Inflation outlook remains benign on account of lower core inflation and significant room in the demand engine leaving unutilized capacity in the system. The IMF program may be restored in the near future but an overall softer stance is expected. The country's external account has also showed significant improvement during 2HCY20 with a cumulative Current Account surplus of USD 1,700 million on account of improvement in Trade Balance & strong remittances.

Going forward the fund shall reduce its duration by shifting its exposure from 3 - 5 year PIBs to shorter tenor instruments with a view of positioning the fund to an overall shorter time to maturity by the end of CY21. The fund shall continue to acquire and trade high quality floating rate Debt instruments with placement in bank deposits at quarter ends.

## ACKNOWLEDGEMENT

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

**For & on behalf of the Board**



**Director**  
Lahore, February 11, 2021



**Alee Khalid Ghaznavi**  
Chief Executive Officer



**CENTRAL DEPOSITORY COMPANY  
OF PAKISTAN LIMITED**

**Head Office:**

CDC House, 99-B, Block 'B'  
S.M.C.H.S., Main Shakra-e-Faisal  
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**TRUSTEE REPORT TO THE UNIT HOLDERS**

**ABL GOVERNMENT SECURITIES FUND**

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

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

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

**Badiuddin Akber**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi: February 17, 2021



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

We have reviewed the accompanying condensed interim statement of assets and liabilities of **ABL Government Securities Fund** (the Fund) as at December 31, 2020 and the related condensed interim income statement, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement for the half year ended December 31, 2020, together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'). The Management Company (ABL Asset Management Company Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement for the quarter ended December 31, 2020 and December 31, 2019 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2020.

**Scope of Review**

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

**Conclusion**

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



A.F. Ferguson &amp; Co.

Chartered Accountants

Engagement Partner: **Noman Abbas Sheikh**

Dated: 24-02-2021

Karachi

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

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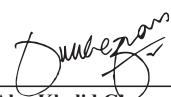
**ABL GOVERNMENT SECURITIES FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT DECEMBER 31, 2020**

	(Un-audited) December 31, 2020	(Audited) June 30, 2020
Note	----- (Rupees in '000) -----	
<b>Assets</b>		
Bank balances	4 2,529,467	104,152
Investments	5 3,599,077	4,649,633
Profit accrued	65,423	78,351
Deposit, prepayment and other receivables	7,519	3,022
<b>Total assets</b>	<b>6,201,486</b>	<b>4,835,158</b>
<b>Liabilities</b>		
Payable to ABL Asset Management Company Limited - Management Company	6 52,087	65,168
Payable to Central Depository Company of Pakistan Limited - Trustee	7 200	297
Payable to the Securities and Exchange Commission of Pakistan	8 374	758
Payable against redemption of units	23	2,040
Payable against purchase of investment	2,992,868	-
Accrued expenses and other liabilities	9 12,874	87,543
<b>Total liabilities</b>	<b>3,058,426</b>	<b>155,806</b>
<b>NET ASSETS</b>	<b>3,143,060</b>	<b>4,679,352</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>	<b>3,143,060</b>	<b>4,679,352</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	10	
	----- (Number of units) -----	
<b>NUMBER OF UNITS IN ISSUE</b>	<b>307,172,215</b>	<b>466,244,702</b>
	----- (Rupees) -----	
<b>NET ASSET VALUE PER UNIT</b>	<b>10.2322</b>	<b>10.0363</b>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For ABL Asset Management Company Limited  
(Management Company)

  
 Saqib Matin  
 Chief Financial Officer

  
 Alec Khalid Ghaznavi  
 Chief Executive Officer

  
 Pervaiz Iqbal Butt  
 Director

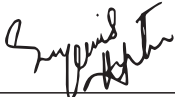


**ABL GOVERNMENT SECURITIES FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2020**

	For the half year ended December 31,		For the quarter ended December 31,	
	2020	2019	2020	2019
	----- (Rupees in '000) -----			
<b>Income</b>				
Income from government securities	97,184	79,522	36,519	39,607
Income from Islamic commercial papers	8,655	659	8,655	659
Income from letters of placement	1,318	-	-	-
Income from term finance certificates and sukuk certificates	20,195	31,574	6,672	15,811
Profit on savings accounts	19,552	107,502	12,601	66,433
	146,904	219,257	64,447	122,510
(Loss) / gain on sale of investments - net	(59,263)	19,346	(7,321)	9,413
Unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	5.8 4,318	(1,269)	12,665	(874)
	(54,945)	18,077	5,344	8,539
<b>Total Income</b>	91,959	237,334	69,791	131,049
<b>Expenses</b>				
Remuneration of ABL Asset Management Company Limited - Management Company	6.1 23,402	19,548	10,295	10,892
Punjab sales tax on the Management Company's remuneration	6.2 3,744	3,128	1,647	1,743
Accounting and operational charges	6.4 -	4,655	(1,048)	3,190
Selling and marketing expense	6.5 -	6,248	(4,194)	1,160
Remuneration of Central Depository Company of Pakistan Limited - Trustee	7.1 1,217	1,016	535	566
Sindh sales tax on remuneration of the Trustee	7.2 158	132	69	73
Annual fee to the Securities and Exchange Commission of Pakistan Limited	8 374	313	164	174
Securities transaction costs	2,018	1,283	901	783
Settlement and bank charges	613	110	287	37
Legal and professional expenses	-	60	-	60
Auditors' remuneration	247	290	124	179
Printing charges	101	101	51	52
Annual listing fee	33	14	26	7
Annual rating fee	134	134	67	67
<b>Total operating expenses</b>	32,041	37,032	8,924	18,983
<b>Net income for the period before taxation</b>	59,918	200,302	60,867	112,066
Taxation	11 -	-	-	-
<b>Net income for the period after taxation</b>	59,918	200,302	60,867	112,066
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	59,918	200,302	60,867	112,066
<b>Earnings per unit</b>	12			
<b>Allocation of net income for the period:</b>				
Net income for the period after taxation	59,918	200,302	60,867	112,066
Income already paid on units redeemed	(105)	(23,024)	(105)	(10,932)
	59,813	177,278	60,762	101,134
<b>Accounting income available for distribution:</b>				
-Relating to capital gains	-	18,077	5,344	8,539
-Excluding capital gains	59,813	159,201	55,418	92,595
	59,813	177,278	60,762	101,134

