



ABL Stock Fund

# Annual Report

ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021



ABL Asset Management

Discover the potential

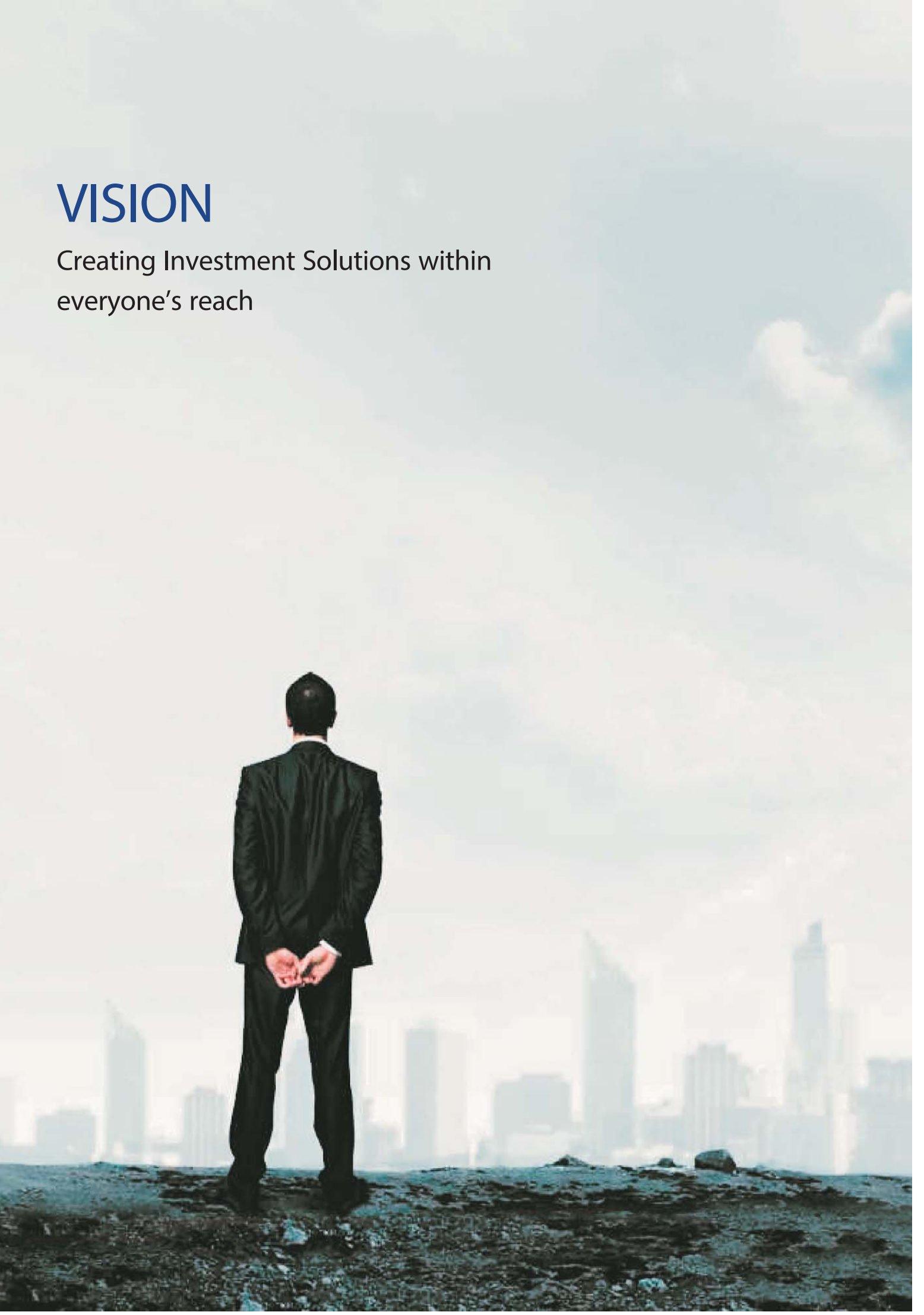
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# VISION

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

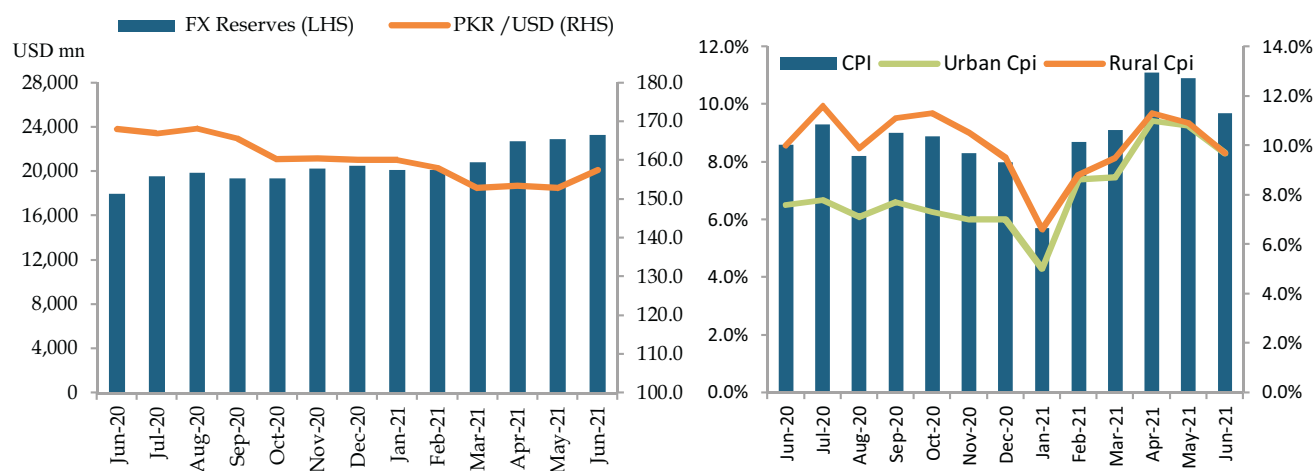
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|------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Management Company:</b>                                 | ABL Asset Management Company Limited<br>Plot / Building # 14 -Main Boulevard, DHA<br>Phase - VI, Lahore - 54810                                                                                 |                                                                                                                                            |
| <b>Board of Directors:</b>                                 | Sheikh Mukhtar Ahmed<br>Mr. Mohammad Naeem Mukhtar<br>Mr. Muhammad Waseem Mukhtar<br>Mr. Aizid Razzaq Gill<br>Mr. Pervaiz Iqbal Butt<br>Mr. Muhammad Kamran Shehzad<br>Ms. Saira Shahid Hussain | Chairman<br>Non-Executive Director<br>Non-Executive Director<br>Non-Executive Director<br>Non-Executive Director<br>Non-Executive Director |
| <b>Audit Committee:</b>                                    | Mr. Muhammad Kamran Shehzad<br>Mr. Muhammad Waseem Mukhtar<br>Mr. Pervaiz Iqbal Butt                                                                                                            | Chairman<br>Member<br>Member                                                                                                               |
| <b>Human Resource and Remuneration Committee</b>           | Mr. Muhammad Waseem Mukhtar<br>Mr. Muhammad Kamran Shehzad<br>Mr. Pervaiz Iqbal Butt<br>Mr. Alee Khalid Ghaznavi                                                                                | Chairman<br>Member<br>Member<br>Member                                                                                                     |
| <b>Board's Risk Management Committee</b>                   | Mr. Muhammad Kamran Shehzad<br>Mr. Pervaiz Iqbal Butt<br>Mr. Alee Khalid Ghaznavi                                                                                                               | Chairman<br>Member<br>Member                                                                                                               |
| <b>Board Strategic Planning &amp; Monitoring Committee</b> | Mr. Muhammad Waseem Mukhtar<br>Mr. Muhammad Kamran Shehzad<br>Mr. Pervaiz Iqbal Butt<br>Mr. Alee Khalid Ghaznavi                                                                                | Chairman<br>Member<br>Member<br>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 Shahzad                                                                                                                                                                              |                                                                                                                                            |
| <b>Trustee:</b>                                            | Digital Custodian Company Limited<br>4th Floor, Perdesi House, Old Queen's Road,<br>Karachi, 74200                                                                                              |                                                                                                                                            |
| <b>Bankers to the Fund:</b>                                | Allied Bank Limited<br>Bank Islami Pakistan Limited<br>Dubai Islamic Bank Limited                                                                                                               |                                                                                                                                            |
| <b>Auditors:</b>                                           | M/s Yousuf Adil<br>Chartered Accountants<br>134-A, Abu-Bakar Block<br>New Garden Town, Lahore.                                                                                                  |                                                                                                                                            |
| <b>Legal Advisor:</b>                                      | Ijaz Ahmed & Associates<br>Advocates & Legal Consultants<br>No. 7, 11th Zamzama Street, Phase V<br>DHA Karachi.                                                                                 |                                                                                                                                            |
| <b>Registrar:</b>                                          | ABL Asset Management Company Limited<br>L - 48, DHA Phase - VI,<br>Lahore - 74500                                                                                                               |                                                                                                                                            |

## REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of ABL Asset Management Company Limited, the management company of ABL Stock Fund (ABL-SF), is pleased to present the Audited Financial Statements of ABL Stock Fund for the year ended on June 30, 2021.

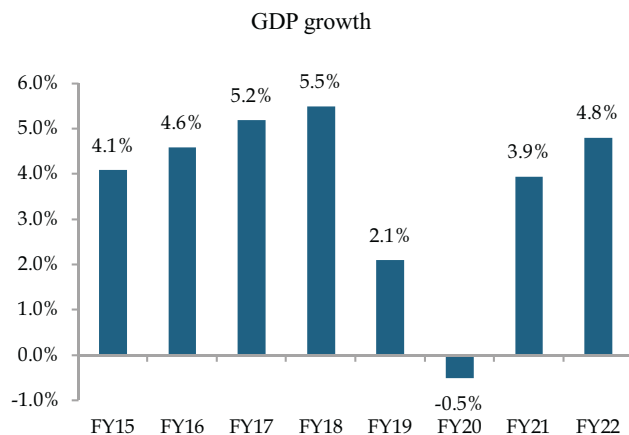
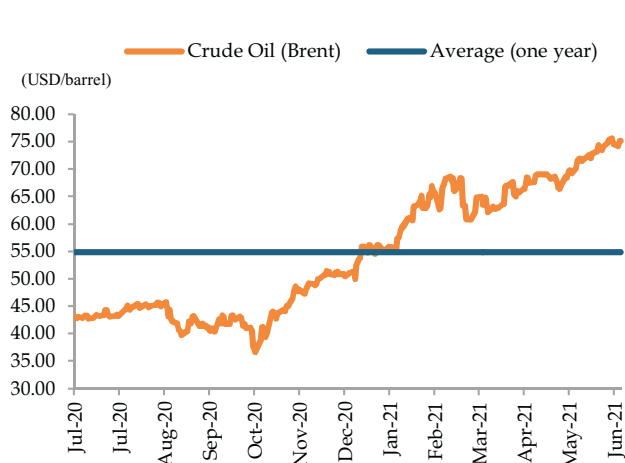
### ECONOMIC PERFORMANCE REVIEW

The average inflation for FY21 has concluded at ~8.90%YoY, within SBP's target range of 7-9%YoY, as compared to 10.76%YoY in the same period last year (SPLY). The indices cumulatively grew by 9.35%YoY during the period while the food; housing, water, electricity & gas; transport, and clothing & footwear indices contributed mainly in the said increase as they cumulatively increased by 3.58%YoY, 2.10%YoY, 0.98%YoY, and 0.82%YoY, respectively. Going ahead, we estimate next year (FY22) inflation to come down to ~7.20%, indicating no risk of a rate hike shortly, or at least during CY21. Nevertheless, fluctuation in the international commodity prices pose risk to the estimate.



On the balance of payment (BOP) front, Pakistan posted a current account deficit (CAD) of USD 632 million during May'21 compared to USD 188 million CAD in the previous month, leaving the total current account position to a surplus of USD 153 million for 11MFY21 against a deficit of ~USD 4.33 billion during the SPLY. The primary reasons for the monthly increase in CAD were the reduction in exports and remittances. Exports reduced by ~6.88%MoM to USD 2.62 billion whereas the imports dropped only by 0.14%MoM to USD 5.54 billion, increasing the trade deficit. Cumulatively, exports and imports of the country have reached ~USD 28.51 billion (up 9.56%YoY) and ~USD 54.15 billion (up 12.37%YoY), respectively. Worker's remittances dropped to ~USD 2.50 billion compared to ~USD 2.78 billion in the last month, down 10.33%MoM. In aggregate, remittances for 11MFY21 have reached ~USD 26.74 billion, up 29.43%YoY. Finally, the foreign exchange reserves, at SBP, stood at ~USD 16.12 billion, as of June 25th, 2021, providing a total import cover of ~3.27 months.

On the fiscal side, FBR managed to collect ~PKR 4.72 trillion during FY21 while overshooting the revised target of ~PKR 4.69 trillion by ~PKR 30 billion.



## EQUITY MARKET REVIEW

During FY21, KSE100 index exhibited tremendous performance and posted a massive return of 38% and closed at 47,356. This highest market return after FY14 can be attributed to the number of positive developments such as monetary easing at the beginning of the year, current account surplus, robust remittance growth, healthy tax collection, and successful initiation of coronavirus vaccine. Market sentiment was tested many times during the year, including political unrest amid the alliance of opposition parties under the banner of the Pakistan democratic movement and the reemergence of Covid-19 waves. Economic revival remained the key theme throughout the FY21, aiding bullish climate to the index.

Average traded volume and value surged by 93% YoY and 111% YoY to 261mn and USD 83mn respectively. Foreigners sold worth of USD 387mn shares during the said period. On the local front, individuals, companies, and other organizations remained at the forefront with net buying worth USD 332mn, USD 138mn, and USD 45mn respectively. Positive index contribution was led by commercial banks, technology & communication, and cement adding 2,411, 2,299, and 2,173 points respectively. On the flip side, tobacco and miscellaneous sectors negatively impacted the index subtracting 71 and 55 points respectively.

Going forward, we believe the market will perform due to better macro indicators, a pro-growth budget, and an aggressive vaccination drive in the country. The market is trading at a TTM P/E multiple of 6.8x and dividend yield of 7.0%.

## SECTOR OVERVIEW

### Cement Sector

The cement sector tremendously outperformed the market posting a return of 74.86%YoY compared to a return of 37.58%YoY provided by the benchmark KSE-100 index during the period. The sector reported extraordinary return on the back of i) hike (~8.26%YoY) in the average cement prices in the north region, ii) 19.69%YoY growth in local cement consumption on the back of roll out of construction package, Naya Pakistan Housing Scheme, and construction of dams. Demand in the north and south zone reported growth of 17.49%YoY and 33.14%YoY, respectively, iii) superb performance of exports, up 18.42%YoY. Although exports from the north zone took a hit at the start of the financial year, fast recovery from the Afghanistan market helped the exports to grow. Further, exports from the south zone increased massively by 14.68%YoY amid higher clinker demand from Bangladesh and China, iv) FED relief of PKR 25/bag in the FY21 budget, and v) decline in interest rate from 13.25% to 7.00%.

Going forward, we expect the sector to perform further given that the strong demand coming from the construction of dams, houses under Naya Pakistan Housing Program, and housing societies by the private sectors.

## Power Sector

The power sector underperformed the benchmark KSE-100 index since it posted a return of 31.53%YoY against the market return of 37.58%YoY. Although the sector performed poorly during the 1H FY21, the picture turned opposite after MOUs were signed with the government that gave hope about the settlement of the outstanding circular debt. Hence, we witnessed the implementation of MOU in May'21 when the first installment (40%) of ~PKR 89.86 billion has been made to IPPs under the 1994 policy. To note, the government had already settled some of the circular debt through two Sukuk issues.

Going forward, the power sector may come into the limelight given the fact that the second installment of the remaining 60% is due within the next six months from the date of the first installment. However, having those MOUs executed, will not stop piling up of the circular debt in the future, in our view, since no arrangement has been made with IPPs under 2015 policy, which is going to contribute a major chunk going forward.

## Banking Sector

Covid-19 pandemic exposed the sector to uncertainty. The same case prevailed around the globe, and all central banks rolled out the expansionary monetary policy. To support the industry, the SBP also followed the suit and cut the policy rate by 6.25% affecting the profitability of the sector. Similarly, the lower interest rate generated attraction to cyclical. Additionally, the foreign selling further depressed the sector since the investors sort the safety of the safe heavens. Notwithstanding, the uncertainty later wiped out as the government made its policy evident - introducing smart lockdowns. Furthermore, the interest rates were bottomed out. Consequently, the sector recovered tremendously providing a positive return of 20.72%YoY, but it could not cope with the return of the market (37.58%YoY).

Going forward, the sector is expected to perform well given the discount to book values and economic recovery.

## Engineering Sector

In FY21, the engineering sector outperformed the market with a positive return of 105%YoY compared to 38%YoY by the KSE-100 benchmark. During FY21, the Covid-19 pandemic caused the engineering sector different challenges including restrained demand, higher input cost, and the temporary shutdown of the industry but it turned out to be a silver lining for the sector with the prompt measure and incentives by the government including i) construction package, ii) deferment in loan principal payments and policy rate slashed by 625bps, iii) low cost and affordable housing finance scheme and iv) reduction in power tariffs on incremental consumption.

The sector recovered during the period on the back of infrastructure activities, and a stable exchange rate of USD/PKR. However, the price of long steel scrap and HRC have spiked to an average of USD 383/MT and USD 715/MT respectively in FY21 due to post-economic recovery around the globe. In response to the rise in steel scrap prices, companies passed on the prices to the end consumer which improved the margins back to the pre-pandemic level. During the year, both long and flat steel, remained in the limelight and witnessed record sales, especially after post lockdown amid higher domestic demand from construction activities and end-user industries (appliances, autos).

Going forward, we expect robust growth in the engineering sector on the back of the construction sector package coupled with contribution from increased urbanization, automotive, electrical, and home appliance activities. Furthermore, we expect the implementation of the Naya Pakistan Housing Scheme and the construction of dams to further support demand growth.

## Textile Sector

In FY21, the textile sector outperformed with a return of 71%YoY compared to 38%YoY return by the benchmark KSE-100 index. During the period, the textile industry has suffered from stoppages and disruptions due to the pandemic which led to a sudden drop in export orders. The situation reverted quickly after the timely decision by the government of early easing in lockdown that enabled the companies to receive export orders. The textile industry experienced a massive inflow of rerouted orders as a result of the lockdown in the competing countries (China, India, and Bangladesh) and witnessed a long queue of booking orders during FY21.

During the year, cotton prices spiked up to PKR12,500/maund amid a shortage of cotton crops in the country, and procuring from far off countries means increased freight charges and longer delivery time; Although, the government removed the regulatory duty of 5% on the import of cotton to relieve the value-added segment. Additionally, the government has paid rebates to exporters that helped the textile industry's liquidity position and provided an advantage to avail borrowing at concessionary rates where Export Financing Scheme (EFS) and Long-Term Financing Scheme (LTFS) are at 3% and 6% respectively. Pakistan's textile exports grew by 19% YoY to \$13.75bn and are in line to reach their highest ever level. Furthermore, the government also earmarked PKR100bn for relief to exporters under the PKR1.3tn COVID-19 Relief Package.

Going forward, the government is set to reveal a long-awaited Textile Policy 2020-25 loaded with subsidies and lower rates on utilities worth PKR 960bn to lift production and exports of value-added textile products.

## Fertilizer Sector

In FY21 Fertilizer sector with its weightage, 12% in KSE-100 index underperformed relative to the equity market (37.58% YoY) by posting a return of 20.01%YoY. Offtakes of urea slightly increased (3.00%YoY) while Dia ammonium phosphate (DAP) offtakes swelled by 9.00% YoY. Urea Price remained sticky in FY21 whereas, (DAP) price surged significantly due to higher demand from Brazil as well as from Australia backed by supply issues. Within the fertilizer sector, Fauji Fertilizer bin Qasim (FFBL) performed tremendously by posting a 65% return due to the higher primary margin of DAP.

Going forward we expect that the fertilizer sector will perform due to elevated prices of fertilizer products in the international market which will create room for domestic players. According to the World Bank commodity report, fertilizer prices remain elevated until a new supply from Morocco or elsewhere comes online.

## Information Technology (IT)

In FY21 Fertilizer sector with its weightage, 12% in KSE-100 index underperformed relative to the equity market (37.58% YoY) by posting a return of 20.01%YoY. Offtakes of urea slightly increased (3.00%YoY) while Dia ammonium phosphate (DAP) offtakes swelled by 9.00% YoY. Urea Price remained sticky in FY21 whereas, (DAP) price surged significantly due to higher demand from Brazil as well as from Australia backed by supply issues. Within the fertilizer sector, Fauji Fertilizer bin Qasim (FFBL) performed tremendously by posting a 65% return due to the higher primary margin of DAP.

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## Automobile Assemblers

During the year under consideration, automobile assemblers turned out to be one of the best reflation trade. The overall sector generated 83.7% return YoY compared to 37.7% return for the KSE-100. This mouthwatering return came on the back of increasingly accommodative monetary policy from the State Bank of Pakistan which lowered its policy rate by 625 bps in the wake of the covid-19 pandemic. As consumers got access to easier credit they returned to auto showrooms, and the industry witnessed positive increases in sales after two consecutive years of decline. This resurgent consumer demand for cars is preceded by new entrants into the market with aggressive posturing, introducing new models and resulting in more choices for the consumers. The overall industry sold 151,196 units in FY21 up by 58.93% YoY compared to the same period last year. This increase is witnessed not just in cars but also in tractors, as farmers received higher farm incomes due to elevated international prices of agricultural products. Collectively industry sold 50,685 units in FY21, registering an increase of 54.88% compared to last year. Among individual companies, GHNI posted a return of 131.6% YoY while PSMC posted a return of 117.5% YoY and remained the frontrunner in the industry.

Risks to the overall industry remain elevated for the foreseeable future, chief among them the whopping increase witnessed in metals in last year. On top of this, the global semiconductor shortage has been proving to be a challenge for the sector and is expected to ease only in the later half of 2022.

## Chemical Manufacturers

The chemical sector went through hell and came back stronger during the year. The chemical sector returned 47.9% during the period under review compared to KSE-100's 37.6% YoY. Among them, chemical companies listed on PSX, EPCL lead the sector by posting 90.3%, followed closely by the LOTCHEM registering an increase of 55.9% YoY increase. Drivers behind the spike in chemical margins were mainly supplying disruption initially and followed by increases in demand as consumers around the globe shifted their consumption from services due to lockdowns to goods. For example, EPCL got buoyed by the 111.8% increase in its core ethylene-PVC margin, while LOTCHEM got a boost from a 59.6% YoY increase in its PTA-PX margin. Other chemical producers such as hydrogen peroxide and oxygen manufacturers benefited from increased demand due to the Covid-19 pandemic.

Risks to the chemical sector include; slump in demand from consumers as the world opens up and spending is redirected towards services, or increasing interest rates and inflation ending the era of easy credit. On top of this, as shipping constraints such as shortage of containers ease, we expect margins to revert to historic norms.

## Oil Marketing Companies

Oil marketing companies collectively posted a return of 37.7% YoY matching the index's return of 37.6% during the year. Among these companies, Hitech Lubricants (HTL) posted an astonishing return of 132.0% YoY. This was since HTL decided to open and operate fuel pumps around the country and enhance its lubricants production capabilities. PSO posted a return of 45.1% YoY as economic fundamentals improved. Overall, the country consumed 21.06 million tonnes of oil products up 28.7% YoY compared to 16.36 million tones in FY19. It is expected that as economic revival continues, demand for oil products will increase and the oil marketing sector will continue to perform. On the risk side, the biggest threat is a spike in circular debt which will clog the cash flow towards the biggest PSO, the biggest company in this sector.

## MUTUAL FUND INDUSTRY REVIEW

Total Assets under management (AUMs) of open end mutual fund posted a substantial growth of 38% during FY20 from PKR 572bn to PKR 788bn, mainly on account of massive inflow in money market fund and fixed income fund. Money market fund including conventional and Islamic, witnessed immense growth of 92% to close the period at PKR 318bn. AUMs of fixed income fund both conventional and Shariah compliant swelled by 66% during the said period. This growth can primarily be attributed to investor's appetite for earning high profits in

contractionary monetary policy environment during 9MFY20. In contrast to fixed income, equity market AUMs have declined by 5% during this period. Lock down in country and incremental number of cases of coronavirus makes investor wary regarding investment in risky assets. Turbulence in equity market due to COVID-19 and uncertainty in international oil prices during FY20 contributed in decreasing AUMs of equity funds.

## FUND PERFORMANCE

For the year ended FY21, ABL Stock Fund delivered a return of 39.26% against 37.58% increase in its benchmark, reflecting an overperformance of 1.68%. During the year, ABL SF's AUM increased by 47.24% and stood at Rs.6.518 billion on 30th June, 21, as compared to Rs.4.4267 billion on 30th June, 20.

Since its inception on June 28th, 2009, ABL-SF has been among the best performing funds in the equity markets of Pakistan. Since inception return of ABL SF is 693.69%, against its benchmark of 255.28%.

## 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 # 17 of the Annual Report;
9. There is no statutory payment on account of taxes, duties, levies and charges outstanding other than already disclosed in the financial statements;
10. The statement as to the value of investments of Provident Fund is not applicable in the case of the Fund as employees retirement benefits expenses are borne by the Management Company;
11. The pattern of unit holding as at June 30, 2021 is given in note No. 23 of the Financial Statements.

## AUDITORS

M/s Yousuf Adil (Chartered Accountants), have been re-appointed as auditors for the period ending June 30, 2022 for ABL Stock Fund (ABL-SF).

## 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'.

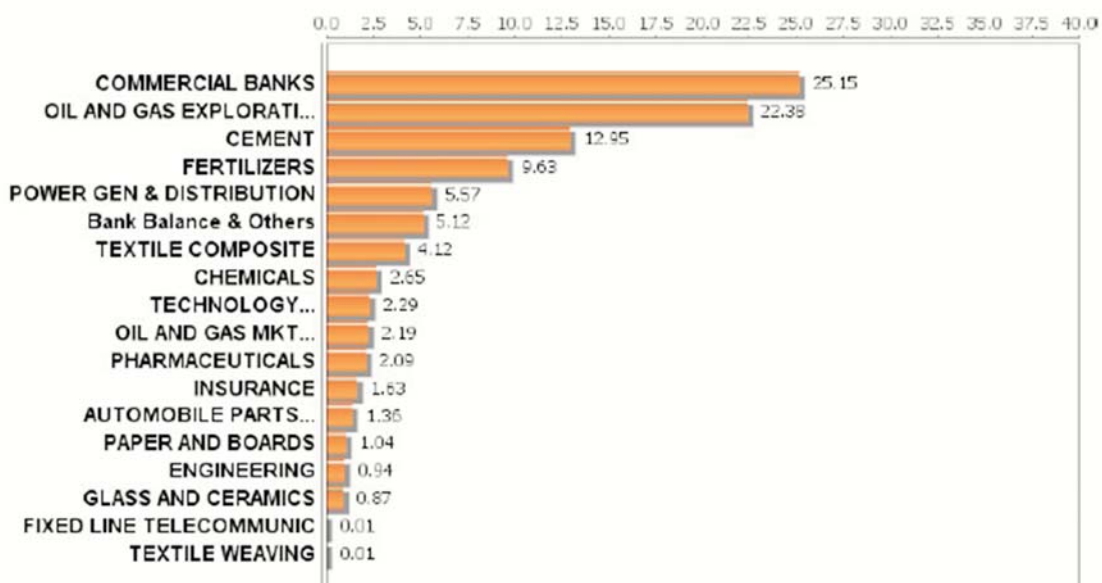


## OUTLOOK

Earnings growth has averaged more than 50%yoy across the last 3qtrs, and is expected to remain strong on a yoy basis in 2QCY21 (Autos and Cements may show a sequential decline). We find it unlikely that lockdowns will be in place for an extended period. As a result, corporate profitability should continue on an upward trend. Encouragingly, daily Covid vaccinations are now 1mn per day and c 25% of the adult population is either fully or partially vaccinated. Valuations are still at a significant discount to the mean. We think SBP will remain dovish particularly after the reassurance offered in the July 2021 MPS where even in the face of worsening CAD, SBP will first rely on the exchange rate to act as the initial line of defense. This is likely to cheer the Pakistan Equity market and reinvigorate cyclical sector stocks, which have been stuck in a lull period since end-May 2021. The next major triggers for the market are (i) resumption of the IMF program and implementation of necessary reforms, (ii) and meaningful decline in Covid cases amid successful vaccinations.



## SECTOR ALLOCATION (% 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 & on behalf of the Board



**Director**  
**Lahore, August 25, 2021**



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



## FUND MANAGER REPORT

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### OBJECTIVE

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

### EQUITY MARKET REVIEW

During FY21, KSE100 index exhibited tremendous performance and posted a massive return of 38% and closed at 47,356. This highest market return after FY14 can be attributed to the number of positive developments such as monetary easing at the beginning of the year, current account surplus, robust remittance growth, healthy tax collection, and successful initiation of coronavirus vaccine. Market sentiment was tested many times during the year, including political unrest amid the alliance of opposition parties under the banner of the Pakistan democratic movement and the reemergence of Covid-19 waves. Economic revival remained the key theme throughout the FY21, aiding bullish climate to the index.

Average traded volume and value surged by 93% YoY and 111% YoY to 261mn and USD 83mn respectively. Foreigners sold worth of USD 387mn shares during the said period. On the local front, individuals, companies, and other organizations remained at the forefront with net buying worth USD 332mn, USD 138mn, and USD 45mn respectively. Positive index contribution was led by commercial banks, technology & communication, and cement adding 2,411, 2,299, and 2,173 points respectively. On the flip side, tobacco and miscellaneous sectors negatively impacted the index subtracting 71 and 55 points respectively.

Going forward, we believe the market will perform due to better macro indicators, a pro-growth budget, and an aggressive vaccination drive in the country. The market is trading at a TTM P/E multiple of 6.8x and dividend yield of 7.0%.

### SECTOR OVERVIEW

#### CEMENT SECTOR

The cement sector tremendously outperformed the market posting a return of 74.86%YoY compared to a return of 37.58%YoY provided by the benchmark KSE-100 index during the period. The sector reported extraordinary return on the back of i) hike (~8.26%YoY) in the average cement prices in the north region, ii) 19.69%YoY growth in local cement consumption on the back of roll out of construction package, Naya Pakistan Housing Scheme, and construction of dams. Demand in the north and south zone reported growth of 17.49%YoY and 33.14%YoY, respectively, iii) superb performance of exports, up 18.42%YoY. Although exports from the north zone took a hit at the start of the financial year, fast recovery from the Afghanistan market helped the exports to grow. Further, exports from the south zone increased massively by 14.68%YoY amid higher clinker demand from Bangladesh and China, iv) FED relief of PKR 25/bag in the FY21 budget, and v) decline in interest rate from 13.25% to 7.00%. Going forward, we expect the sector to perform further given that the strong demand coming from the construction of dams, houses under Naya Pakistan Housing Program, and housing societies by the private sectors.

#### POWER SECTOR

The power sector underperformed the benchmark KSE-100 index since it posted a return of 31.53%YoY against the market return of 37.58%YoY. Although the sector performed poorly during the 1HFY21, the picture turned opposite after MOUs were signed with the government that gave hope about the settlement of the outstanding circular debt. Hence, we witnessed the implementation of MOU in May'21 when the first installment (40%) of ~PKR 89.86 billion has been made to IPPs under the 1994 policy. To note, the government had already settled some of the circular debt through two Sukuk issues.

Going forward, the power sector may come into the limelight given the fact that the second installment of the remaining 60% is due within the next six months from the date of the first installment. However, having those MOUs executed, will not stop piling up of the circular debt in the future, in our view, since no arrangement has been made with IPPs under 2015 policy, which is going to contribute a major chunk going forward.

## **BANKING SECTOR**

Covid-19 pandemic exposed the sector to uncertainty. The same case prevailed around the globe, and all central banks rolled out the expansionary monetary policy. To support the industry, the SBP also followed the suit and cut the policy rate by 6.25% affecting the profitability of the sector. Similarly, the lower interest rate generated attraction to cyclical. Additionally, the foreign selling further depressed the sector since the investors sort the safety of the safe heavens. Notwithstanding, the uncertainty later wiped out as the government made its policy evident - introducing smart lockdowns. Furthermore, the interest rates were bottomed out. Consequently, the sector recovered tremendously providing a positive return of 20.72%YoY, but it could not cope with the return of the market (37.58%YoY).

Going forward, the sector is expected to perform well given the discount to book values and economic recovery.

## **ENGINEERING SECTOR**

In FY21, the engineering sector outperformed the market with a positive return of 105%YoY compared to 38%YoY by the KSE-100 benchmark. During FY21, the Covid-19 pandemic caused the engineering sector different challenges including restrained demand, higher input cost, and the temporary shutdown of the industry but it turned out to be a silver lining for the sector with the prompt measure and incentives by the government including i) construction package, ii) deferment in loan principal payments and policy rate slashed by 625bps, iii) low cost and affordable housing finance scheme and iv) reduction in power tariffs on incremental consumption. The sector recovered during the period on the back of infrastructure activities, and a stable exchange rate of USD/PKR. However, the price of long steel scrap and HRC have spiked to an average of USD 383/MT and USD 715/MT respectively in FY21 due to post-economic recovery around the globe. In response to the rise in steel scrap prices, companies passed on the prices to the end consumer which improved the margins back to the pre-pandemic level. During the year, both long and flat steel, remained in the limelight and witnessed record sales, especially after post lockdown amid higher domestic demand from construction activities and end-user industries (appliances, autos).

Going forward, we expect robust growth in the engineering sector on the back of the construction sector package coupled with contribution from increased urbanization, automotive, electrical, and home appliance activities. Furthermore, we expect the implementation of the Naya Pakistan Housing Scheme and the construction of dams to further support demand growth.