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For ABL Asset Management Company Limited  
(Management Company)

  
 Saqib Matin  
 Chief Financial Officer

  
 Alee Khalid Ghaznavi  
 Chief Executive Officer

  
 Pervaiz Iqbal Butt  
 Director





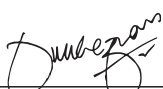
**ABL GOVERNMENT SECURITIES FUND**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

	Half year ended December 31, 2020	Half year ended December 31, 2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>Note</b>	<b>(Rupees in '000)</b>
Net income for the period before taxation		200,302
<b>Adjustments:</b>		
Income from government securities	(97,184)	(79,522)
Income from Islamic commercial papers	(8,655)	(659)
Income from term finance certificates and sukuk certificates	(20,195)	(31,574)
Income from letters of placement	(1,318)	-
Profit on savings accounts	(19,552)	(107,502)
Unrealised (appreciation) / diminution on re-measurement of investments classified as financial assets at fair value through profit or loss - net	5.8 (4,318)	1,269
	(151,222)	(217,988)
<b>(Increase) / decrease in assets</b>		
Deposit, prepayment and other receivables	(4,497)	62
<b>Increase / (decrease) in liabilities</b>		
Payable to ABL Asset Management Company Limited - Management Company	(13,081)	10,663
Payable to Central Depository Company of Pakistan Limited - Trustee	(97)	(36)
Payable to the Securities and Exchange Commission of Pakistan	(384)	(1,738)
Accrued expenses and other liabilities	(74,669)	(19,678)
	(88,231)	(10,789)
Income received from government securities	105,999	99,780
Income received from term finance certificates and sukuk certificates	25,637	30,529
Profit received on Islamic commercial paper	8,655	659
Profit received on letters of placement	1,318	-
Profit received on savings accounts	18,223	88,808
Net amount received / (paid) on sale / purchase of investments	4,628,919	(1,576,537)
<b>Net cash generated from / (used in) operating activities</b>	<b>4,604,719</b>	<b>(1,385,174)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts from issuance of units	332,742	3,187,815
Net payments against redemption of units	(1,930,969)	(2,126,911)
<b>Net cash (used in) / generated from financing activities</b>	<b>(1,598,227)</b>	<b>1,060,904</b>
<b>Net increase / (decrease) in cash and cash equivalents during the period</b>	<b>3,006,492</b>	<b>(324,270)</b>
Cash and cash equivalents at the beginning of the period	521,260	4,352,342
<b>Cash and cash equivalents at the end of the period</b>	<b>4.3 3,527,752</b>	<b>4,028,072</b>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For ABL Asset Management Company Limited  
(Management Company)

  
Saqib Matin  
Chief Financial Officer

  
Alee Khalid Ghaznavi  
Chief Executive Officer

  
Pervaiz Iqbal Butt  
Director



# ABL GOVERNMENT SECURITIES FUND

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2020

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### 1 LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

1.4 The VIS Credit Rating Company Limited has assigned the asset manager rating of AM2++ (2019: AM2++ on December 31, 2019) to the Management Company on December 31, 2020. The rating reflects the Management Company's experienced management team, structured investment process and sound quality of systems and processes. Furthermore, VIS Credit Rating Company Limited has upgraded the stability rating of the Fund to "AA-(f)" (2020: "A+(f)" on January 20, 2020) on December 31, 2020.

1.5 The title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund.

1.6 During the current period, the Trust Act, 1882 has been repealed due to promulgation of provincial trust acts as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration and annual renewal requirements under the relevant trust acts have been introduced. The Management Company in consultation with the MUFAP and the Trustee is currently deliberating upon the requirements of the newly enacted provincial trust acts and their implication on the Fund.

### 2 STATEMENT OF COMPLIANCE

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

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

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

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2020.



2.1 In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at December 31, 2020.

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

3.1 The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2020.

3.2 The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing the condensed interim financial statements, the significant judgments made by the management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2020. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2020.

#### 3.3 Standards, interpretations and amendments to published accounting and reporting standards that are effective:

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

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

There are certain new standards, interpretations and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting periods beginning on or after July 1, 2021. However, these will not have any significant effects on the Fund's operations and are, therefore, not detailed in these condensed interim financial statements.

4	BANK BALANCES	Note	(Un-audited)	(Audited)
			December 31, 2020	June 30, 2020
			----- (Rupees in '000) -----	
	Balances with banks in:			
	Savings accounts	4.1	2,529,454	104,139
	Current accounts	4.2	13	13
			2,529,467	104,152

4.1 These include balances of Rs 1,550.396 million (June 30, 2020: Rs 95.680 million) maintained with Allied Bank Limited (a related party) that carry profit rate of 7.82% per annum (June 30, 2020: 9.00%). Other profit and loss saving accounts of the Fund carry profit rates ranging from 5.00% to 8.00% per annum (June 30, 2020: 5.00% to 7.80% per annum).

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

4.3	Cash and cash equivalents	Note	(Un-audited)	(Un-audited)
			December 31, 2020	December 31, 2019
			----- (Rupees in '000) -----	
	Bank balances	4	2,529,467	3,331,447
	Market treasury bills (with original maturity of three months)	5.5	998,285	696,625
			3,527,752	4,028,072

### 5 INVESTMENTS

#### At fair value through profit or loss

- Term finance certificates	5.1	224,752	275,432
- Corporate sukuk certificates	5.2	109,300	422,541
- GOP ijarah sukuks	5.3	-	-
- Islamic commercial papers	5.4	293,240	293,810
- Government securities - Market Treasury Bills	5.5	1,003,206	1,222,971
- Government securities - Pakistan Investment Bonds	5.6	1,968,579	2,434,879
- Letters of placement	5.7	-	-
		3,599,077	4,649,633



## 5.1 Term finance certificates

Name of security	Maturity date	Coupon rate	Latest available rating	As at July 1, 2020	Purchased during the period	Disposed off / matured during the period	As at December 31, 2020	Carrying value as at December 31, 2020	Market value as at December 31, 2020	Unrealised appreciation / (diminution) as at December 31, 2020	Market value as a percentage of total market value of investments	Market value as a percentage of net assets	Investment as a percentage of total issue size
				-----Number of certificates-----			----- (Rupees in '000) -----			-----Percentage-----			
<b>COMMERCIAL BANKS</b>													
The Bank of Punjab - TFC (Traded) (Face value of Rs. 99,840 per certificate)	December 23, 2026	6M Kibor + 1.00%	AA-	2,057	1,750	2,257	1,550	154,824	153,269	(1,555)	4.26%	4.88%	6.13%
<b>INVESTMENT COMPANIES</b>													
Jahangir Siddiqui & Company Limited - TFC VIII (Non-traded) (Face value of Rs. 625 per certificate)	June 24, 2021	6M Kibor + 1.65%	AA+	2,950	-	-	2,950	1,788	1,830	42	0.05%	0.06%	0.18%
Jahangir Siddiqui & Company Limited - TFC IX (Non-traded) (Face value of Rs. 2,500 per certificate)	July 18, 2022	6M Kibor + 1.40%	AA+	22,900	20,000	20,000	22,900	57,096	57,286	190	1.59%	1.82%	3.82%
Jahangir Siddiqui & Company Limited - TFC XI (Non-traded) (Face value of Rs. 4,167 per certificate)	March 6, 2023	6M Kibor + 1.40%	AA+	-	3,000	-	3,000	12,388	12,367	(21)	0.34%	0.39%	0.82%
Total - December 31, 2020				27,907,24,750	22,257,30,400		226,096	224,752	(1,344)	6.24%	7.15%		
Total - June 30, 2020							278,768	275,432	(3,336)	5.88%	5.92%		

## 5.2 Corporate sukuk certificates

Name of security	Maturity date	Coupon rate	Latest available rating	As at July 1, 2020	Purchased during the period	Disposed off / matured during the period	As at December 31, 2020	Carrying value as at December 31, 2020	Market value as at December 31, 2020	Unrealised (diminution) / appreciation as at December 31, 2020	Market value as a percentage of total market value of investments	Market value as a percentage of net assets	Investment as a percentage of total issue size
				-----Number of certificates-----			----- (Rupees in '000) -----			-----Percentage-----			
<b>INVESTMENT COMPANIES</b>													
Dawood Hercules Corporation Limited - Sukuk I (Non-traded) (Face value of Rs. 60,000 per certificate)	November 16, 2022	3M Kibor + 1%	AA	773	-	-	773	46,917	46,888	(29)	1.30%	1.49%	0.90%
Dawood Hercules Corporation Limited - Sukuk II (Non-traded) (Face value of Rs. 70,000 per certificate)	March 1, 2023	3M Kibor + 1%	AA	520	-	-	520	37,158	36,850	(308)	1.02%	1.17%	1.47%
<b>POWER GENERATION AND DISTRIBUTION</b>													
Hub Power Company Limited - Sukuk II (Traded) (Face value of Rs. 100,000 per certificate)	August 22, 2023	3M Kibor + 1.90%	AA+	250	-	-	250	25,538	25,562	24	0.71%	0.81%	0.37%
Pakistan Energy Sukuk 2nd Issue (Face value of Rs. 5,000 per certificate)	May 21, 2030	6M Kibor + 0.10%	Not rated	60,000	-	60,000	-	-	-	-	-	-	-
Total - December 31, 2020				61,543	-	60,000	1,543	109,613	109,300	(313)	3.03%	3.47%	
Total - June 30, 2020							420,540	422,541	2,001	9.04%	9.09%		



### 5.3 GOP Ijarah sukuk certificates

Name of security	Maturity date	Coupon rate	Face value (Rupees in '000)				(Rupees in '000)			Market value as a percentage of total investments	Market value as a percentage of net assets	Investment as percentage of total issue size
			As at July 1, 2020	Purchased during the period	Disposed off / matured during the period	As at December 31, 2020	Carrying value as at December 31, 2020	Market value as at December 31, 2020	Unrealised appreciation / (diminution) as at December 31, 2020			
GoP Ijarah Sukuk Certificates	July 29, 2025	6.27%	-	175,000	175,000	-	-	-	-	-	-	
Total - December 31, 2020			-	175,000	175,000	-	-	-	-	-	-	
Total - June 30, 2020												

### 5.4 Islamic commercial papers

Name of security	Maturity date	Latest available rating	Face value (Rupees in '000)				(Rupees in '000)			Market value as a percentage of total investments	Market value as a percentage of net assets
			As at July 1, 2020	Purchased during the period	Disposed off / matured during the period	As at December 31, 2020	Carrying value as at December 31, 2020	Market value as at December 31, 2020	Unrealised appreciation / (diminution) as at December 31, 2020		
<b>POWER GENERATION AND DISTRIBUTION</b>											
K- Electric Limited ICP 5	August 13, 2020	A-1+	150,000	-	150,000	-	-	-	-	-	-
K- Electric Limited ICP 6	August 26, 2020	A-1+	148,000	-	148,000	-	-	-	-	-	-
K- Electric Limited ICP 13	April 20, 2021	A-1+	-	300,000	-	300,000	293,240	293,240	-	8.15%	9.33%
Total - December 31, 2020			298,000	300,000	298,000	300,000	293,240	293,240	-	8.15%	9.33%
Total - June 30, 2020							293,810	293,810		6.28%	6.32%