## **TEXTILE SECTOR**

In FY21, the textile sector outperformed with a return of 71%YoY compared to 38%YoY return by the benchmark KSE-100 index. During the period, the textile industry has suffered from stoppages and disruptions due to the pandemic which led to a sudden drop in export orders. The situation reverted quickly after the timely decision by the government of early easing in lockdown that enabled the companies to receive export orders. The textile industry experienced a massive inflow of rerouted orders as a result of the lockdown in the competing countries (China, India, and Bangladesh) and witnessed a long queue of booking orders during FY21. During the year, cotton prices spiked up to PKR12,500/maund amid a shortage of cotton crops in the country, and procuring from far off countries means increased freight charges and longer delivery time; Although, the government removed the regulatory duty of 5% on the import of cotton to relieve the value-added segment. Additionally, the government has paid rebates to exporters that helped the textile industry's liquidity position and provided an advantage to avail borrowing at concessionary rates where Export Financing Scheme (EFS) and Long-Term Financing Scheme (LTFS) are at 3% and 6% respectively. Pakistan's textile exports grew by 19% YoY to \$13.75bn and are in line to reach their highest ever level. Furthermore, the government also earmarked PKR100bn for relief to exporters under the PKR1.3tn COVID-19 Relief Package.

Going forward, the government is set to reveal a long-awaited Textile Policy 2020-25 loaded with subsidies and lower rates on utilities worth PKR 960bn to lift production and exports of value-added textile products.

## **FERTILIZER SECTOR**

In FY21 Fertilizer sector with its weightage, 12% in KSE-100 index underperformed relative to the equity market (37.58% YoY) by posting a return of 20.01%YoY. Offtakes of urea slightly increased (3.00%YoY) while Dia ammonium phosphate (DAP) offtakes swelled by 9.00% YoY. Urea Price remained sticky in FY21 whereas, (DAP) price surged significantly due to higher demand from Brazil as well as from Australia backed by supply issues. Within the fertilizer sector, Fauji Fertilizer bin Qasim (FFBL) performed tremendously by posting a 65% return due to the higher primary margin of DAP.

Going forward we expect that the fertilizer sector will perform due to elevated prices of fertilizer products in the international market which will create room for domestic players. According to the World Bank commodity report, fertilizer prices remain elevated until a new supply from Morocco or elsewhere comes online.

## **INFORMATION TECHNOLOGY (IT)**

In FY21 Fertilizer sector with its weightage, 12% in KSE-100 index underperformed relative to the equity market (37.58% YoY) by posting a return of 20.01%YoY. Offtakes of urea slightly increased (3.00%YoY) while Dia ammonium phosphate (DAP) offtakes swelled by 9.00% YoY. Urea Price remained sticky in FY21 whereas, (DAP) price surged significantly due to higher demand from Brazil as well as from Australia backed by supply issues. Within the fertilizer sector, Fauji Fertilizer bin Qasim (FFBL) performed tremendously by posting a 65% return due to the higher primary margin of DAP.

Going forward we expect that the fertilizer sector will perform due to elevated prices of fertilizer products in the international market which will create room for domestic players. According to the World Bank commodity report, fertilizer prices remain elevated until a new supply from Morocco or elsewhere comes online.

## **AUTOMOBILE ASSEMBLERS**

During the year under consideration, automobile assemblers turned out to be one of the best reflation trade. The overall sector generated 83.7% return YoY compared to 37.7% return for the KSE-100. This mouthwatering return came on the back of increasingly accommodative monetary policy from the State Bank of Pakistan which lowered its policy rate by 625 bps in the wake of the covid-19 pandemic. As consumers got access to easier credit they returned to auto showrooms, and the industry witnessed positive increases in sales after two consecutive years of decline. This resurgent consumer demand for cars is preceded by new entrants into the market with aggressive posturing, introducing new models and resulting in more choices for the consumers. The overall industry sold 151,196 units in FY21 up by 58.93% YoY compared to the same period last year. This increase is witnessed not just in cars but also in tractors, as farmers received higher farm incomes due to elevated international prices of agricultural products. Collectively industry sold 50,685 units in FY21, registering an increase of 54.88% compared to last year. Among individual companies, GHNI posted a return of 131.6% YoY while PSMC posted a return of 117.5% YoY and remained the frontrunner in the industry.

Risks to the overall industry remain elevated for the foreseeable future, chief among them the whopping increase witnessed in metals in last year. On top of this, the global semiconductor shortage has been proving to be a challenge for the sector and is expected to ease only in the later half of 2022.

## **CHEMICAL MANUFACTURERS**

The chemical sector went through hell and came back stronger during the year. The chemical sector returned 47.9% during the period under review compared to KSE-100's 37.6% YoY. Among them, chemical companies listed on PSX, EPCL lead the sector by posting 90.3%, followed closely by the LOTCHEM registering an increase of 55.9% YoY increase. Drivers behind the spike in chemical margins were mainly supplying disruption initially and followed

by increases in demand as consumers around the globe shifted their consumption from services due to lockdowns to goods. For example, EPCL got buoyed by the 111.8% increase in its core ethylene-PVC margin, while LOTCHEM got a boost from a 59.6% YoY increase in its PTA-PX margin. Other chemical producers such as hydrogen peroxide and oxygen manufacturers benefited from increased demand due to the Covid-19 pandemic. Risks to the chemical sector include; slump in demand from consumers as the world opens up and spending is redirected towards services, or increasing interest rates and inflation ending the era of easy credit. On top of this, as shipping constraints such as shortage of containers ease, we expect margins to revert to historic norms.

## OIL MARKETING COMPANIES

Oil marketing companies collectively posted a return of 37.7% YoY matching the index's return of 37.6% during the year. Among these companies, Hitech Lubricants (HTL) posted an astonishing return of 132.0% YoY. This was since HTL decided to open and operate fuel pumps around the country and enhance its lubricants production capabilities. PSO posted a return of 45.1% YoY as economic fundamentals improved. Overall, the country consumed 21.06 million tonnes of oil products up 28.7% YoY compared to 16.36 million tones in FY19. It is expected that as economic revival continues, demand for oil products will increase and the oil marketing sector will continue to perform. On the risk side, the biggest threat is a spike in circular debt which will clog the cash flow towards the biggest PSO, the biggest company in this sector.

## Mutual Fund Industry Review

Total assets under management (AUMs) of the open-end mutual fund industry posted an immense growth of 36% during FY21 (from PKR 789 billion to PKR 1073 billion), mainly on account of substantial flows in equity market funds due to insatiable appetite for risky asset class amid the revival of economic activities in the country. Equity market funds, including conventional and Islamic, witnessed a huge growth of 42% to close the period at PKR 243 billion. Similarly, the total money market and fixed income funds' AUMs swelled by 49% and 27% to PKR 475 billion and PKR 245 billion, respectively.

## FUND PERFORMANCE

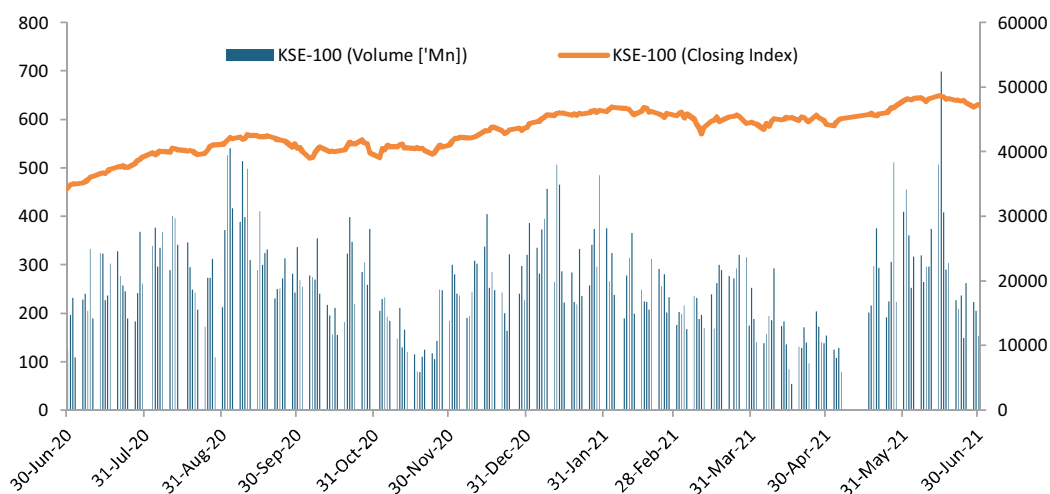
For the year ended FY21, ABL Stock Fund delivered a return of 39.26% against 37.58% increase in its benchmark, reflecting an overperformance of 1.68%. During the year, ABL SF's AUM increased by 47.24% and stood at Rs.6.518 billion on 30th June'21, as compared to Rs.4.4267 billion on 30th June'20.

Since its inception on June 28th, 2009, ABL-SF has been among the best performing funds in the equity markets of Pakistan. Since inception return of ABL SF is 693.69%, against its benchmark of 255.28%.

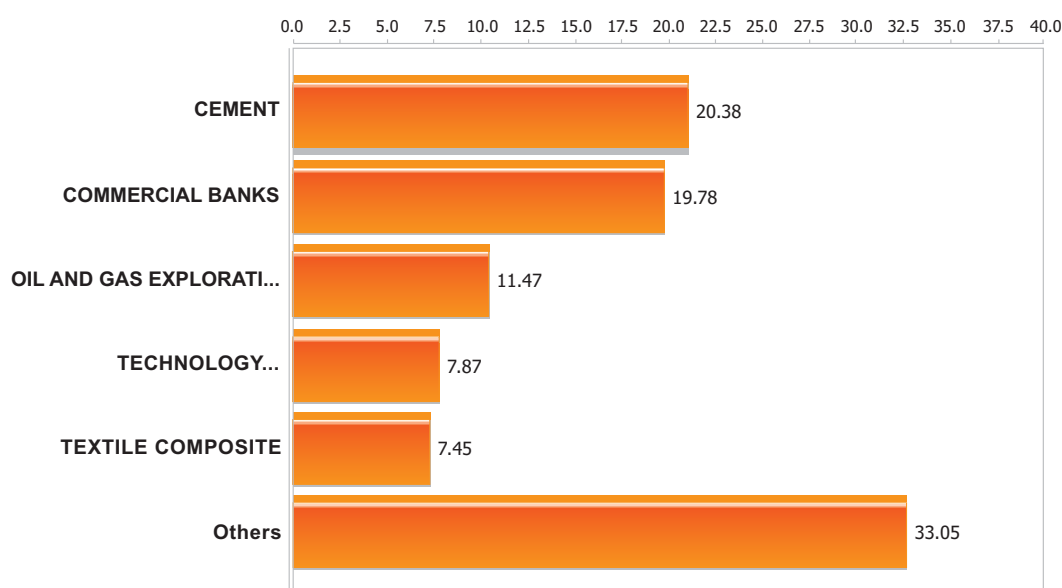


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#### SECTOR ALLOCATION (% OF TOTAL ASSETS)



#### OUTLOOK

Earnings growth has averaged more than 50%yoy across the last 3qtrs, and is expected to remain strong on a yoy basis in 2QCY21 (Autos and Cements may show a sequential decline). We find it unlikely that lockdowns will be in place for an extended period. As a result, corporate profitability should continue on an upward trend. Encouragingly, daily Covid vaccinations are now 1mn per day and c 25% of the adult population is either fully or partially vaccinated. Valuations are still at a significant discount to the mean. We think SBP will remain dovish particularly after the reassurance offered in the July 2021 MPS where even in the face of worsening CAD, SBP will first rely on the exchange rate to act as the initial line of defense. This is likely to cheer the Pakistan Equity market and reinvigorate cyclical sector stocks, which have been stuck in a lull period since end-May 2021. The next major triggers for the market are (i) resumption of the IMF program and implementation of necessary reforms, (ii) and meaningful decline in Covid cases amid successful vaccinations.

## PERFORMANCE TABLE

|                                   | June 2021                     | June 2020 | June 2019 | June 2018       | June 2017     | June 2016     |
|-----------------------------------|-------------------------------|-----------|-----------|-----------------|---------------|---------------|
|                                   | ----- (Rupees per '000) ----- |           |           |                 |               |               |
| Net Assets                        | 6,518,207                     | 4,426,786 | 3,952,000 | 6,249,390       | 8,899,148     | 3,193,816     |
| Net Income/Loss                   | 1,873,576                     | (151,326) | (912,866) | (1,437,731)     | 2,148,603     | 287,026       |
|                                   | ----- (Rupees per unit) ----- |           |           |                 |               |               |
| Net Assets value                  | 15.8579                       | 11.5559   | 11.7253   | 14.0492         | 17.0470       | 14.3985       |
| Interim distribution *            | -                             | -         | -         | -               | 2.0000        | 0.2633        |
| Final distribution                | 0.2382                        | -         | -         | 0.1357          | 0.0472        | 0.2000        |
| Distribution date final           | June 27, 2021                 | -         | -         | August 23, 2017 | June 22, 2017 | July 24, 2015 |
| Closing offer price               | 16.2258                       | 11.8240   | 11.9598   | 14.3302         | 17.3879       | 14.6865       |
| Closing repurchase price          | 15.8579                       | 11.5559   | 11.7253   | 14.0492         | 17.0470       | 14.3985       |
| Highest offer price               | 17.2451                       | 15.2999   | 14.9319   | 17.4782         | 22.0412       | 15.4037       |
| Lowest offer price                | 12.0054                       | 9.2371    | 11.1300   | 13.3294         | 14.8092       | 12.4684       |
| Highest repurchase price per unit | 16.8541                       | 14.9530   | 14.6391   | 17.1355         | 21.6090       | 15.1017       |
| Lowest repurchase price per unit  | 11.7332                       | 9.0277    | 10.9118   | 13.0680         | 14.5188       | 12.2239       |
|                                   | ----- Percentage -----        |           |           |                 |               |               |
| Total return of the fund          |                               |           |           |                 |               |               |
| - capital growth                  | 36.88%                        | -1.44%    | -16.54%   | -18.19%         | 12.74%        | 5.28%         |
| - income distribution             | 2.38%                         | 0.00%     | 0.00%     | 1.36%           | 20.47%        | 4.63%         |
| Average Annual return of the fund |                               |           |           |                 |               |               |
| One Year                          | 39.26%                        | -1.44%    | -16.54%   | -16.84%         | 33.21%        | 9.91%         |
| Two Year                          | 37.25%                        | -17.75%   | -30.59%   | 10.78%          | 46.41%        | 39.71%        |
| Three Year                        | 14.55%                        | -31.60%   | -7.54%    | 21.76%          | 86.11%        | 85.67%        |
| Four Year                         | -4.74%                        | -8.88%    | 1.62%     | 54.77%          | 147.34%       | 189.40%       |
| Five Year                         | 26.90%                        | 0.15%     | 29.17%    | 105.69%         | 285.51%       | 265.64%       |
| Six Year                          | 39.47%                        | 27.30%    | 71.67%    | 220.60%         | 387.07%       | 372.26%       |
| Seven Year                        | 77.28%                        | 69.19%    | 167.57%   | 305.06%         | 477.08%       | 526.50%       |
| Eight Year                        | 135.61%                       | 163.71%   | 238.06%   | 423.19%         | 734.58%       | -             |
| Nine Year                         | 267.24%                       | 233.18%   | 336.65%   | 594.06%         | -             | -             |
| Ten Year                          | 363.98%                       | 330.34%   | 479.26%   | -               | -             | -             |
| Eleventh Year                     | 499.29%                       | 470.89%   | -         | -               | -             | -             |
| Twelve Year                       | 695.04%                       | -         | -         | -               | -             | -             |
| Since Inception                   | 693.69%                       | 469.93%   | 478.28%   | 592.90%         | 733.18%       | 525.45%       |

Distribution History\*

| 2017          |                      | 2016          |                      |
|---------------|----------------------|---------------|----------------------|
| Date          | Rate<br>Re. Per Unit | Date          | Rate<br>Re. Per Unit |
| June 22, 2017 | Re 2.0000            | June 29, 2016 | Re 0.2633            |

Disclaimer

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

**CENTRAL DEPOSITORY COMPANY  
OF PAKISTAN LIMITED**

**Head Office:**

CDC House, 99-B, Block 'B'  
S.M.C.H.S., Main Shahra-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)



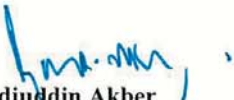
**TRUSTEE REPORT TO THE UNIT HOLDERS**

**ABL STOCK 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 Stock Fund (the Fund) are of the opinion that ABL Asset Management Company Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2021 in accordance with the provisions of the following:

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

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

Karachi: September 15, 2021



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## INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF ABL STOCK FUND

### Report on the Audit of Financial Statements

#### Opinion

We have audited the financial statements of **ABL Stock Fund** (the Fund), which comprise the statement of assets and liabilities as at June 30, 2021, the income statement, the statement of comprehensive income, the statement of movement in unit holders' fund and the 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, 2021, and of its financial performance and its cash flows for the year then ended in accordance with 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 and ABL Asset Management Company Limited (the Management Company) in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted by the Institute of Chartered Accountants of Pakistan together with the ethical requirements that are relevant to our audit of the financial statements in Pakistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA 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.

| Key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | How the matter was addressed in our audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Valuation and existence of investments</b><br><br>As disclosed in note 5 to the financial statements, investments held at fair value through profit or loss aggregated to Rs. 6,495 million as at June 30, 2021.<br><br>The Fund's investments comprises of shares in quoted companies at year end therefore there is a risk that appropriate prices may not be used to determine fair value of the investments.<br><br>Further, in respect of existence of investments, there is a risk that the Fund may have included investments in its financial statements which were not owned by Fund. | We performed the following procedures to address the matter: <ul style="list-style-type: none"> <li>evaluating the design and implementation of key controls around existence and valuation of investments;</li> <li>obtain CDC statement for verifying the existence of investment portfolio as at June 30, 2021; and independently matching the shares held by the Fund as per internal records with the share appearing in the CDC statement and investigated any reconciling items.</li> <li>obtain rates for all scrips as at year end from PSX to calculate market value of investments.</li> <li>reperformed valuation to assess that investments were carried as per valuation methodology specified in the accounting policies.</li> </ul> |

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Deloitte Touche Tohmatsu Limited

**Other Matter**

The financial statements of the Fund for the year ended June 30, 2020 were audited by another firm of Chartered Accountants who expressed an unmodified opinion thereon vide their report dated September 24, 2020.

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Management Company 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 the Management Company and Those Charged with Governance for the Financial Statements**

The Management Company 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 the Management Company 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, the Management Company 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 the Management Company either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance of the Management Company are 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.

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- 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 Management Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Company.
- Conclude on the appropriateness of the Management Company'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 Those Charged with Governance 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 Those Charged with Governance 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 Those Charged with Governance of the Management Company, we determine the matter that is of most significance in the audit of the financial statements of the current period and is therefore the key audit matter. 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**

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is Rana M. Usman Khan.

*Yousuf Adil*  
Chartered Accountants

Place: Lahore  
Date: September 28, 2021

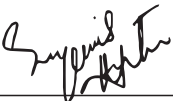
An Independent Correspondent Firm to  
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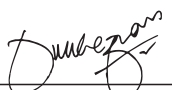
**ABL STOCK FUND**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT JUNE 30, 2021**

|                                                                         |      | 2021                     | 2020               |
|-------------------------------------------------------------------------|------|--------------------------|--------------------|
|                                                                         | Note | -----Rupees in '000----- |                    |
| <b>Assets</b>                                                           |      |                          |                    |
| Bank balances                                                           | 4    | 95,153                   | 227,588            |
| Investments                                                             | 5    | 6,495,042                | 4,345,546          |
| Receivable against sale of investments - net                            |      | 58,645                   | -                  |
| Receivable against issue of units                                       |      | 40,040                   | 300                |
| Security deposits                                                       | 6    | 2,600                    | 2,600              |
| Dividend and profit receivable                                          | 7    | 2,724                    | 2,854              |
| Prepayments and other receivable                                        | 8    | 731                      | 731                |
| <b>Total assets</b>                                                     |      | <b>6,694,935</b>         | <b>4,579,619</b>   |
| <b>Liabilities</b>                                                      |      |                          |                    |
| Payable to ABL Asset Management Company Limited - Management Company    | 9    | 82,671                   | 62,749             |
| Payable to the Central Depository Company of Pakistan Limited - Trustee | 10   | 740                      | 506                |
| Payable to the Securities and Exchange Commission of Pakistan           | 11   | 1,239                    | 849                |
| Payable against redemption of units                                     |      | 5,840                    | 1,535              |
| Payable against purchase of investment                                  |      | -                        | 25,520             |
| Accrued expenses and other liabilities                                  | 12   | 86,238                   | 61,674             |
| <b>Total liabilities</b>                                                |      | <b>176,728</b>           | <b>152,833</b>     |
| <b>NET ASSETS</b>                                                       |      | <b>6,518,207</b>         | <b>4,426,786</b>   |
| <b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>                   |      | <b>6,518,207</b>         | <b>4,426,786</b>   |
| <b>CONTINGENCIES AND COMMITMENTS</b>                                    | 13   |                          |                    |
| <b>NUMBER OF UNITS IN ISSUE</b>                                         |      | <b>411,038,829</b>       | <b>383,076,441</b> |
| <b>NET ASSET VALUE PER UNIT</b>                                         |      | <b>15.8579</b>           | <b>11.5559</b>     |

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

For ABL Asset Management Company Limited  
(Management Company)

  
Saqib Matin  
Chief Financial Officer

  
Alee Khalid Ghaznavi  
Chief Executive Officer

  
Pervaiz Iqbal Butt  
Director

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# ABL STOCK FUND

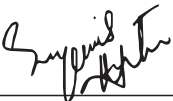
## INCOME STATEMENT

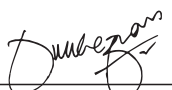
### FOR THE YEAR ENDED JUNE 30, 2021

|                                                                                                                                                   | Note | 2021<br>Rupees ' 000 | 2020             |
|---------------------------------------------------------------------------------------------------------------------------------------------------|------|----------------------|------------------|
| <b>Income</b>                                                                                                                                     |      |                      |                  |
| Dividend income                                                                                                                                   |      | 297,337              | 198,053          |
| Interest on saving accounts                                                                                                                       |      | 13,076               | 37,383           |
| Capital gain on sale of investments - net                                                                                                         |      | 1,298,239            | 91,237           |
| Net unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss' | 5.2  | 561,730              | (294,424)        |
|                                                                                                                                                   |      | <u>1,859,969</u>     | <u>(203,187)</u> |
| <b>Total income</b>                                                                                                                               |      | <b>2,170,382</b>     | <b>32,249</b>    |
| <b>Expenses</b>                                                                                                                                   |      |                      |                  |
| Remuneration of ABL Asset Management Company Limited - Management Company                                                                         | 9.1  | 123,871              | 84,936           |
| Punjab Sales Tax on remuneration of the Management Company                                                                                        | 9.2  | 19,819               | 13,590           |
| Accounting and operational charges                                                                                                                | 9.4  | 6,187                | 4,247            |
| Selling and marketing expenses                                                                                                                    | 9.5  | 86,618               | 54,303           |
| Remuneration of the Central Depository Company of Pakistan Limited - Trustee                                                                      | 10.1 | 7,193                | 5,247            |
| Sindh Sales Tax on remuneration of the Trustee                                                                                                    | 10.2 | 935                  | 682              |
| Annual fees to the Securities and Exchange Commission of Pakistan                                                                                 | 11.1 | 1,239                | 849              |
| Brokerage and securities transaction costs                                                                                                        |      | 46,750               | 17,113           |
| Auditors' remuneration                                                                                                                            | 14   | 560                  | 739              |
| Legal and professional charges                                                                                                                    |      | 114                  | 121              |
| Printing charges                                                                                                                                  |      | 75                   | 122              |
| Listing fee                                                                                                                                       |      | 47                   | 28               |
| Settlement and bank charges                                                                                                                       |      | 3,398                | 1,598            |
| <b>Total operating expenses</b>                                                                                                                   |      | <b>296,806</b>       | <b>183,575</b>   |
| <b>Profit / (loss) for the year before taxation</b>                                                                                               |      | <b>1,873,576</b>     | <b>(151,326)</b> |
| Taxation                                                                                                                                          | 16   | -                    | -                |
| <b>Net profit / (loss) for the year after taxation</b>                                                                                            |      | <b>1,873,576</b>     | <b>(151,326)</b> |
| <b>Earnings per unit</b>                                                                                                                          | 17   | -                    | -                |
| <b>Allocation of net income for the year</b>                                                                                                      |      |                      |                  |
| Net income for the year after taxation                                                                                                            |      | 1,873,576            | -                |
| Income already paid on units redeemed                                                                                                             |      | (625,255)            | -                |
|                                                                                                                                                   |      | <u>1,248,321</u>     | <u>-</u>         |
| <b>Accounting income available for distribution:</b>                                                                                              |      |                      |                  |
| - Relating to capital gains                                                                                                                       |      | 1,859,969            | -                |
| - Excluding capital gains                                                                                                                         |      | (611,648)            | -                |
|                                                                                                                                                   |      | <u>1,248,321</u>     | <u>-</u>         |

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

For ABL Asset Management Company Limited  
(Management Company)

  
Saqib Matin  
Chief Financial Officer

  
Alee Khalid Ghaznavi  
Chief Executive Officer

  
Pervaiz Iqbal Butt  
Director

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**ABL STOCK FUND**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED JUNE 30, 2021**

|                                                         | 2021             | 2020             |
|---------------------------------------------------------|------------------|------------------|
|                                                         | Rupees ' 000     |                  |
| Net income / (loss) for the year after taxation         | 1,873,576        | (151,326)        |
| Other comprehensive income for the year                 | -                | -                |
| <b>Total comprehensive income / (loss) for the year</b> | <b>1,873,576</b> | <b>(151,326)</b> |

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

For ABL Asset Management Company Limited  
(Management Company)

  
Saqib Matin  
Chief Financial Officer

  
Alea Khalid Ghaznavi  
Chief Executive Officer

  
Pervaiz Iqbal Butt  
Director

**ABL**  
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**ABL STOCK FUND**  
**STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND**  
**FOR THE YEAR ENDED JUNE 30, 2021**

|                                                       | 2021             |                      |                  | 2020             |                      |                  |
|-------------------------------------------------------|------------------|----------------------|------------------|------------------|----------------------|------------------|
|                                                       | Capital value    | Undistributed income | Total            | Capital value    | Undistributed income | Total            |
|                                                       | (Rupees in '000) |                      |                  |                  |                      |                  |
| Net assets at beginning of the year                   | 3,310,509        | 1,116,277            | 4,426,786        | 2,684,397        | 1,267,603            | 3,952,000        |
| Issue of 540,741,874 (2020: 266,420,070) units        |                  |                      |                  |                  |                      |                  |
| - Capital value (at at ex - net asset value per unit) | 6,288,345        | -                    | 6,288,345        | 3,123,852        | -                    | 3,123,852        |
| - Element of income                                   | 1,854,837        | -                    | 1,854,837        | 144,998          | -                    | 144,998          |
| Total proceeds on issuance of units                   | 8,143,182        | -                    | 8,143,182        | 3,268,850        | -                    | 3,268,850        |
| Redemption of 512,779,486 (2020: 220,392,902) units   |                  |                      |                  |                  |                      |                  |
| - Capital value (at at ex - net asset value per unit) | 5,960,446        | -                    | 5,960,446        | 2,584,170        | -                    | 2,584,170        |
| - Element of income                                   | 1,241,977        | 625,255              | 1,867,232        | 58,568           | -                    | 58,568           |
| Total payments on redemption of units                 | 7,202,423        | 625,255              | 7,827,678        | 2,642,738        | -                    | 2,642,738        |
| Total comprehensive income / (loss) for the year      | -                | 1,873,576            | 1,873,576        | -                | (151,326)            | (151,326)        |
| Distribution during the year                          | -                | -                    | -                | -                | -                    | -                |
| - Re. 0.2382 per unit on June 27, 2021 (2020: nil)    | (31,278)         | (66,381)             | (97,659)         | -                | -                    | -                |
|                                                       | (31,278)         | 1,807,195            | 1,775,917        | -                | (151,326)            | (151,326)        |
| <b>Net assets at end of the year</b>                  | <b>4,219,990</b> | <b>2,298,217</b>     | <b>6,518,207</b> | <b>3,310,509</b> | <b>1,116,277</b>     | <b>4,426,786</b> |
| Undistributed income brought forward                  |                  |                      |                  |                  |                      |                  |
| - Realised income                                     |                  | 1,410,701            |                  |                  | 2,014,259            |                  |
| - Unrealised loss                                     |                  | (294,424)            |                  |                  | (746,656)            |                  |
|                                                       |                  | 1,116,277            |                  |                  | 1,267,603            |                  |
| Accounting income available for distribution          |                  |                      |                  |                  |                      |                  |
| - Relating to capital gains                           |                  | 1,859,969            |                  |                  |                      |                  |
| - Excluding capital gains                             |                  | (611,648)            |                  |                  |                      |                  |
|                                                       |                  | 1,248,321            |                  |                  |                      |                  |
| Net loss for the year after taxation                  |                  | -                    |                  |                  | (151,326)            |                  |
| Distribution during the year                          |                  | (66,381)             |                  |                  | -                    |                  |
| Undistributed income carried forward                  |                  | 2,298,217            |                  |                  | 1,116,277            |                  |
| Undistributed income carried forward                  |                  |                      |                  |                  |                      |                  |
| - Realised income                                     |                  | 1,736,487            |                  |                  | 1,410,701            |                  |
| - Unrealised income / (loss)                          |                  | 561,730              |                  |                  | (294,424)            |                  |
|                                                       |                  | 2,298,217            |                  |                  | 1,116,277            |                  |
|                                                       |                  | (Rupees)             |                  |                  | (Rupees)             |                  |
| Net assets value per unit at beginning of the year    |                  | 11.5559              |                  |                  | 11.7253              |                  |
| Net assets value per unit at end of the year          |                  | 15.8579              |                  |                  | 11.5559              |                  |

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

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

  
Saqib Matin  
Chief Financial Officer

  
Alee Khalid Ghaznavi  
Chief Executive Officer

  
Pervaiz Iqbal Butt  
Director



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# ABL STOCK FUND

## CASH FLOW STATEMENT

### FOR THE YEAR ENDED JUNE 30, 2021

|                                                                                                                                                 | Note | 2021                     | 2020        |
|-------------------------------------------------------------------------------------------------------------------------------------------------|------|--------------------------|-------------|
|                                                                                                                                                 |      | -----Rupees in '000----- |             |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                                                                                     |      |                          |             |
| Net income / (loss) for the period after taxation                                                                                               |      | 1,873,576                | (151,326)   |
| <b>Adjustments for:</b>                                                                                                                         |      |                          |             |
| Profit on saving accounts                                                                                                                       |      | (13,076)                 | (37,383)    |
| Dividend income                                                                                                                                 |      | (297,337)                | (198,053)   |
| Net unrealised appreciation / diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss' | 5.2  | (561,730)                | 294,424     |
|                                                                                                                                                 |      | (872,143)                | 58,988      |
| <b>Decrease in assets</b>                                                                                                                       |      |                          |             |
| Prepayments and other receivable                                                                                                                |      | -                        | (31)        |
| <b>Increase / (decrease) in liabilities</b>                                                                                                     |      |                          |             |
| Payable to ABL Asset Management Company Limited - Management Company                                                                            |      | 19,922                   | 22,230      |
| Payable to the Central Depository Company of Pakistan - Trustee                                                                                 |      | 234                      | 21          |
| Payable to the Securities and Exchange Commission of Pakistan                                                                                   |      | 390                      | (4,486)     |
| Accrued expenses and other liabilities                                                                                                          |      | 24,564                   | 2,200       |
|                                                                                                                                                 |      | 45,110                   | 19,965      |
|                                                                                                                                                 |      | 1,046,543                | (72,404)    |
| Dividend received                                                                                                                               |      | 297,000                  | 197,333     |
| Profit received on saving accounts                                                                                                              |      | 13,543                   | 39,780      |
| Net amount paid on purchase and sale of investments                                                                                             |      | (1,671,931)              | (861,883)   |
| <b>Net cash used in operating activities</b>                                                                                                    |      | (314,845)                | (697,174)   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                                                                                     |      |                          |             |
| Net receipts from issue of units                                                                                                                |      | 8,072,164                | 3,268,550   |
| Net payments on redemption of units                                                                                                             |      | (7,823,373)              | (2,644,640) |
| Distribution paid                                                                                                                               |      | (66,381)                 | -           |
| <b>Net cash generated from financing activities</b>                                                                                             |      | 182,410                  | 623,910     |
| <b>Net decrease in cash and cash equivalents</b>                                                                                                |      | (132,435)                | (73,264)    |
| Cash and cash equivalents at the beginning of the year                                                                                          |      | 227,588                  | 300,852     |
| <b>Cash and cash equivalents at the end of the year</b>                                                                                         | 4    | 95,153                   | 227,588     |

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

For ABL Asset Management Company Limited  
(Management Company)

  
Saqib Matin  
Chief Financial Officer

  
Alee Khalid Ghaznavi  
Chief Executive Officer

  
Pervaiz Iqbal Butt  
Director

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# ABL STOCK FUND

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS AS AT JUNE 30, 2021

### 1 LEGAL STATUS AND NATURE OF BUSINESS

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

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

- 1.2 The Fund has been categorised as an open ended equity scheme by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at a par value of Rs 10 per unit. Thereafter, the units are being offered for public subscription on a continuous basis from June 28, 2009 and are transferable and redeemable by surrendering them to the Fund.
- 1.3 The objective of the Fund is to provide higher risk adjusted returns to the investors by investing in diversified portfolio of equity instruments offering capital gains and dividends. The investment objectives and policies are explained in the Fund's offering document.
- 1.4 The title to the assets of the Fund is held in the name of the Central Depository Company of Pakistan Limited as the Trustee of the Fund.

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

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

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

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

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

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

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

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



**a) New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2021**

The following standards, amendments and interpretations are effective for the year ended June 30, 2021. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

|                                                                                                                                                                                              | <b>Effective from Accounting period<br/>beginning on or after</b> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|
| - Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions                                                                                                                          | June 01, 2020                                                     |
| - Amendments to the conceptual framework for financial reporting, including amendments to references to the conceptual framework in IFRS                                                     | January 01, 2020                                                  |
| - Amendments to IFRS 3 'Business Combinations' - Definition of a business                                                                                                                    | January 01, 2020                                                  |
| - Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of material                            | January 01, 2020                                                  |
| - Amendments to IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement' and IFRS 7 'Financial Instruments: Disclosures' - Interest rate benchmark reform | January 01, 2020                                                  |

Certain annual improvements have also been made to a number of IFRSs.