5.4.1 These carry profit rates ranging from 7.84% to 14.64% (June 30, 2020: 11.94% and 14.64%) per annum.

### 5.5 Government securities - Market Treasury Bills

Tenor	Face Value (Rupees in '000)				Rupees in '000			Percentage	
	As at July 1, 2020	Purchased during the period	Sold / matured during the period	As at December 31, 2020	Carrying value as at December 31, 2020	Market value as at December 31, 2020	Unrealised appreciation as at December 31, 2020	Market value as a percentage of total investments	Market value as a percentage of net assets
3 Months	125,000	14,415,000	13,540,000	1,000,000	998,270	998,285	15	27.74%	31.76%
6 Months	675,000	5,330,000	6,000,000	5,000	4,921	4,921	-	0.14%	0.16%
12 Months	462,340	4,160,000	4,622,340	-	-	-	-	-	-
Total - December 31, 2020	1,262,340	23,905,000	24,162,340	1,005,000	1,003,191	1,003,206	15	27.88%	31.92%
Total - June 30, 2020					1,211,718	1,222,971	11,253	26.13%	26.30%

5.5.1 These carry purchase yield ranging from 7.09% to 9.04% (June 30, 2020: 7.18% to 13.00%) and are due to mature latest by March 26, 2021.





## 5.6 Government securities - Pakistan Investment Bonds

Issue date	Tenor	Coupon rate	Face value (Rupees in '000)				(Rupees in '000)			Market value as a percentage of total investments	Market value as a percentage of net assets
			As at July 1, 2020	Purchased during the period	Disposed off / matured during the period	As at December 31, 2020	Carrying value as at December 31, 2020	Market value as at December 31, 2020	Unrealised appreciation / (diminution) as at December 31, 2020		
July 12, 2018	3 years	7.25%	10,000	-	-	10,000	10,165	10,003	(162)	0.28%	0.32%
September 19, 2019	3 years	9.00%	20,000	4,195,000	3,080,000	1,135,000	1,151,441	1,154,783	3,342	32.09%	36.74%
July 12, 2018	5 years	8.00%	400,000	500,000	400,000	500,000	497,200	497,772	572	13.83%	15.84%
August 20, 2020	3 years	7.00%	-	100,000	100,000	-	-	-	-	-	-
September 19, 2019	5 years	9.50%	1,900,000	6,655,000	8,255,000	300,000	303,813	306,021	2,208	8.50%	9.74%
Total - December 31, 2020			2,330,000	11,450,000	11,835,000	1,945,000	1,962,619	1,968,579	5,960	54.70%	62.64%
Total - June 30, 2020							2,434,355	2,434,879	524	52.03%	52.37%

5.6.1 These carry profit rates ranging from 8.06% to 10.48% (June 30, 2020: 7.65% to 12.35%) per annum and are due to mature latest by September 19, 2024.

## 5.7 Letters of placement

Name of Investee Company	Latest available rating	Face value (Rupees in '000)				(Rupees in '000)			Market value as a percentage of total investments	Market value as a percentage of net assets
		As at July 1, 2020	Purchased during the period	Disposed off / matured during the period	As at December 31, 2020	Carrying value as at December 31, 2020	Market value as at December 31, 2020	Unrealised appreciation / (diminution) as at December 31, 2020		
----- Percentage -----										

### Investment companies

Pakistan Kuwait Investment Company (Private) Limited	A1+	-	200,000	200,000	-	-	-	-	-	-
Saudi Pak Industrial and Agricultural Investment Company Limited	A1+	-	70,000	70,000	-	-	-	-	-	-
Total - December 31, 2020		-	270,000	270,000	-	-	-	-	-	-
Total - June 30, 2020										

## 5.8 Unrealised appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss - net

	Note	(Un-audited) December 31, 2020	(Audited) June 30, 2020
----- (Rupees in '000) -----			
Market value of investments	5.1, 5.2, 5.3, 5.4, 5.5, 5.6 & 5.7	3,599,077	4,649,633
Less: carrying value of investments	5.1, 5.2, 5.3, 5.4, 5.5, 5.6 & 5.7	(3,594,759)	(4,639,191)
		<u>4,318</u>	<u>10,442</u>

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

Management fee payable	6.1	3,404	5,066
Punjab sales tax on remuneration of the Management Company	6.2	6,695	6,961
Federal Excise duty on remuneration of the Management Company	6.3	41,987	41,987
Accounting and operational charges payable	6.4	-	2,222
Selling and marketing expenses payable	6.5	-	8,889
Sales load payable		1	43
		<u>52,087</u>	<u>65,168</u>



- 6.1 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 the management fee as disclosed in the offering document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 1.25% (June 30, 2020: 1.25%) per annum of the average net assets of the Fund. The remuneration is payable to the Management Company monthly in arrears.
- 6.2 During the period, an amount of Rs. 3.744 million (2019: Rs 3.128 million) was charged on account of sales tax on the management fee levied through the Punjab Sales Tax on Services Act, 2012 at the rate of 16% (2019: 16%).
- 6.3 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

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

During the year ended June 30, 2017, 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 01, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 41.987 million is being retained in these condensed interim 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 NAV per unit of the Fund as at December 31, 2020 would have been higher by Re 0.137 (June 30, 2020: Re 0.090) per unit.