**b) New accounting standards, amendments and IFRS interpretations that are not yet effective**

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

|                                                                                                                                       | <b>Effective from Accounting period<br/>beginning on or after</b> |
|---------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|
| - Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)                                 | January 01, 2021                                                  |
| - Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions extended beyond June 30, 2021                                     | April 01, 2021                                                    |
| - Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework                                                | January 01, 2022                                                  |
| - Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use                                                 | January 01, 2022                                                  |
| - Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract | January 01, 2022                                                  |
| - Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current                | January 01, 2023                                                  |
| - Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies                                      | January 01, 2023                                                  |
| - Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates          | January 01, 2023                                                  |
| - Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.             | January 01, 2023                                                  |

Certain annual improvements have also been made to a number of IFRSs.

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 17 – Insurance Contracts

**2.4 Critical accounting estimates and judgments**

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

The estimates and judgments that have a significant effect on the financial statements of the Fund relate to classification, valuation and impairment of financial assets (notes 3.3 and 5) , provision for SWWF (note 12.1), provision for Federal Excise Duty (note 9.3) and provision for taxation (notes 3.12 and 17).

## **2.5 Accounting convention**

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

## **2.6 Functional and presentation currency**

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

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

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

### **3.2 Cash and cash equivalents**

These comprise balances with banks in savings and current accounts.

### **3.3 Financial assets**

#### **3.3.1 Initial Measurement**

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

#### **3.3.2 Classification and subsequent measurement**

##### **Debt instruments**

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

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

##### **Equity instruments**

The investment of the fund in equity securities is valued on the basis of quoted market price available at the stock exchange.

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

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

#### **3.3.2.1 Impairment**

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

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

### 3.3.2.2 Impairment loss on debt securities

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

### 3.3.2.3 Regular way contracts

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

### 3.3.2.4 Derecognition

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

## 3.4 Financial liabilities

All financial liabilities are recorded at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognised at fair value and subsequently stated at amortised cost. A financial liability is discharged when the obligation under the liability is discharged, cancelled or expired.

## 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 Issue and redemption of units

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

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

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

### 3.10 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.
- Dividend income is recognised when the right to receive the dividend is established.
- Profit on bank deposits is recognised on an accrual basis

### 3.11 Expenses

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

### 3.12 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.

### 3.13 Earnings / (loss) per unit

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

### 3.14 Foreign currency translation

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

| 4   | BANK BALANCES                                                                                                                                                                                                                                                                                                          | Note | 2021                     | 2020             |
|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|--------------------------|------------------|
|     |                                                                                                                                                                                                                                                                                                                        |      | -----Rupees in '000----- |                  |
|     | Balances with banks in:                                                                                                                                                                                                                                                                                                |      |                          |                  |
|     | Savings accounts                                                                                                                                                                                                                                                                                                       | 4.1  | 95,140                   | 227,574          |
|     | Current accounts                                                                                                                                                                                                                                                                                                       | 4.2  | 13                       | 14               |
|     |                                                                                                                                                                                                                                                                                                                        |      | <u>95,153</u>            | <u>227,588</u>   |
| 4.1 | This includes balances of Rs 16.185 million (2020: Rs 70.051 million) maintained with Allied Bank Limited (a related party) that carry profit at 5.00% per annum (2020: 6.00% per annum). Other saving account of the Fund carry profit rates ranging from 5.00 % to 6.30% per annum (2020: 5.00% to 6.00% per annum). |      |                          |                  |
| 4.2 | This includes balance amounting to Rs. 0.006 million (2020: Rs. 0.008 million) maintained with Allied Bank Limited (a related party).                                                                                                                                                                                  |      |                          |                  |
| 5   | INVESTMENTS                                                                                                                                                                                                                                                                                                            | Note | 2021                     | 2020             |
|     |                                                                                                                                                                                                                                                                                                                        |      | -----Rupees in '000----- |                  |
|     | At fair value through profit or loss                                                                                                                                                                                                                                                                                   |      |                          |                  |
|     | - Quoted equity securities                                                                                                                                                                                                                                                                                             | 5.1  | <u>6,495,042</u>         | <u>4,345,546</u> |

## 5.1 Quoted equity securities

Ordinary shares have a face value of Rs 10/= each except for the shares of Thal Limited which has face value of Rs. 5.

| Name of the investee Company                          | Note  | Number of shares / certificates |                             |                                                 |                        |                     | Balance as at June 30, 2021 |              |                            | Market value as a percentage of |                                   | Holding as a percentage of paid-up capital of investee company |
|-------------------------------------------------------|-------|---------------------------------|-----------------------------|-------------------------------------------------|------------------------|---------------------|-----------------------------|--------------|----------------------------|---------------------------------|-----------------------------------|----------------------------------------------------------------|
|                                                       |       | As at July 1, 2020              | Purchased during the period | Bonus / right shares received during the period | Sold during the period | As at June 30, 2021 | Carrying value              | Market value | Appreciation/ (diminution) | Net assets of the Fund          | Total market value of investments |                                                                |
|                                                       |       |                                 |                             |                                                 |                        |                     |                             |              |                            |                                 |                                   |                                                                |
| Number of shares held                                 |       |                                 |                             |                                                 |                        |                     | Rupees in '000              |              |                            | percentage                      |                                   |                                                                |
| OIL AND GAS MARKETING COMPANIES                       |       |                                 |                             |                                                 |                        |                     |                             |              |                            |                                 |                                   |                                                                |
| Hascol Petroleum Limited                              | 5.1.2 | 51,544                          | -                           | -                                               | -                      | 51,544              | 701                         | 460          | (241)                      | 0.01%                           | 0.01%                             | 0.01%                                                          |
| Shell Pakistan Limited                                |       | 190,400                         | -                           | -                                               | 190,400                | -                   | -                           | -            | -                          | 0.00%                           | 0.00%                             | 0.00%                                                          |
| Sui Northern Gas Pipelines Limited                    |       | 207,000                         | 5,844,000                   | -                                               | 3,411,000              | 2,640,000           | 118,901                     | 128,251      | 9,350                      | 1.97%                           | 1.97%                             | 0.42%                                                          |
| Hi-Tech Lubricants Limited                            |       | -                               | 1,250,000                   | -                                               | 650,000                | 600,000             | 44,895                      | 42,546       | (2,349)                    | 0.65%                           | 0.66%                             | 0.52%                                                          |
| Pakistan State Oil Company Limited                    | 5.1.2 | 338,307                         | 1,296,000                   | -                                               | 1,432,000              | 202,307             | 43,681                      | 45,367       | 1,686                      | 0.70%                           | 0.70%                             | 0.04%                                                          |
|                                                       |       |                                 |                             |                                                 |                        |                     | 208,178                     | 216,624      | 8,446                      | 3.33%                           | 3.34%                             |                                                                |
| OIL AND GAS EXPLORATION COMPANIES                     |       |                                 |                             |                                                 |                        |                     |                             |              |                            |                                 |                                   |                                                                |
| Oil & Gas Development Company Limited                 | 5.1.1 | 3,885,056                       | 3,171,000                   | -                                               | 4,441,978              | 2,614,078           | 266,220                     | 248,416      | (17,804)                   | 3.81%                           | 3.82%                             | 0.06%                                                          |
| Pakistan Oilfields Limited                            |       | 158,282                         | 181,300                     | -                                               | 335,000                | 4,582               | 1,785                       | 1,805        | 20                         | 0.03%                           | 0.03%                             | 0.00%                                                          |
| Mari Petroleum Company Limited                        |       | 286,191                         | 61,360                      | -                                               | 125,360                | 222,191             | 293,452                     | 338,706      | 45,254                     | 5.20%                           | 5.21%                             | 0.17%                                                          |
| Pakistan Petroleum Limited                            | 5.1.1 | 2,212,866                       | 3,144,551                   | -                                               | 3,298,803              | 2,058,614           | 185,904                     | 178,749      | (7,155)                    | 2.74%                           | 2.75%                             | 0.08%                                                          |
|                                                       |       |                                 |                             |                                                 |                        |                     | 747,361                     | 767,676      | 20,315                     | 11.78%                          | 11.81%                            | 0.00%                                                          |
| FERTILIZERS                                           |       |                                 |                             |                                                 |                        |                     |                             |              |                            |                                 |                                   |                                                                |
| Engro Fertilizers Limited                             |       | 2,230,000                       | -                           | -                                               | 2,226,996              | 3,004               | 181                         | 211          | 30                         | 0.00%                           | 0.00%                             | 0.00%                                                          |
| Engro Corporation Limited                             | 5.1.1 | 932,150                         | 615,000                     | -                                               | 809,376                | 737,774             | 218,821                     | 217,356      | (1,465)                    | 3.33%                           | 3.35%                             | 0.13%                                                          |
| Fauji Fertilizer Company Limited                      |       | 183,581                         | 3,360,920                   | -                                               | 3,303,914              | 240,587             | 25,813                      | 25,526       | (287)                      | 0.39%                           | 0.39%                             | 0.02%                                                          |
| Fauji Fertilizer Bin Qasim Limited                    |       | 143,000                         | 8,457,000                   | 984,512                                         | 7,020,000              | 2,564,512           | 62,298                      | 67,729       | 5,431                      | 1.04%                           | 1.04%                             | 0.20%                                                          |
| Fatima Fertilizer Company Limited                     |       | 421,500                         | -                           | -                                               | 416,000                | 5,500               | 147                         | 158          | 11                         | 0.00%                           | 0.00%                             | 0.00%                                                          |
|                                                       |       |                                 |                             |                                                 |                        |                     | 307,260                     | 310,980      | 3,720                      | 4.76%                           | 4.78%                             |                                                                |
| ENGINEERING                                           |       |                                 |                             |                                                 |                        |                     |                             |              |                            |                                 |                                   |                                                                |
| International Industries Limited                      |       | -                               | 1,625,000                   | -                                               | 1,365,600              | 259,400             | 56,842                      | 54,739       | (2,103)                    | 0.84%                           | 0.84%                             | 0.20%                                                          |
| Amreli Steels Limited                                 |       | -                               | 400,000                     | -                                               | 400,000                | -                   | -                           | -            | -                          | 0.00%                           | 0.00%                             | 0.00%                                                          |
| Agha Steel Industries Limited                         |       | -                               | 2,192,500                   | -                                               | 2,190,000              | 2,500               | 96                          | 84           | (12)                       | 0.00%                           | 0.00%                             | 0.00%                                                          |
| Aisha Steel Mills Limited                             |       | -                               | 18,625,000                  | -                                               | 11,215,000             | 7,410,000           | 175,989                     | 184,583      | 8,594                      | 2.83%                           | 2.84%                             | 0.97%                                                          |
| International Steels Limited                          |       | -                               | 1,285,156                   | -                                               | 1,285,000              | 156                 | 14                          | 15           | 1                          | 0.00%                           | 0.00%                             | 0.00%                                                          |
| Mughal Iron And Steel Industries Ltd                  | 5.1.2 | 1,073,721                       | 3,235,000                   | 178,126                                         | 2,893,000              | 1,593,847           | 158,266                     | 166,398      | 8,132                      | 2.55%                           | 2.56%                             | 0.55%                                                          |
|                                                       |       |                                 |                             |                                                 |                        |                     | 391,207                     | 405,819      | 14,612                     | 6.22%                           | 6.24%                             |                                                                |
| CEMENT                                                |       |                                 |                             |                                                 |                        |                     |                             |              |                            |                                 |                                   |                                                                |
| D.G. Khan Cement Company Limited                      |       | 400                             | 2,356,270                   | -                                               | 2,350,775              | 5,895               | 771                         | 695          | (76)                       | 0.01%                           | 0.01%                             | 0.00%                                                          |
| Pioneer Cement Limited                                |       | 1,433,000                       | 3,663,000                   | -                                               | 3,597,500              | 1,498,500           | 162,001                     | 196,408      | 34,407                     | 3.01%                           | 3.02%                             | 0.66%                                                          |
| Cherat Cement Company Limited                         |       | 500                             | 1,361,000                   | -                                               | 643,400                | 718,100             | 117,161                     | 127,377      | 10,216                     | 1.95%                           | 1.96%                             | 0.37%                                                          |
| Attock Cement Pakistan Limited                        |       | -                               | 114,000                     | -                                               | 114,000                | -                   | -                           | -            | -                          | 0.00%                           | 0.00%                             | 0.00%                                                          |
| Power Cement Limited                                  |       | -                               | 3,400,000                   | -                                               | 3,400,000              | -                   | -                           | -            | -                          | 0.00%                           | 0.00%                             | 0.00%                                                          |
| Flying Cement Company Limited                         |       | -                               | 3,556,000                   | -                                               | 3,460,500              | 95,500              | 1,886                       | 2,032        | 146                        | 0.03%                           | 0.03%                             | 0.03%                                                          |
| Maple Leaf Cement Factory Limited                     | 5.1.1 | 498,849                         | 13,176,122                  | -                                               | 7,668,000              | 6,006,971           | 271,335                     | 282,207      | 10,872                     | 4.33%                           | 4.34%                             | 0.55%                                                          |
| Fauji Cement Company Limited                          |       | 47,500                          | 3,550,000                   | -                                               | 3,595,500              | 2,000               | 43                          | 46           | 3                          | 0.00%                           | 0.00%                             | 0.00%                                                          |
| Kohat Cement Company Limited                          | 5.1.1 | 1,667,490                       | 847,200                     | -                                               | 1,149,800              | 1,364,890           | 228,432                     | 281,836      | 53,404                     | 4.32%                           | 4.34%                             | 0.68%                                                          |
| Lucky Cement Limited                                  |       | 562,900                         | 885,991                     | -                                               | 899,787                | 549,104             | 377,753                     | 474,118      | 96,365                     | 7.27%                           | 7.30%                             | 0.17%                                                          |
|                                                       |       |                                 |                             |                                                 |                        |                     | 1,159,382                   | 1,364,719    | 205,337                    | 20.92%                          | 21.00%                            |                                                                |
| PAPER & BOARD                                         |       |                                 |                             |                                                 |                        |                     |                             |              |                            |                                 |                                   |                                                                |
| Packages Limited                                      |       | 100                             | -                           | -                                               | -                      | 100                 | 35                          | 55           | 20                         | 0.00%                           | 0.00%                             | 0.00%                                                          |
| Century Paper & Board Mills Limited                   |       | 666,000                         | 400,000                     | 1,700                                           | 1,067,700              | -                   | -                           | -            | -                          | 0.00%                           | 0.00%                             | 0.00%                                                          |
|                                                       |       |                                 |                             |                                                 |                        |                     | 35                          | 55           | 20                         | 0.00%                           | 0.00%                             |                                                                |
| AUTOMOBILE ASSEMBLER                                  |       |                                 |                             |                                                 |                        |                     |                             |              |                            |                                 |                                   |                                                                |
| Indus Motor Company Limited                           |       | -                               | 42,000                      | -                                               | 41,100                 | 900                 | 1,225                       | 1,129        | (96)                       | 0.02%                           | 0.02%                             | 0.00%                                                          |
| Ghandhara Industries Limited                          |       | -                               | 125,000                     | -                                               | -                      | 125,000             | 36,843                      | 34,878       | (1,965)                    | 0.54%                           | 0.54%                             | 0.29%                                                          |
| Pak Suzuki Motor Company Limited                      |       | -                               | 703,000                     | -                                               | 699,800                | 3,200               | 1,108                       | 1,137        | 29                         | 0.02%                           | 0.02%                             | 0.00%                                                          |
| Honda Atlas Cars (Pakistan) Limited                   |       | -                               | 623,000                     | -                                               | 445,700                | 177,300             | 58,431                      | 61,307       | 2,876                      | 0.94%                           | 0.94%                             | 0.12%                                                          |
| Millat Tractors Limited                               | 78    | 76,550                          | 4,991                       | 79,200                                          | 2,419                  |                     | 2,453                       | 2,612        | 159                        | 0.04%                           | 0.04%                             | 0.00%                                                          |
|                                                       |       |                                 |                             |                                                 |                        |                     | 100,060                     | 101,063      | 1,003                      | 1.56%                           | 1.56%                             |                                                                |
| AUTOMOBILE PARTS & ACCESSORIES                        |       |                                 |                             |                                                 |                        |                     |                             |              |                            |                                 |                                   |                                                                |
| Panther Tyres Ltd.                                    |       | -                               | 175,000                     | -                                               | 175,000                | -                   | -                           | -            | -                          | 0.00%                           | 0.00%                             | 0.00%                                                          |
| Thal Limited *                                        |       | 191,950                         | 150,000                     | -                                               | 270,900                | 71,050              | 29,692                      | 30,039       | 347                        | 0.46%                           | 0.46%                             | 0.09%                                                          |
| The General Tyre & Rubber Company Of Pakistan Limited |       | -                               | 216,500                     | -                                               | 216,000                | 500                 | 45                          | 44           | (1)                        | 0.00%                           | 0.00%                             | 0.00%                                                          |
|                                                       |       |                                 |                             |                                                 |                        |                     | 29,737                      | 30,083       | 346                        | 0.46%                           | 0.46%                             |                                                                |
| FOOD AND PERSONAL CARE PRODUCTS                       |       |                                 |                             |                                                 |                        |                     |                             |              |                            |                                 |                                   |                                                                |
| Fauji Foods Limited                                   |       | -                               | 3,000,000                   | -                                               | 1,000,000              | 2,000,000           | 34,859                      | 36,120       | 1,261                      | 0.55%                           | 0.56%                             | 0.25%                                                          |
| Unity Foods Limited                                   |       | -                               | 13,500,000                  | 2,488,833                                       | 14,365,000             | 1,623,833           | 62,350                      | 72,293       | 9,943                      | 1.11%                           | 1.11%                             | 0.16%                                                          |
| Treet Corporation Limited                             |       | -                               | 1,000,000                   | -                                               | 1,000,000              | -                   | -                           | -            | -                          | 0.00%                           | 0.00%                             | 0.00%                                                          |
| At-Tahur Limited                                      | 537   | 2,000,000                       |                             | 53                                              | 1,852,000              | 148,590             | 3,026                       | 3,462        | 436                        | 0.05%                           | 0.05%                             | 0.08%                                                          |
|                                                       |       |                                 |                             |                                                 |                        |                     | 100,235                     | 111,875      | 11,640                     | 1.71%                           | 1.72%                             |                                                                |