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

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

As per guideline issued by SECP vide its SRO 639 dated June 30, 2020, the Management Company based on its discretion has not charged any accounting and operational charges during this period (June 30, 2020: at the rate of 0.2891% and 0.1% of the average annual net assets from July 1, 2019 to December 31, 2019 and January 1, 2020 to June 30, 2020 respectively).

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

During the year ended June 30, 2020, SECP through its circular 11 dated July 5, 2019 has revised the conditions for charging of selling and marketing expenses to a Fund. As per the revised guidelines, the maximum cap of 0.4% per annum has been lifted and now the asset management company is required to set a maximum limit for charging of such expense to the Fund and the same should be approved by the Board of Directors of the Management Company as part of annual plan. Furthermore, the time limit of three years has also been removed in the revised conditions.

Accordingly, the Management Company based on its own discretion has not charged any selling and marketing expenses to the Fund which has also been approved by the Board of Directors of the Management Company. (June 30, 2020: 0.4% of the average annual net assets of the Fund).

7	PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE - RELATED PARTY	Note	(Un-audited)	(Audited)
			December 31, 2020	June 30, 2020
			----- (Rupees in '000) -----	
	Trustee fee payable	7.1	177	263
	Sindh Sales Tax payable on trustee fee	7.2	23	34
			<u>200</u>	<u>297</u>

- 7.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed at the rate of 0.065% (June 30, 2020: 0.065%) per annum of net assets. Accordingly the Fund has charged trustee fee at the above mentioned rate during the period.

- 7.2 During the period, an amount of Rs 0.158 million (2019: Rs 0.132 million) was charged on account of sales tax on remuneration of the Trustee levied through Sindh Sales Tax on Services Act, 2011 at the rate of 13% (2019: 13%).



		(Un-audited) December 31, 2020	(Audited) June 30, 2020
		------(Rupees in '000)-----	
<b>8</b>	<b>PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>	<b>Note</b>	
	Fee payable	8.1	374
			758

**8.1** In accordance with the NBFC Regulations 2008, a Collective Investment Scheme (CIS) is required to pay an annual fee to the SECP.

As per the guideline issued by SECP vide its SRO No. 685(I)/2019 dated June 28, 2019, the Fund has charged SECP fee at the rate of 0.02% of net assets (June 30, 2020: 0.02%).

		(Un-audited) December 31, 2020	(Audited) June 30, 2020
		------(Rupees in '000)-----	
<b>9</b>	<b>ACCRUED EXPENSES AND OTHER LIABILITIES</b>	<b>Note</b>	
	Auditors' remuneration payable		290
	Brokerage fee payable		62
	Rating fee payable		134
	Printing charges payable		145
	Provision for Sindh Workers' Welfare Fund	9.1	10,609
	Withholding taxes payable		322
	Other payable		1,312
			12,874
			87,543

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

The Fund has made provision for SWWF from May 21, 2015 till June 30, 2017 amounting to Rs 10.609 million as the decision in this respect is pending to date. The Fund has not made any provision for SWWF after July 01, 2017 as the registered office of the Management Company of the Fund has been relocated from the Province of Sindh to the Province of Punjab.

Had the provision for SWWF not been recorded in these condensed interim financial statements of the Fund for the period from May 21, 2015 to June 30, 2017, the net asset value of the Fund as at December 31, 2020 would have been higher by Re 0.035 (June 30, 2020: 0.023) per unit.

## **10 CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments outstanding as at the December 31, 2020 and June 30, 2020.

## **11 TAXATION**

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2021 to the unit holders in the manner as explained above, no provision for taxation has been made in these condensed interim financial statements during the period.

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



## 12 EARNINGS PER UNIT

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

## 13 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period is 1.71% (December 31, 2019: 2.36%) which includes 0.25% (2019: 0.24%) representing Government Levy and the SECP Fee. The prescribed limit for the ratio is 2.5% (2019: 2.5%) (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as an "Income" scheme.

## 14 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

14.1 Connected persons include ABL Asset Management Company Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes managed by the Management Company, any entity in which the Management Company, its CISs or their connected persons have material interest, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund, directors and their close family members and key management personnel of the Management Company.

14.2 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.

14.3 Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008.

14.4 Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and Trust Deed.

14.5 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.

### 14.6 Detail of transactions with related parties / connected persons during the period:

	(Un-audited)	
	Half year ended 2020	December 31, 2019
	------(Rupees in '000)-----	
<b>ABL Asset Management Company Limited - Management Company</b>		
Issue of 10,017,957 (2019: 15,398,348) units	100,132	158,885
Redemption of 14,163,567 (2019: 42,808,500) units	142,552	440,000
Remuneration for the period	23,402	19,548
Punjab sales tax on remuneration	3,744	3,128
Accounting and operational charges	-	4,655
Selling and marketing expenses	-	6,248
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration for the period	1,217	1,016
Sindh sales tax on remuneration	158	132
Settlement charges	80	14
<b>Allied Bank Limited</b>		
Profit on savings account	3,208	32,444
Bank charges	335	49
<b>Coronet Foods (Private) Limited</b>		
Issue of Nil (2019: 14,527,618) units	-	151,721
<b>English Biscuit Manufacturers (Private) Limited</b>		
Issue of Nil (2019: 33,510,988) units	-	352,583
<b>ABL Financial Planning Fund - Conservative Allocation Plan</b>		
Redemption of 179,408 (2019: 55,369) units	1,800	570
<b>ABL Financial Planning Fund - Active Allocation Plan</b>		
Issue of Nil (2019: 1,920,345) units	-	20,000
Redemption of Nil (2019: 10,012,558) units	-	105,505



	<b>(Un-audited)</b>	
	<b>Half year ended December 31,</b>	
	<b>2020</b>	<b>2019</b>
	<b>------(Rupees in '000)-----</b>	
<b>ABL Financial Planning Fund - Strategic Allocation Plan</b>		
Issue of Nil (2019: 3,168,568) units	-	352,583
Redemption of Nil (2019: 1,415,005) units	-	14,980

#### **KEY MANAGEMENT PERSONNEL**

##### **Alee Khalid Ghaznavi**

Issue of 223 (2019: Nil) units	2	-
Redemption of 511,885 (2019: Nil) units	5,118	-

#### **14.7 Details of balances outstanding at the period / year end with connected persons are as follows:**

	<b>(Un-audited)</b>	<b>(Audited)</b>
	<b>December 31,</b>	<b>June 30,</b>
	<b>2020</b>	<b>2020</b>
	<b>------(Rupees in '000)-----</b>	
<b>ABL Asset Management Company Limited - Management Company</b>		
Outstanding Nil (June 30, 2020: 4,145,610) units	-	41,607
Remuneration payable	3,404	5,066
Punjab sales tax on remuneration	6,695	6,961
Federal Excise duty on remuneration	41,987	41,987
Accounting and operational charges payable	-	2,222
Selling and marketing expenses payable	-	8,889
Sales load payable	1	43
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable	177	263
Sindh sales tax on remuneration of the Trustee	23	34
Security deposits	100	100
Balance in IPS account	28	69
<b>Allied Bank Limited</b>		
Balances held	1,550,396	95,693
Profit receivable	48	1,334
<b>ABL Financial Planning Fund - Conservative Allocation Plan</b>		
Outstanding 1,976,943 (June 30, 2020: 2,156,351) units	20,228	21,642
<b>English Biscuit Manufacturers Private Limited</b>		
Outstanding 134,181,138 (June 30, 2020: 134,181,138) units	1,372,968	1,346,682
<b>Coronet Foods Private Limited</b>		
Outstanding 55,841,037 (June 30, 2020: 55,841,037) units	571,377	560,437
<b>KEY MANAGEMENT PERSONNEL</b>		
<b>Alee Khalid Ghaznavi</b>		
Outstanding Nil (June 30, 2020: 511,662) units	-	5,135

**14.8** Other balances due to / from related parties / connected persons are included in the respective notes to the condensed interim financial statements.

#### **15 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.

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



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

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

Level 1: Fair value measurements using quoted price (unadjusted) in an active market for identical assets or liabilities;

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

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

As at December 31, 2020 and June 30, 2020, the Fund held the following financial instruments measured at fair value:

(Un-audited)			
As at December 31, 2020			
Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----			
<b>At fair value through profit or loss</b>			
- Term finance certificates	-	224,752	-
- Corporate sukuk certificates	-	109,300	-
- Islamic commercial papers *	-	293,240	-
- Government securities - Market Treasury Bills	-	1,003,206	-
- Government securities - Pakistan Investment Bonds	-	1,968,579	-

(Audited)			
As at June 30, 2020			
Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----			
<b>At fair value through profit or loss</b>			
- Term finance certificates	-	275,432	-
- Corporate sukuk certificates	-	422,541	-
- Islamic commercial papers *	-	293,810	-
- Government securities - Market Treasury Bills	-	1,222,971	-
- Government securities - Pakistan Investment Bonds	-	2,434,879	-

\* The valuations of Islamic commercial papers have been done based on amortisation to their fair value as per the guidelines given in Circular 33 of 2012 as the residual maturity of these instruments are less than six months and these investments are placed with counterparties which have high credit rating.

## 16 GENERAL

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

### 16.2 COVID-19

The COVID-19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. To reduce the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The Securities and Exchange Commission of Pakistan (SECP) had provided the following relaxation to CISs operating in Pakistan for classification of debt security for a specified period of time commencing from April 9, 2020 and expiring on March 31, 2021.

- The timeline for classification of debt security as non performing has been extended from 15 days to 180 days overdue.

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The



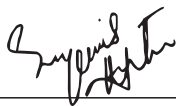
remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network (“VPN”) connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

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

**17 DATE OF AUTHORISATION FOR ISSUE**

These condensed interim financial statements were authorised for issue on February 11, 2021 by the Board of Directors of the Management Company.

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



**Saqib Matin**  
Chief Financial Officer



**Alek Khalid Ghaznavi**  
Chief Executive Officer



**Pervaiz Iqbal Butt**  
Director



## مینجمنٹ کمپنی کی کوالٹی کی درجہ بندی

31 دسمبر، 2020 کو، JCR-VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ (JCR-VIS) نے اے بی ایل ایسٹ مینجمنٹ کمپنی لمیٹڈ (ABL AMC) کی (AM2 ++' (AM-two-Double Plus) کی مینجمنٹ کوالٹی ریٹنگ کی تصدیق کردی ہے۔ (اے ایم ٹو پلس پلس) تفویض کردہ درجہ بندی پر آؤٹ لک 'مستحکم' ہے۔

## آؤٹ لک اور اسٹریٹیجی

کم سے کم درمیانی مدت کے نقطہ نظر پر ہم 7.00 فیصد کی پالیسی کی شرح میں کسی خاص تبدیلی کی توقع نہیں کرتے ہیں جبکہ کم عمر تنخواہ کے فعال رہنے کی امید ہے۔ افراط زر کا نقطہ نظر کم بنیادی افراط زر اور نظام میں غیر استعمال شدہ صلاحیت کو چھوڑنے والے ڈیمانڈ انجن میں نمایاں گنجائش کی وجہ سے بے نظیر ہے۔ آئی ایم ایف پروگرام مستقبل قریب میں بحال ہوسکتا ہے لیکن مجموعی طور پر اس میں نرم رویہ کی توقع ہے۔ تجارتی بیلنس اور مضبوط ترسیلات زر میں بہتری کی وجہ سے 2020HCY کے دوران ملک کے بیرونی کھاتے میں بھی نمایاں بہتری ہوئی ہے تجارتی توازن اور مضبوط ترسیلات زر میں بہتری کی وجہ سے مجموعی کرنٹ اکاؤنٹ کی رقم 1,700 ملین ڈالر ہے۔