| Name of the investee Company            | Note  | Number of shares / certificates |                             |                                                 |                        |                     | Balance as at June 30, 2021 |              |                            | Market value as a percentage of |                                   | Holding as a percentage of paid-up capital of investee company |  |
|-----------------------------------------|-------|---------------------------------|-----------------------------|-------------------------------------------------|------------------------|---------------------|-----------------------------|--------------|----------------------------|---------------------------------|-----------------------------------|----------------------------------------------------------------|--|
|                                         |       | As at July 1, 2020              | Purchased during the period | Bonus / right shares received during the period | Sold during the period | As at June 30, 2021 | Carrying value              | Market value | Appreciation/ (diminution) | Net assets of the Fund          | Total market value of investments |                                                                |  |
|                                         |       |                                 |                             |                                                 |                        |                     |                             |              |                            |                                 |                                   |                                                                |  |
| Number of shares held                   |       |                                 |                             |                                                 |                        |                     | Rupees in '000              |              |                            | percentage                      |                                   |                                                                |  |
| GLASS & CERAMICS                        |       |                                 |                             |                                                 |                        |                     |                             |              |                            |                                 |                                   |                                                                |  |
| Tariq Glass Industries Ltd              |       | 614,750                         | 730,000                     | 5,312                                           | 1,341,000              | 9,062               | 909                         | 964          | 55                         | 0.01%                           | 0.01%                             | 0.01%                                                          |  |
| Ghani Global Glass Limited              |       | -                               | 600,000                     | -                                               | 600,000                | -                   | -                           | -            | -                          | 0.00%                           | 0.00%                             | 0.00%                                                          |  |
| Shabbir Tiles & Ceramics Limited        |       | -                               | 5,372,500                   | -                                               | 5,353,500              | 19,000              | 615                         | 634          | 19                         | 0.01%                           | 0.01%                             | 0.01%                                                          |  |
|                                         |       |                                 |                             |                                                 |                        |                     | 1,524                       | 1,598        | 74                         | 0.02%                           | 0.02%                             |                                                                |  |
| CABLE AND ELECTRICAL GOODS              |       |                                 |                             |                                                 |                        |                     |                             |              |                            |                                 |                                   |                                                                |  |
| Waves Singer Pakistan Limited           |       | 4,000                           | 2,050,000                   | -                                               | 2,054,000              | -                   | -                           | -            | -                          | 0.00%                           | 0.00%                             | 0.00%                                                          |  |
| Pak Elektron Limited                    |       | -                               | 1,700,000                   | -                                               | 1,700,000              | -                   | -                           | -            | -                          | 0.00%                           | 0.00%                             | 0.00%                                                          |  |
|                                         |       |                                 |                             |                                                 |                        |                     | -                           | -            | -                          | 0.00%                           | 0.00%                             |                                                                |  |
| TEXTILE COMPOSITE                       |       |                                 |                             |                                                 |                        |                     |                             |              |                            |                                 |                                   |                                                                |  |
| Nishat Mills Limited                    | 5.1.1 | 1,005,000                       | 2,653,000                   | -                                               | 3,131,500              | 526,500             | 50,892                      | 49,122       | (1,770)                    | 0.75%                           | 0.76%                             | 0.15%                                                          |  |
| Kohinoor Textile Mills Limited          |       | 1,970,500                       | 200,000                     | -                                               | 1,150,000              | 1,020,500           | 40,191                      | 76,742       | 36,551                     | 1.18%                           | 1.18%                             | 0.34%                                                          |  |
| Gul Ahmed Textile Mills Limited         | 5.1.3 | 1,363,000                       | 4,050,000                   | 396,600                                         | 1,902,000              | 3,907,600           | 158,241                     | 198,233      | 39,992                     | 3.04%                           | 3.05%                             | 0.76%                                                          |  |
| Feroze1888 Mills Limited                |       | 3,700                           | -                           | -                                               | -                      | 3,700               | 303                         | 372          | 69                         | 0.01%                           | 0.01%                             | 0.00%                                                          |  |
| Interloop Limited                       |       | 2,000                           | 3,504,500                   | -                                               | 1,690,000              | 1,816,500           | 132,829                     | 127,209      | (5,620)                    | 1.95%                           | 1.96%                             | 0.21%                                                          |  |
| Nishat (Chunian) Limited                |       | 43,500                          | 3,060,000                   | -                                               | 2,170,000              | 933,500             | 49,642                      | 46,946       | (2,696)                    | 0.72%                           | 0.72%                             | 0.39%                                                          |  |
|                                         |       |                                 |                             |                                                 |                        |                     | 432,098                     | 498,624      | 66,526                     | 7.65%                           | 7.68%                             |                                                                |  |
| TECHNOLOGY AND COMMUNICATION            |       |                                 |                             |                                                 |                        |                     |                             |              |                            |                                 |                                   |                                                                |  |
| Systems Limited                         |       | 569,150                         | 190,200                     | 22,215                                          | 443,700                | 337,865             | 94,552                      | 189,279      | 94,727                     | 2.90%                           | 2.91%                             | 0.25%                                                          |  |
| Pakistan Telecommunication Company Ltd. |       | 71,000                          | 12,150,000                  | -                                               | 9,250,000              | 2,971,000           | 34,410                      | 35,177       | 767                        | 0.54%                           | 0.54%                             | 0.08%                                                          |  |
| Telecard Limited                        |       | -                               | 1,949,000                   | -                                               | 1,900,000              | 49,000              | 645                         | 727          | 82                         | 0.01%                           | 0.01%                             | 0.02%                                                          |  |
| WorldCall Telecom Limited               |       | -                               | 10,500,000                  | -                                               | 10,000,000             | 500,000             | 1,950                       | 1,980        | 30                         | 0.03%                           | 0.03%                             | 0.03%                                                          |  |
| TRG Pakistan Limited                    |       | -                               | 7,065,706                   | -                                               | 5,651,234              | 1,414,472           | 239,262                     | 235,269      | (3,993)                    | 3.61%                           | 3.62%                             | 0.26%                                                          |  |
| Hum Network Limited                     |       | -                               | 9,000,000                   | -                                               | 800,000                | 8,200,000           | 67,385                      | 65,764       | (1,621)                    | 1.01%                           | 1.01%                             | 8.68%                                                          |  |
| Avanceon Limited                        |       | 5,500                           | 775,000                     | 100                                             | 780,000                | 600                 | 40                          | 55           | 15                         | 0.00%                           | 0.00%                             | 0.00%                                                          |  |
| Netsol Technologies Limited             |       | 4,700                           | -                           | -                                               | -                      | 4,700               | 234                         | 799          | 565                        | 0.01%                           | 0.01%                             | 0.01%                                                          |  |
|                                         |       |                                 |                             |                                                 |                        |                     | 438,478                     | 529,050      | 90,572                     | 8.11%                           | 8.13%                             |                                                                |  |
| PHARMACEUTICALS                         |       |                                 |                             |                                                 |                        |                     |                             |              |                            |                                 |                                   |                                                                |  |
| AGP Limited                             |       | 200,000                         | -                           | -                                               | 190,000                | 10,000              | 1,097                       | 1,173        | 76                         | 0.02%                           | 0.02%                             | 0.00%                                                          |  |
| Glaxosmithkline Pakistan Limited        |       | 311,500                         | 16,000                      | -                                               | 323,300                | 4,200               | 730                         | 696          | (34)                       | 0.01%                           | 0.01%                             | 0.00%                                                          |  |
| The Searle Company Limited              | 5.1.2 | 85,290                          | 840,608                     | -                                               | 573,000                | 352,898             | 85,106                      | 85,620       | 514                        | 1.31%                           | 1.32%                             | 0.15%                                                          |  |
| Ferozsons Laboratories Limited          |       | 400                             | 12,700                      | 80                                              | 13,000                 | 180                 | 55                          | 64           | 9                          | 0.00%                           | 0.00%                             | 0.00%                                                          |  |
| Hightnoon Laboratories Limited          | 5.1.2 | 4,624                           | -                           | 462                                             | -                      | 5,086               | 2,318                       | 3,052        | 734                        | 0.05%                           | 0.05%                             | 0.01%                                                          |  |
|                                         |       |                                 |                             |                                                 |                        |                     | 89,306                      | 90,605       | 1,299                      | 1.39%                           | 1.40%                             |                                                                |  |
| POWER GENERATION AND DISTRIBUTION       |       |                                 |                             |                                                 |                        |                     |                             |              |                            |                                 |                                   |                                                                |  |
| The Hub Power Company Limited           | 5.1.1 | 3,226,826                       | 3,611,150                   | -                                               | 3,435,000              | 3,402,976           | 266,887                     | 271,115      | 4,228                      | 4.16%                           | 4.17%                             | 0.26%                                                          |  |
| K-Electric Limited **                   |       | -                               | 7,000,000                   | -                                               | 500,000                | 6,500,000           | 28,964                      | 27,170       | (1,794)                    | 0.42%                           | 0.42%                             | 0.02%                                                          |  |
| Kot Addu Power Company Limited          |       | -                               | 1,082,000                   | -                                               | 1,082,000              | -                   | -                           | -            | -                          | 0.00%                           | 0.00%                             | 0.00%                                                          |  |
| Lalpir Power Limited                    |       | -                               | 5,495,000                   | -                                               | 5,408,500              | 86,500              | 1,141                       | 1,545        | 404                        | 0.02%                           | 0.02%                             | 0.02%                                                          |  |
| Pakgen Power Limited                    |       | 1,748,000                       | -                           | -                                               | 1,700,000              | 48,000              | 576                         | 1,184        | 608                        | 0.02%                           | 0.02%                             | 0.01%                                                          |  |
|                                         |       |                                 |                             |                                                 |                        |                     | 297,568                     | 301,014      | 3,446                      | 4.62%                           | 4.63%                             |                                                                |  |
| REFINERY                                |       |                                 |                             |                                                 |                        |                     |                             |              |                            |                                 |                                   |                                                                |  |
| Attock Refinery Limited                 |       | -                               | 862,000                     | -                                               | 161,000                | 701,000             | 178,610                     | 179,771      | 1,161                      | 2.76%                           | 2.77%                             | 0.66%                                                          |  |
| Byco Petroleum Pakistan Limited         |       | -                               | 12,950,000                  | -                                               | 12,922,500             | 27,500              | 318                         | 319          | 1                          | 0.00%                           | 0.00%                             | 0.00%                                                          |  |
| National Refinery Limited               |       | -                               | 335,000                     | -                                               | 330,000                | 5,000               | 2,801                       | 2,616        | (185)                      | 0.04%                           | 0.04%                             | 0.01%                                                          |  |
| Pakistan Refinery Limited               |       | -                               | 9,852,000                   | -                                               | 9,126,000              | 726,000             | 19,259                      | 17,867       | (1,392)                    | 0.27%                           | 0.28%                             | 0.12%                                                          |  |
|                                         |       |                                 |                             |                                                 |                        |                     | 200,988                     | 200,573      | (415)                      | 3.07%                           | 3.09%                             |                                                                |  |
| COMMERCIAL BANKS                        |       |                                 |                             |                                                 |                        |                     |                             |              |                            |                                 |                                   |                                                                |  |
| Allied Bank Limited                     | 5.1.1 | 973,400                         | 460,000                     | -                                               | 810,500                | 622,900             | 49,523                      | 46,188       | (3,335)                    | 0.71%                           | 0.71%                             | 0.05%                                                          |  |
| Bank Al Habib Limited                   | 5.1.1 | 3,829,000                       | 175,000                     | -                                               | 1,948,123              | 2,055,877           | 110,297                     | 144,158      | 33,861                     | 2.21%                           | 2.22%                             | 0.18%                                                          |  |
| Bank Alfalah Limited                    | 5.1.1 | 3,663,422                       | 555,000                     | -                                               | 4,213,887              | 4,535               | 153                         | 146          | (7)                        | 0.00%                           | 0.00%                             | 0.00%                                                          |  |
| MCB Bank Limited                        |       | 376,832                         | 930,000                     | -                                               | 1,306,501              | 331                 | 57                          | 53           | (4)                        | 0.00%                           | 0.00%                             | 0.00%                                                          |  |
| Habib Bank Limited                      | 5.1.1 | 3,394,300                       | 2,846,300                   | -                                               | 2,835,000              | 3,405,600           | 390,814                     | 416,743      | 25,929                     | 6.39%                           | 6.42%                             | 0.23%                                                          |  |
| The Bank Of Punjab                      |       | 8,303,000                       | -                           | -                                               | 8,299,500              | 3,500               | 29                          | 29           | -                          | 0.00%                           | 0.00%                             | 0.00%                                                          |  |
| Faysal Bank Limited                     | 5.1.2 | 5,150                           | 2,500,000                   | -                                               | 2,500,000              | 5,150               | 105                         | 87           | (18)                       | 0.00%                           | 0.00%                             | 0.00%                                                          |  |
| Meezan Bank Limited                     | 5.1.1 | 1,129,900                       | 2,302,730                   | 71,990                                          | 1,865,000              | 1,639,620           | 151,319                     | 189,229      | 37,910                     | 2.90%                           | 2.91%                             | 0.12%                                                          |  |
| United Bank Limited                     |       | 2,095,600                       | 4,422,000                   | -                                               | 2,201,975              | 4,315,625           | 509,518                     | 527,369      | 17,851                     | 8.09%                           | 8.12%                             | 0.35%                                                          |  |
|                                         |       |                                 |                             |                                                 |                        |                     | 1,211,815                   | 1,324,002    | 112,187                    | 20.30%                          | 20.38%                            |                                                                |  |
| SUGAR & ALLIED INDUSTRIES               |       |                                 |                             |                                                 |                        |                     |                             |              |                            |                                 |                                   |                                                                |  |
| Faran Sugar Mills Limited               |       | 500                             | -                           | -                                               | -                      | 500                 | 20                          | 16           | (4)                        | 0.00%                           | 0.00%                             | 0.00%                                                          |  |
|                                         |       |                                 |                             |                                                 |                        |                     | 20                          | 16           | (4)                        | 0.00%                           | 0.00%                             |                                                                |  |

| Name of the investee Company                 | Note  | Number of shares / certificates |                             |                                                 |                        |                     | 0              |              |                            | Market value as a percentage of |                                   | Holding as a percentage of paid-up capital of investee company |  |
|----------------------------------------------|-------|---------------------------------|-----------------------------|-------------------------------------------------|------------------------|---------------------|----------------|--------------|----------------------------|---------------------------------|-----------------------------------|----------------------------------------------------------------|--|
|                                              |       | As at July 1, 2020              | Purchased during the period | Bonus / right shares received during the period | Sold during the period | As at June 30, 2021 | Carrying value | Market value | Appreciation/ (diminution) | Net assets of the Fund          | Total market value of investments |                                                                |  |
|                                              |       |                                 |                             |                                                 |                        |                     |                |              |                            |                                 |                                   |                                                                |  |
| Number of shares held                        |       |                                 |                             |                                                 |                        |                     | Rupees in '000 |              |                            | percentage                      |                                   |                                                                |  |
| INSURANCE                                    |       |                                 |                             |                                                 |                        |                     |                |              |                            |                                 |                                   |                                                                |  |
| IGI Holdings Limited                         |       | 123,800                         | -                           | -                                               | 120,300                | 3,500               | 633            | 677          | 44                         | 0.01%                           | 0.01%                             | 0.00%                                                          |  |
| Adamjee Insurance Company Limited            | 5.1.1 | 1,573,500                       | 844,000                     | -                                               | 2,412,500              | 5,000               | 221            | 207          | (14)                       | 0.00%                           | 0.00%                             | 0.00%                                                          |  |
|                                              |       |                                 |                             |                                                 |                        |                     | 854            | 884          | 30                         | 0.01%                           | 0.01%                             |                                                                |  |
| CHEMICAL                                     |       |                                 |                             |                                                 |                        |                     |                |              |                            |                                 |                                   |                                                                |  |
| ICI Pakistan Limited                         |       | 52,600                          | 10,700                      | -                                               | 63,100                 | 200                 | 141            | 174          | 33                         | 0.00%                           | 0.00%                             | 0.00%                                                          |  |
| Nimir Resins Limited                         |       | -                               | 1,000,000                   | -                                               | 1,000,000              | -                   | -              | -            | -                          | 0.00%                           | 0.00%                             | 0.00%                                                          |  |
| Lotte Chemical Pakistan Limited              |       | 50,000                          | 2,000,000                   | -                                               | 2,000,000              | 50,000              | 857            | 772          | (85)                       | 0.01%                           | 0.01%                             | 0.00%                                                          |  |
| Descon Oxychem Limited                       |       | 6,500                           | -                           | 1,040                                           | -                      | 7,540               | 194            | 202          | 8                          | 0.00%                           | 0.00%                             | 0.00%                                                          |  |
| Ghani Global Holdings Limited                |       | 6,000                           | 1,000,000                   | 4,956                                           | 1,000,000              | 10,956              | 194            | 544          | 350                        | 0.01%                           | 0.01%                             | 0.00%                                                          |  |
| Engro Polymer & Chemicals Limited            | 5.1.1 | 3,367,870                       | 6,721,500                   | -                                               | 7,537,000              | 2,552,370           | 103,305        | 120,574      | 17,269                     | 1.85%                           | 1.86%                             | 0.28%                                                          |  |
|                                              |       |                                 |                             |                                                 |                        |                     | 104,691        | 122,266      | 17,575                     | 1.87%                           | 1.88%                             |                                                                |  |
| INV. BANKS / INV. COS. / SECURITIES COS.     |       |                                 |                             |                                                 |                        |                     |                |              |                            |                                 |                                   |                                                                |  |
| Arif Habib Limited                           |       | 500                             | -                           | -                                               | -                      | 500                 | 16             | 41           | 25                         | 0.00%                           | 0.00%                             | 0.00%                                                          |  |
| Dawood Hercules Corporation Limited          |       | 100                             | -                           | -                                               | -                      | 100                 | 13             | 12           | (1)                        | 0.00%                           | 0.00%                             | 0.00%                                                          |  |
|                                              |       |                                 |                             |                                                 |                        |                     | 29             | 53           | 24                         | 0.00%                           | 0.00%                             |                                                                |  |
| TRANSPORT                                    |       |                                 |                             |                                                 |                        |                     |                |              |                            |                                 |                                   |                                                                |  |
| Pakistan International Bulk Terminal Limited |       | -                               | 18,750,000                  | -                                               | 14,650,000             | 4,100,000           | 48,380         | 46,658       | (1,722)                    | 0.72%                           | 0.72%                             | 0.23%                                                          |  |
|                                              |       |                                 |                             |                                                 |                        |                     | 48,380         | 46,658       | (1,722)                    | 0.72%                           | 0.72%                             |                                                                |  |
| LEATHER & TANNERIES                          |       |                                 |                             |                                                 |                        |                     |                |              |                            |                                 |                                   |                                                                |  |
| Service Industries Limited                   |       | -                               | 73,050                      | 52,400                                          | 42,650                 | 82,800              | 40,290         | 48,656       | 8,366                      | 0.75%                           | 0.75%                             | 0.18%                                                          |  |
|                                              |       |                                 |                             |                                                 |                        |                     | 40,290         | 48,656       | 8,366                      | 0.75%                           | 0.75%                             |                                                                |  |
| MISCELLANEOUS                                |       |                                 |                             |                                                 |                        |                     |                |              |                            |                                 |                                   |                                                                |  |
| Siddiqsons Tin Plate Limited                 |       | -                               | 2,661,000                   | -                                               | 2,660,000              | 1,000               | 16             | 19           | 3                          | 0.00%                           | 0.00%                             | 0.00%                                                          |  |
| Synthetic Products Enterprises Limited       |       | 520                             | 800,000                     | 13,523                                          | 299,500                | 514,543             | 23,800         | 22,130       | (1,670)                    | 0.34%                           | 0.34%                             | 0.56%                                                          |  |
|                                              |       |                                 |                             |                                                 |                        |                     | 23,816         | 22,149       | (1,667)                    | 0.34%                           | 0.34%                             |                                                                |  |
| Total - June 30, 2021                        |       |                                 |                             |                                                 |                        |                     | 5,933,312      | 6,495,042    | 561,730                    | 99.59%                          | 100.00%                           |                                                                |  |
| Total - June 30, 2020                        |       |                                 |                             |                                                 |                        |                     | 4,639,970      | 4,345,546    | (294,424)                  | 98.15%                          | 100.00%                           |                                                                |  |
| Cost of Investment - June 30, 2021           |       |                                 |                             |                                                 |                        |                     | 6,099,805      |              |                            |                                 |                                   |                                                                |  |
| Cost of Investment - June 30, 2020           |       |                                 |                             |                                                 |                        |                     | 4,923,441      |              |                            |                                 |                                   |                                                                |  |

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

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

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

| Particulars                           | June 30, 2021             | June 30, 2020    | June 30, 2021          | June 30, 2020  |
|---------------------------------------|---------------------------|------------------|------------------------|----------------|
|                                       | ---(Numbers of shares)--- |                  | ---(Rupees in '000)--- |                |
| Adamjee Insurance Company Limited     | -                         | 1,000,000        | -                      | 33,110         |
| Allied Bank Limited                   | 600,000                   | 200,000          | 44,490                 | 15,316         |
| Bank Alfalah Limited                  | -                         | 500,000          | -                      | 16,785         |
| Bank Al Habib Limited                 | 2,000,000                 | 1,000,000        | 140,240                | 52,300         |
| Engro Corporation Limited             | 550,000                   | 50,000           | 162,036                | 14,646         |
| Engro Polymer & Chemicals Limited     | 500,000                   | -                | 23,620                 | -              |
| Habib Bank Limited                    | 2,500,000                 | 500,000          | 305,925                | 48,435         |
| The Hub Power Company Limited         | 2,670,000                 | 2,170,000        | 212,719                | 157,325        |
| Kohat Cement Company Limited          | 300,000                   | -                | 61,947                 | -              |
| Meezan Bank Limited                   | 1,000,000                 | 500,000          | 115,410                | 34,425         |
| Maple Leaf Cement Factory Limited     | 500,000                   | -                | 23,490                 | -              |
| Nishat Mills Limited                  | 300,000                   | 300,000          | 27,990                 | 23,403         |
| Oil & Gas Development Company Limited | 2,100,000                 | 1,600,000        | 199,563                | 174,400        |
| Pakistan Petroleum Limited            | 1,735,000                 | 1,235,000        | 150,650                | 107,173        |
|                                       | <b>14,755,000</b>         | <b>9,055,000</b> | <b>1,468,080</b>       | <b>677,318</b> |

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

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

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

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

As at June 30, 2021, the following bonus shares of the Fund have been withheld by certain companies at the time of declaration of bonus shares.

| Name of the Company                  | 2021                      |                                  | 2020                      |                                  |
|--------------------------------------|---------------------------|----------------------------------|---------------------------|----------------------------------|
|                                      | Bonus Shares              |                                  |                           |                                  |
|                                      | Number of shares withheld | Market value as at June 30, 2021 | Number of shares withheld | Market value as at June 30, 2020 |
|                                      | Rupees (000)              |                                  | Rupees (000)              |                                  |
| Hascol Petroleum Limited             | 27,785                    | 249                              | 27,785                    | 378                              |
| The Searle Company Limited           | 12,953                    | 3,143                            | 12,953                    | 2,581                            |
| Mughal Iron And Steel Industries Ltd | 1,429                     | 150                              | 1,429                     | 57                               |
| Highnoon Laboratories Limited        | 278                       | 167                              | 278                       | 139                              |
| Pakistan State Oil Company Limited   | 10,180                    | 2,283                            | 10,180                    | 1,610                            |
| Faysal Bank Limited                  | 4,958                     | 85                               | 4,958                     | 69                               |
|                                      |                           | 6,077                            |                           | 4,834                            |

| 5.2 | Unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss' | Note | 2021                     | 2020             |
|-----|------------------------------------------------------------------------------------------------------------------------------|------|--------------------------|------------------|
|     |                                                                                                                              |      | -----Rupees in '000----- |                  |
|     | Market value of investments                                                                                                  | 5.1  | 6,495,042                | 4,345,546        |
|     | Carrying value of investments                                                                                                | 5.1  | (5,933,312)              | (4,639,970)      |
|     |                                                                                                                              |      | <u>561,730</u>           | <u>(294,424)</u> |
| 6   | <b>SECURITY DEPOSITS</b>                                                                                                     |      |                          |                  |
|     | Security deposit with :                                                                                                      |      |                          |                  |
|     | - National Clearing Company of Pakistan Limited                                                                              |      | 2,500                    | 2,500            |
|     | - Central Depository Company of Pakistan Limited                                                                             |      | 100                      | 100              |
|     |                                                                                                                              |      | <u>2,600</u>             | <u>2,600</u>     |
| 7   | <b>DIVIDEND AND PROFIT RECEIVABLE</b>                                                                                        |      |                          |                  |
|     | Dividend receivable                                                                                                          |      | 2,008                    | 1,671            |
|     | Profit receivable                                                                                                            |      | 716                      | 1,183            |
|     |                                                                                                                              |      | <u>2,724</u>             | <u>2,854</u>     |

| 8   | PREPAYMENTS AND OTHER RECEIVABLE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Note | 2021                     | 2020          |
|-----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|--------------------------|---------------|
|     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |      | -----Rupees in '000----- |               |
|     | Cash in IPS Account                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |      | 79                       | 79            |
|     | Advance tax                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 8.1  | 652                      | 652           |
|     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |      | <u>731</u>               | <u>731</u>    |
| 8.1 | As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, withholding tax on dividend and profit on debt paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT) / 2008-VOL.II-66417-R dated 12 May 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholder. The tax withheld on dividends and profit on bank deposits amounts to Rs 0.476 million and Rs 0.176 million respectively.                                                                                       |      |                          |               |
|     | For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. A petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgment of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on dividends and profit on bank deposits has been shown as other receivables as at June 30, 2021 as, in the opinion of the management, the amount of tax deducted at source will be refunded. |      |                          |               |
| 9   | PAYABLE TO ABL ASSET MANAGEMENT COMPANY LIMITED - MANAGEMENT COMPANY - RELATED PARTY                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Note | 2021                     | 2020          |
|     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |      | -----Rupees in '000----- |               |
|     | Management fee payable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 9.1  | 11,461                   | 7,313         |
|     | Punjab Sales Tax payable on remuneration of the Management Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 9.2  | 4,419                    | 3,755         |
|     | Federal Excise Duty payable on remuneration of the Management Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 9.3  | 17,569                   | 17,569        |
|     | Accounting and operational charges payable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 9.4  | 1,715                    | 2,271         |
|     | Selling and marketing expenses payable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 9.5  | 47,396                   | 31,797        |
|     | Sales and transfer load                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |      | 111                      | 44            |
|     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |      | <u>82,671</u>            | <u>62,749</u> |
| 9.1 | As per NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding 2% of the average annual net assets in case of equity schemes. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 2% (2020: 2%) per annum of the average net assets of the Fund during the year ended June 30, 2021. The remuneration is payable to the Management Company monthly in arrears.                                                                                                                                                                                                                                                                                                                                                                                                                                     |      |                          |               |
| 9.2 | During the year, an amount of Rs. 19.819 Million (2020: Rs. 13.590 million) was charged on account of sales tax to management fee levied through Punjab Sales Tax on Services Act, 2012 at the rate of 16% (2020: 16%).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |      |                          |               |
| 9.3 | The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.                                                                                                                                                                              |      |                          |               |
|     | With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |      |                          |               |
|     | During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.                                                                                                                                                                                                                                                                                                                                                                                                                   |      |                          |               |
|     | In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 17.569 million is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the NAV per unit of the Fund as at June 30, 2021 would have been higher by Re 0.043 (2020: Re 0.046) per unit.                                                                                                                                                                                                                                                                                                                     |      |                          |               |
| 9.4 | In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |      |                          |               |

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

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

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

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

| 10 | PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE - RELATED PARTY | Note | 2021<br>-----Rupees in '000----- | 2020       |
|----|-------------------------------------------------------------------------------------|------|----------------------------------|------------|
|    | Trustee fee payable                                                                 | 10.1 | 655                              | 448        |
|    | Sindh Sales Tax payable on trustee fee                                              | 10.2 | 85                               | 58         |
|    |                                                                                     |      | <u>740</u>                       | <u>506</u> |

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

| Net assets (Rs.)             | Tariff                                                                     |
|------------------------------|----------------------------------------------------------------------------|
| - up to Rs. 1,000 million    | 0.20% per annum of NAV                                                     |
| - exceeding Rs 1,000 million | Rupees 2.0 million plus 0.10% per annum of NAV, exceeding Rs.1,000 million |

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

- 10.2 During the year, an amount of Rs. 0.935 Million (2020: Rs. 0.682 million) was charged on account of sales tax on remuneration to the Trustee levied through Sunjab Sales Tax on Services Act, 2011 at the rate of 13% (2020: 13%).

| 11 | PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN | Note | 2021<br>-----Rupees in '000----- | 2020       |
|----|---------------------------------------------------------------|------|----------------------------------|------------|
|    | Annual fee payable                                            | 11.1 | <u>1,239</u>                     | <u>849</u> |

- 11.1 In accordance with the NBFC Regulations 2008, a Collective Investment Scheme (CIS) is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP).

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

| 12 | ACCRUED EXPENSES AND OTHER LIABILITIES    | Note | 2021<br>-----Rupees in '000----- | 2020          |
|----|-------------------------------------------|------|----------------------------------|---------------|
|    | Auditors' remuneration payable            |      | 364                              | 507           |
|    | Printing charges payable                  |      | 75                               | 100           |
|    | Brokerage payable                         |      | 15,853                           | 3,811         |
|    | Withholding tax payable                   |      | 11,172                           | 115           |
|    | Legal fee payable                         |      | 114                              | -             |
|    | Provision for Sindh Workers' Welfare Fund | 12.1 | 56,600                           | 56,600        |
|    | Other payables                            |      | <u>2,060</u>                     | <u>541</u>    |
|    |                                           |      | <u>86,238</u>                    | <u>61,674</u> |



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

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

Subsequent to the year ended June 30, 2021, SRB through its letter dated August 12, 2021 has intimated MUFAP that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the SWWF contributions. This development was discussed at MUFAP level and has also been taken up with the SECP and all the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds. The SECP has given its concurrence for prospective reversal of provision for SWWF. Accordingly, going forward, no provision for SWWF would be recognised in the financial statements of the Fund.

Had the provision for SWWF not been recorded in the financial statements of the Fund for the period from May 21, 2015 to June 30, 2019, the net asset value of the Fund as at June 30, 2021 would have been higher by Re. 0.138 per unit (2020: Re 0.148).

### 13 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2021 and June 30, 2020.

|                                  | Note | 2021                     | 2020       |
|----------------------------------|------|--------------------------|------------|
|                                  |      | -----Rupees in '000----- |            |
| <b>14 AUDITORS' REMUNERATION</b> |      |                          |            |
| Annual audit fee                 |      | 315                      | 290        |
| Half yearly review               |      | 170                      | 150        |
| Other certifications             |      | -                        | 194        |
| Out of pocket expenses           |      | 51                       | 54         |
| Sales Tax on services            |      | 24                       | 51         |
|                                  |      | <u>560</u>               | <u>739</u> |

### 15 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2021 is 4.79% (2020: 4.32%) which includes 0.44% (2020: 0.41%) representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 4.5% (excluding government levies) prescribed under the NBFC Regulations for a collective investment scheme categorised as an equity scheme.