فنڈ کو آگے بڑھنے سے اس کی نمائش کو 3 سے 5 سال کے PIBs سے کم ٹینر آلات میں تبدیل کر کے CY21 کے اختتام تک فنڈ کو مجموعی طور پر کم وقت تک پختگی کی حیثیت سے تبدیل کیا جائے گا۔ فنڈ سہ ماہی کے آخر میں بینک ڈیپازٹس میں پلیسمنٹ کے ساتھ اعلیٰ معیار کے فلوٹنگ ریٹ ڈیبٹ آلات حاصل کرنا اور تجارت کرنا جاری رکھے گا۔

## اعتراف

ہم اپنے قابل قدر سرمایہ کاروں کا شکریہ ادا کرتے ہیں جنہوں نے ہم پر اعتماد کیا ہے۔ بورڈ سیکورٹیز 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، 11 فروری، 2021



علی خالد غزنوی  
چیف ایگزیکٹو آفیسر





## منی مارکیٹ کا جائزہ

حکومت پاکستان نے مختلف تنظیموں جیسے قرضوں کی تنظیم نو اور تعمیراتی پیکجوں کی حمایت کے لئے امدادی پیکجوں کا اعلان کر کے معیشت کی حمایت کے لئے اپنی کوششیں جاری رکھی ہیں۔ اسٹیٹ بینک نے بھی شرح نمو کو 7% پر غیر متناسب رکھ کر ترقیاتی ترقی کی پالیسی پر عمل کیا ، 1HFY20 کے دوران 13.25% کے اضافے سے مجموعی طور پر 625bps کی کمی واقع ہوئی۔

دسمبر 20 کے آخر میں 3 M، 6 M اور 12 M میں ٹی بل کی شرح بالترتیب 6.71% ، 6.65% اور 6.73% سے بڑھ کر 7.11% ، 7.18% اور 7.28% ہو گئی۔ 1HFY21 کے دوران ، مارکیٹ نے لمبے عرصے سے ٹینر آلات کی نمائش کرنے سے گریز کیا لہذا 3 ٹی بل میں شرکت زیادہ رہی۔

1HFY21 کے دوران پیداوار میں منحنی خطرہ معمول پر آ گیا کیونکہ طویل مدت 3Y ، 5Y ، اور Y10 پاکستان انوسمنٹ بانڈ (PIBs) کی پیداوار بالترتیب 11.64% ، 10.91% ، 11.0% سے 8.27% ، 9.25% ، اور 9.98% ہو گئی۔ مارکیٹ میں شراکت میں کمی کا رجحان برقرار رہا کیوں کہ بینکوں اور وزارت میں تعطل رہا ، مارکیٹ کی اعلیٰ قیمت پر 3 ، 5 اور 10 سال کے بانڈز حاصل کرنے کی کوشش کی گئی جو قرضوں کے آفس کے کم پیداوار کے نظریہ کے مطابق نہیں تھی جس کے نتیجے میں رجحان نہ ہونے کے برابر رہا۔

زیر جائزہ اس مدت کے دوران ، اسٹیٹ بینک نے بار بار اوپن مارکیٹ آپریشنز (OMOs) کے ساتھ جاری رکھی ، اسٹیٹ بینک نے انتیس OMOs کا انعقاد کیا اور 31 دسمبر 2020 تک bn870.45 PKR کا خالص قرض خواہ رہا۔

## فنڈ کی کارکردگی

اے بی ایل جی ایس ایف نے 1HFY21 کے دوران 7.07% کی بینچ مارک کارکردگی کے مقابلے میں سالانہ 3.87 فیصد ریٹرن پوسٹ کیا جس میں 320 bps کی کم کارکردگی دکھائی گئی۔ کم کارکردگی کو PIBs میں تشخیصی نقصانات سے منسوب کیا جا سکتا ہے۔

مدت کے اختتام پر ، ٹی بلوں کی نمائش 16.18% ، پی آئی بی 31.74% ، ٹی ایف سی 5.39% جبکہ نقد اثاثوں میں 40.79% ریکارڈ کیا گیا۔ پورٹ فولیو کی فنڈ کی اوسط پختگی دسمبر 2020 میں 671.5 دن رہی جو جون 20 کے 1049 دن کے مقابلے میں ہے۔ اے بی ایل جی ایس ایف کے AUMs جون 2020 میں 4,679.35mn PKR کے مقابلے میں ، دسمبر 20 میں گھٹ کر 3,143.06mn PKR ملین ہو گئی۔

## آڈیٹر

میسرز اے ایف فرگوسن اینڈ کمپنی (چارٹرڈ اکاؤنٹنٹ) کو ، اے بی ایل گورنمنٹ سیکورٹیز فنڈ (اے بی ایل جی ایس ایف) کے لئے 30 جون 2021 کو ختم ہونے والے سال کے لئے دوبارہ آڈیٹر مقرر کیا گیا ہے۔

## فنڈ استحکام کی درجہ بندی

JCR-VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ (JCR-VIS) نے 31 دسمبر، 2020 کو ، اے بی ایل گورنمنٹ سیکورٹیز فنڈ کی فنڈ استحکام کی درجہ بندی بڑھا کر (AA - (f)) پر کی ہے۔



## مینجمنٹ کمپنی کے ڈائریکٹرز کی رپورٹ

اے بی ایل گورنمنٹ سیکورٹیز فنڈ (اے بی ایل-جی ایس ایف) کی انتظامی کمپنی، اے بی ایل ایسٹ مینجمنٹ کمپنی لمیٹڈ کے بورڈ آف ڈائریکٹرز 31 دسمبر، 2020 کو ختم ہونے والے نصف سال کے لئے اے بی ایل گورنمنٹ سیکورٹیز فنڈ کے کنڈینسڈ عبوری فنانشل اسٹیٹمنٹ (غیر آڈٹ شدہ) پیش کرنے پر خوشی محسوس کرتے ہیں۔

### اقتصادی کارکردگی کا جائزہ

اس عرصے کے دوران، اوسط افراط زر YOY %8.63 پر چلا گیا جبکہ اس کے مقابلے میں SPLY میں %11.10 تھا۔ افراط زر میں یہ کمی بنیادی اثر کی وجہ سے بنیادی طور پر دیکھی گئی ہے۔ سپلائی کے جھٹکوں، ٹڈیوں کے حملے اور بین الاقوامی منڈیوں میں زرعی اجناس کی اعلیٰ قیمتوں کے درمیان کھانے کی قیمتوں میں اضافے کی وجہ سے فوڈ انڈیکس میں 12.90 فیصد اضافہ ہوا ہے۔ اسی طرح، ہاؤسنگ، پانی، بجلی اور گیس انڈیکس میں %4.55 YOY کا اضافہ ہوا جبکہ ٹرانسپورٹ انڈیکس میں نرخوں میں ایڈجسٹمنٹ، سہ ماہی کرایے میں ایڈجسٹمنٹ، اور ایندھن اور اس سے متعلقہ ٹرانسپورٹ کی قیمتوں میں اضافے کے بعد YOY %12.72 کا اضافہ ہوا۔ ان سب نے بیس اثر کا فائدہ روک لیا۔ آگے بڑھتے ہوئے، ہم اندازہ لگاتے ہیں کہ افراط زر 8.7-8.8 YOY کے درمیان طے ہوگا۔

کوویڈ-19 لاک ڈاؤن اور پہلے ہی خراب معیشت کی وجہ سے مالی سال 20 کے دوران پاکستان کی معیشت 0.40 فیصد گھٹ گئی۔ تاہم، 20H2C میں، حکومت کی طرف سے اعلان کردہ مراعات اور اسٹیٹ بینک کی طرف سے مالیاتی آسانی میں نرمی پر معیشت دوبارہ پٹری پر آگئی۔ جولائی-اکتوبر 2020 کے دوران بڑے پیمانے پر مینوفیکچرنگ (LSM) کے اعداد و شمار میں بھی اسی صورت کی عکاسی کی گئی ہے جس میں SPLY میں YOY %5.52 کمی کے مقابلے میں YOY %5.46 کا اضافہ ہوا ہے۔ کھانے، مشروبات اور تمباکو (YOY %2.14)، غیر دھاتی معدنیات کی مصنوعات (1.75%)، دواسازی (YOY %0.70)، اور ٹیکسٹائل (YOY %0.67) تھے جن اہم شعبوں نے اس اضافے میں اہم کردار ادا کیا۔

ادائیگی کے محاذ پر متوازن ہونے پر، ملک نے 5MFY21 کے دوران 1.74 ملین امریکی ڈالر کے خسارے کے مقابلے میں 1.64 بلین امریکی ڈالر کی مجموعی سرپلس رقم کی جو غیر معمولی ہے۔ اس کی بنیادی وجہ YOY %26.91 زیادہ ترسیلات زر تھیں جو bn11.77 امریکی ڈالر ہیں۔ ترسیلات زر میں اس اضافے کا جزوی طور پر سرکاری کریک ڈاؤن کی وجہ سے غیر قانونی چینلز کے ذریعہ لین دین میں کمی سے منسوب کیا جاسکتا ہے، اور باقی کو ہوائی سفر کی کمی کی وجہ سے قرار دیا جاسکتا ہے۔ آگے بڑھتے ہوئے، کل برآمدات YOY %6.85 کی کمی سے 11.70 بلین ڈالر رہیں جب کہ درآمدات YOY %3.96 کی کمی سے bn21.25 ڈالر رہ گئیں۔ تجارتی سائز %5.01 کم رہا YOY 32.95bn امریکی ڈالر پر پہنچ گیا۔ 20 دسمبر 2020 تک، ملک کے زرمبادلہ کے ذخائر 20.25 بلین ڈالر ہیں، جو مجموعی طور پر ~ 4.77 ماہ کی درآمدی رقم فراہم کرتے ہیں۔

مالی معاملات میں، ٹیکس وصولی ~ PKR 2.20tr تک پہنچ گئی ہے۔ جبکہ اس کا ہدف PKR 2.21 تھا جس کے نتیجے میں PKR 15bn کا خسارہ ہے۔

### میوچل فنڈ انڈسٹری کا جائزہ

اوپن اینڈ میوچل فنڈ انڈسٹری کے مینجمنٹ کے تحت (AUMs) مجموعی اثاثوں میں YOY %23 کی بے پناہ ترقی ہوئی (PKR 788bn سے PKR 970bn تک)، بنیادی طور پر منی مارکیٹ فنڈ میں کافی اضافے کی وجہ سے۔ وبائی مرض نے محفوظ مانگ پیدا کر دی۔ منی مارکیٹ اور فکسڈ انکم فنڈ (بشمول اسلامی اور روایتی) میں YOY %31 اور YOY %18 کی زبردست نمو دیکھنے میں آئی جس نے بالترتیب PKR 379bn اور PKR 220bn پر مدت کو بند کیا۔ دوسری طرف، روایتی اور اسلامی دونوں سمیت ایکویٹی فنڈز %30 YOY کی طرف سے بڑھے اور اس مدت کو PKR bn222 پر بند کر دیا۔





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