### 16 TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders as cash dividend. Furthermore, regulation 63 of the NBFC Regulations, requires the Fund to distribute 90% of the net accounting income other than capital gains to the unit holders. The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

### 17 EARNINGS PER UNIT

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

### 18 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

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



- 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, 2008.
- 18.4** Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.
- 18.5** The details of transactions carried out by the Fund with connected persons during the year are as follows:

|                                                                   | Note | 2021                     | 2020    |
|-------------------------------------------------------------------|------|--------------------------|---------|
|                                                                   |      | -----Rupees in '000----- |         |
| <b>ABL Asset Management Company Limited - Management Company</b>  |      |                          |         |
| Remuneration charged                                              |      | 123,871                  | 84,936  |
| Punjab Sales Tax on remuneration of the Management Company        |      | 19,819                   | 13,590  |
| Accounting and operational charges                                |      | 6,187                    | 4,247   |
| Selling and marketing charges                                     |      | 86,618                   | 54,303  |
| Issue of 94,357,880 (2020: 48,639,503) units                      |      | 1,420,892                | 598,362 |
| Redemption of 111,996,911 (2020: 31,809,124) units                |      | 1,750,000                | 388,829 |
| <b>Central Depository Company of Pakistan Limited - Trustee</b>   |      |                          |         |
| Remuneration of the Trustee                                       |      | 7,193                    | 5,247   |
| Sindh Sales Tax on remuneration of the Trustee                    |      | 935                      | 682     |
| Settlement charges incurred                                       |      | 1,001                    | 250     |
| <b>Allied Bank Limited</b>                                        |      |                          |         |
| Profit on bank deposits                                           |      | 9,453                    | 23,689  |
| Bank charges                                                      |      | 595                      | 177     |
| <b>Ibrahim Agencies (Private) Limited</b>                         |      |                          |         |
| Issue of 511,668 (2020: Nil) units                                |      | 8,228                    | -       |
| <b>ABL Financial Planning Fund - Conservative Allocation Plan</b> |      |                          |         |
| Issue of 504,436 (2020: 370,535) units                            |      | 7,539                    | 5,000   |
| Redemption of 520,693 (2020: 807,613) units                       |      | 7,560                    | 9,780   |
| <b>ABL Financial Planning Fund - Active Allocation Plan</b>       |      |                          |         |
| Issue of 6,966,574 (2020: 9,233,720) units                        |      | 107,466                  | 126,006 |
| Redemption of 12,164,025 (2020: 10,232,144) units                 |      | 193,039                  | 116,423 |
| <b>ABL Financial Planning Fund - Strategic Allocation Plan</b>    |      |                          |         |
| Issue of 8,141,116 (2020: 15,183,364) units                       |      | 125,628                  | 190,548 |
| Redemption of 10,928,766 (2020: 16,404,361) units                 |      | 173,955                  | 193,290 |
| <b>CONNECTED PERSONS</b>                                          |      |                          |         |
| <b>Sindh Province Pension Fund</b>                                |      |                          |         |
| Issue of 755,356 (2020: 15,664,501) units                         |      | 12,147                   | 202,000 |
| <b>CDC Trustee - Punjab Pension Fund Trust</b>                    |      |                          |         |
| Issue of 41,965,465 (2020: Nil) units                             |      | 659,860                  | -       |
| <b>DIRECTORS OF THE MANAGEMENT COMPANY</b>                        |      |                          |         |
| <b>Sheikh Mukhtar Ahmad</b>                                       |      |                          |         |
| Issue of 46,195 (2020 Nil) units                                  |      | 743                      | -       |
| <b>KEY MANAGEMENT PERSONNEL</b>                                   |      |                          |         |
| <b>Chief Executive Officer</b>                                    |      |                          |         |
| Issue of 1,814,899 (2020: 4,182,463) units                        |      | 26,504                   | 46,910  |
| Redemption of 2,475,197 (2020: 3,387,462) units                   |      | 37,500                   | 37,547  |
| <b>Chief Financial Officer</b>                                    |      |                          |         |
| Issue of 20 (2020: 37,805) units                                  |      | -                        | 405     |
| Redemption of Nil (2020: 37,421) units                            |      | -                        | 443     |

**18.6** The detail of balances outstanding at the period / year end with connected persons are as follows:

| Note                                                                  | 2021                     | 2020    |
|-----------------------------------------------------------------------|--------------------------|---------|
|                                                                       | -----Rupees in '000----- |         |
| <b>ABL Asset Management Company Limited - Management Company</b>      |                          |         |
| Remuneration payable                                                  | 11,461                   | 7,313   |
| Punjab sales tax payable on remuneration of the Management Company    | 4,419                    | 3,755   |
| Federal excise duty payable on remuneration of the Management Company | 17,569                   | 17,569  |
| Accounting and operational Charges Payable                            | 1,715                    | 2,271   |
| Selling and Marketing Expenses Payable                                | 47,396                   | 31,797  |
| Sales load and transfer load payable                                  | 111                      | 44      |
| Outstanding 1,454,383 (June 30, 2020: 19,093,413) units               | 23,063                   | 220,642 |
| <b>Central Depository Company of Pakistan Limited - Trustee</b>       |                          |         |
| Remuneration payable                                                  | 655                      | 448     |
| Sindh sales tax on remuneration of Trustee                            | 85                       | 58      |
| Security deposit                                                      | 100                      | 100     |
| Balance in IPS account                                                | 79                       | 79      |
| <b>Allied Bank Limited - Holding company of Management Company</b>    |                          |         |
| Profit recieveable on saving accounts                                 | 716                      | 663     |
| Bank balance                                                          | 16,191                   | 70,059  |
| <b>Ibrahim Agencies (Private) Limited</b>                             |                          |         |
| Outstanding 41,150,706 (June 30, 2020: 40,639,038) units              | 652,564                  | 469,621 |
| <b>ABL Financial Planning Fund - Conservative Allocation Plan</b>     |                          |         |
| Outstanding 2,113,164 (June 30, 2020: 2,129,421) units                | 33,510                   | 24,607  |
| <b>ABL Financial Planning Fund - Active Allocation Plan</b>           |                          |         |
| Outstanding 7,426,125 (June 30, 2020: 12,623,576) units               | 117,763                  | 145,877 |
| <b>ABL Financial Planning Fund - Strategic Allocation Plan</b>        |                          |         |
| Outstanding 12,458,346 (June 30, 2020: 15,245,996) units              | 197,563                  | 176,181 |
| <b>CONNECTED PERSONS</b>                                              |                          |         |
| <b>Sindh Province Pension Fund</b>                                    |                          |         |
| Outstanding 51,750,109 (June 30, 2020: 50,994,753) units              | 820,648                  | 589,290 |
| <b>CDC Trustee - Punjab Pension Fund Trust</b>                        |                          |         |
| Outstanding 41,965,465 (June 30, 2020: Nil) units                     | 665,484                  | -       |
| <b>DIRECTORS OF THE MANAGEMENT COMPANY</b>                            |                          |         |
| <b>Sheikh Mukhtar Ahmad</b>                                           |                          |         |
| Outstanding 3,715,211 (June 30, 2020: 3,669,016) units                | 58,915                   | 42,399  |
| <b>KEY MANAGEMENT PERSONNEL</b>                                       |                          |         |
| <b>Chief Executive Officer</b>                                        |                          |         |
| Outstanding 555,295 (June 30, 2020: 1,215,592) units                  | 8,806                    | 15,047  |
| <b>Chief Financial Officer</b>                                        |                          |         |
| Outstanding 405 (June 30, 2020: 385) units                            | 6                        | 4       |

**19 FINANCIAL INSTRUMENTS BY CATEGORY**

| FINANCIAL INSTRUMENTS BY CATEGORY            | 2021                     |                                      |           |
|----------------------------------------------|--------------------------|--------------------------------------|-----------|
|                                              | At amortised cost        | At fair value through profit or loss | Total     |
|                                              | -----Rupees in '000----- |                                      |           |
| Financial assets                             |                          |                                      |           |
| Bank balances                                | 95,153                   | -                                    | 95,153    |
| Investments                                  | -                        | 6,495,042                            | 6,495,042 |
| Receivable against sale of investments - net | 58,645                   | -                                    | 58,645    |
| Receivable against issue of units            | 40,040                   | -                                    | 40,040    |
| Security deposits                            | 2,600                    | -                                    | 2,600     |
| Dividend and profit receivable               | 2,724                    | -                                    | 2,724     |
| Other receivable                             | 79                       | -                                    | 79        |
|                                              | 199,241                  | 6,495,042                            | 6,694,283 |



|                                        | 2020                     |                                      |                  |
|----------------------------------------|--------------------------|--------------------------------------|------------------|
|                                        | At amortised cost        | At fair value through profit or loss | Total            |
|                                        | -----Rupees in '000----- |                                      |                  |
| <b>Financial assets</b>                |                          |                                      |                  |
| Bank balances                          | 227,588                  | -                                    | 227,588          |
| Investments                            | -                        | 4,345,546                            | 4,345,546        |
| Receivable against sale of investments | -                        | -                                    | -                |
| Receivable against issue of units      | 300                      | -                                    | 300              |
| Security deposits                      | 2,600                    | -                                    | 2,600            |
| Dividend and profit receivable         | 2,854                    | -                                    | 2,854            |
| Other receivable                       | 79                       | -                                    | 79               |
|                                        | <u>233,421</u>           | <u>4,345,546</u>                     | <u>4,578,967</u> |

|                                                                         | At amortised cost        |               |
|-------------------------------------------------------------------------|--------------------------|---------------|
|                                                                         | 2021                     | 2020          |
|                                                                         | -----Rupees in '000----- |               |
| <b>Financial liabilities</b>                                            |                          |               |
| Payable to ABL Asset Management Company Limited - Management Company    | 82,671                   | 62,749        |
| Payable to the Central Depository Company of Pakistan Limited - Trustee | 740                      | 506           |
| Payable against redemption of units                                     | 5,840                    | 1,535         |
| Payable against purchase of investment                                  | -                        | 25,520        |
| Accrued expenses and other liabilities                                  | 18,466                   | 4,959         |
|                                                                         | <u>107,717</u>           | <u>95,269</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 / interest rate risk, currency risk, and price risk.

#### (i) Yield / interest rate risk

Yield / interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As of June 30, 2021, the Fund is exposed to such risk on its balances held with banks. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

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

Presently, the Fund holds bank balances which expose the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net loss for the year and net assets of the Fund would have been higher / lower by Rs. 0.951 million (2020: Rs. 2.276 million).

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

As at 30 June 2021, the Fund does not hold any fixed rate instrument that may expose the Fund to fair value interest rate risk.

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

The Fund's interest rate sensitivity related to financial assets and financial liabilities as at June 30, 2021 can be determined as follows:

| 2021                                                                       |                                 |                                                      |                          |                                                   |           |
|----------------------------------------------------------------------------|---------------------------------|------------------------------------------------------|--------------------------|---------------------------------------------------|-----------|
| Effective<br>intrest rate<br>(%)                                           | Exposed to yield / intrest rate |                                                      |                          | Not exposed<br>to yield /<br>intrest rate<br>risk | Total     |
|                                                                            | Upto<br>three<br>months         | More than<br>three<br>months<br>and upto<br>one year | More<br>than one<br>year |                                                   |           |
| Rupees (000)                                                               |                                 |                                                      |                          |                                                   |           |
| <b>Financial assets</b>                                                    |                                 |                                                      |                          |                                                   |           |
| Bank balances                                                              | 5%                              | 95,140                                               | -                        | 13                                                | 95,153    |
| Investments                                                                |                                 | -                                                    | -                        | 6,495,042                                         | 6,495,042 |
| Receivable against sale of investments                                     |                                 | -                                                    | -                        | 58,645                                            | 58,645    |
| Receivable against issue of units                                          |                                 | -                                                    | -                        | 40,040                                            | 40,040    |
| Security deposits                                                          |                                 | -                                                    | -                        | 2,600                                             | 2,600     |
| Dividend and profit receivable                                             |                                 | -                                                    | -                        | 2,724                                             | 2,724     |
| Other receivable                                                           |                                 | -                                                    | -                        | 79                                                | 79        |
|                                                                            |                                 | 95,140                                               | -                        | 6,599,143                                         | 6,694,283 |
| <b>Financial liabilities</b>                                               |                                 |                                                      |                          |                                                   |           |
| Payable to ABL Asset Management<br>Company Limited - Management Company    |                                 | -                                                    | -                        | 82,671                                            | 82,671    |
| Payable to the Central Depository<br>Company of Pakistan Limited - Trustee |                                 | -                                                    | -                        | 740                                               | 740       |
| Payable against redemption of units                                        |                                 | -                                                    | -                        | 5,840                                             | 5,840     |
| Payable against purchase of investment                                     |                                 | -                                                    | -                        | -                                                 | -         |
| Accrued expenses and other liabilities                                     |                                 | -                                                    | -                        | 18,466                                            | 18,466    |
|                                                                            |                                 | -                                                    | -                        | 107,717                                           | 107,717   |
| <b>On-balancesheet gap</b>                                                 |                                 | 95,140                                               | -                        | 6,491,426                                         | 6,586,566 |
| <b>Total intrest rate sensitivity gap</b>                                  |                                 | 95,140                                               | -                        |                                                   |           |
| <b>Cummulative intrest rate sensivity gap</b>                              |                                 | 95,140                                               | -                        |                                                   |           |

| 2020                                                                       |                                      |                                                      |                          |                                                |           |           |
|----------------------------------------------------------------------------|--------------------------------------|------------------------------------------------------|--------------------------|------------------------------------------------|-----------|-----------|
| Effective<br>intrest rate<br>(%)                                           | Exposed to yield / intrest rate risk |                                                      |                          | Not exposed<br>to yield /<br>intrest rate risk | Total     |           |
|                                                                            | Upto three<br>months                 | More than<br>three<br>months and<br>upto one<br>year | More<br>than one<br>year |                                                |           |           |
| ----- Rupees (000) -----                                                   |                                      |                                                      |                          |                                                |           |           |
| <b>Financial assets</b>                                                    |                                      |                                                      |                          |                                                |           |           |
| Bank balances                                                              | 5% - 6%                              | 227,574                                              | -                        | -                                              | 14        | 227,588   |
| Investments                                                                |                                      | -                                                    | -                        | -                                              | 4,345,546 | 4,345,546 |
| Receivable against sale of investments                                     |                                      | -                                                    | -                        | -                                              | -         | -         |
| Receivable against issue of units                                          |                                      | -                                                    | -                        | -                                              | 300       | 300       |
| Security deposits                                                          |                                      | -                                                    | -                        | -                                              | 2,600     | 2,600     |
| Dividend and profit receivable                                             |                                      | -                                                    | -                        | -                                              | 2,854     | 2,854     |
| Other receivable                                                           |                                      | -                                                    | -                        | -                                              | 79        | 79        |
|                                                                            |                                      | 227,574                                              | -                        | -                                              | 4,351,393 | 4,578,967 |
| <b>Financial liabilities</b>                                               |                                      |                                                      |                          |                                                |           |           |
| Payable to ABL Asset Management<br>Company Limited - Management Company    |                                      | -                                                    | -                        | -                                              | 62,749    | 62,749    |
| Payable to the Central Depository<br>Company of Pakistan Limited - Trustee |                                      | -                                                    | -                        | -                                              | 506       | 506       |
| Payable against redemption of units                                        |                                      | -                                                    | -                        | -                                              | 1,535     | 1,535     |
| Payable against purchase of investment                                     |                                      | -                                                    | -                        | -                                              | 25,520    | 25,520    |
| Accrued expenses and other liabilities                                     |                                      | -                                                    | -                        | -                                              | 4,959     | 4,959     |
|                                                                            |                                      | -                                                    | -                        | -                                              | 95,269    | 95,269    |
| <b>On-balancesheet gap</b>                                                 |                                      | 227,574                                              | -                        | -                                              | 4,256,124 | 4,483,698 |
| <b>Total intrest rate sensitivity gap</b>                                  |                                      | 227,574                                              | -                        | -                                              |           |           |
| <b>Cummulative intrest rate sensivity gap</b>                              |                                      | 227,574                                              | -                        | -                                              |           |           |



## (ii) Currency risk

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

## (iii) Price risk

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

The Fund is exposed to equity price risk on investments held by the Fund and classified as 'at fair value through profit or loss'. To manage its price risk arising from investments in equity securities, the Fund diversifies its portfolio within the eligible stocks prescribed in the Trust Deed. The NBFC Regulations also limit individual equity securities to no more than 10% of net assets and issued capital of the investee company and sector exposure limit to 35% of the net assets.

In case of 5% increase / decrease in KSE 100 index on June 30, 2021, with all other variables held constant, the total comprehensive loss of the Fund for the year would decrease / increase by Rs. 324.752 million (2020: Rs. 217.277 million) and the net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on equity securities classified as financial assets at fair value through profit or loss.

The analysis is based on the assumption that equity index had increased / decreased by 5% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KSE 100 Index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the KSE 100 Index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2021 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the KSE100 Index.

## 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.

| 2021                                                                    |                                           |                                          |                                        |                   |                                              |                  |
|-------------------------------------------------------------------------|-------------------------------------------|------------------------------------------|----------------------------------------|-------------------|----------------------------------------------|------------------|
| Within 1 month                                                          | More than one month and upto three months | More than three months and upto one year | More than one year and upto five years | More than 5 years | Financial instruments with no fixed maturity | Total            |
| Rupees (000)                                                            |                                           |                                          |                                        |                   |                                              |                  |
| <b>Financial assets</b>                                                 |                                           |                                          |                                        |                   |                                              |                  |
| Bank balances                                                           | 95,153                                    | -                                        | -                                      | -                 | -                                            | 95,153           |
| Investments                                                             | -                                         | -                                        | -                                      | -                 | 6,495,042                                    | 6,495,042        |
| Receivable against sale of investments                                  | 58,645                                    | -                                        | -                                      | -                 | -                                            | 58,645           |
| Receivable against issue of units                                       | 40,040                                    | -                                        | -                                      | -                 | -                                            | 40,040           |
| Security deposits                                                       | 2,600                                     | -                                        | -                                      | -                 | -                                            | 2,600            |
| Dividend and profit receivable                                          | 2,724                                     | -                                        | -                                      | -                 | -                                            | 2,724            |
| Prepayments and other receivable                                        | 79                                        | -                                        | -                                      | -                 | -                                            | 79               |
|                                                                         | 199,241                                   | -                                        | -                                      | -                 | 6,495,042                                    | 6,694,283        |
| <b>Financial liabilities</b>                                            |                                           |                                          |                                        |                   |                                              |                  |
| Payable to ABL Asset Management Company Limited - Management Company    | 82,671                                    | -                                        | -                                      | -                 | -                                            | 82,671           |
| Payable to the Central Depository Company of Pakistan Limited - Trustee | 740                                       | -                                        | -                                      | -                 | -                                            | 740              |
| Payable against redemption of units                                     | 5,840                                     | -                                        | -                                      | -                 | -                                            | 5,840            |
| Payable against purchase of investment                                  | -                                         | -                                        | -                                      | -                 | -                                            | -                |
| Accrued expenses and other liabilities                                  | 18,102                                    | 364                                      | -                                      | -                 | -                                            | 18,466           |
|                                                                         | 107,353                                   | 364                                      | -                                      | -                 | -                                            | 107,717          |
| <b>Net financial assets</b>                                             | <b>91,888</b>                             | <b>(364)</b>                             | <b>-</b>                               | <b>-</b>          | <b>6,495,042</b>                             | <b>6,586,566</b> |

| ----- 2020 -----                                                        |                                           |                                          |                                        |                   |                                              |           |
|-------------------------------------------------------------------------|-------------------------------------------|------------------------------------------|----------------------------------------|-------------------|----------------------------------------------|-----------|
| Within 1 month                                                          | More than one month and upto three months | More than three months and upto one year | More than one year and upto five years | More than 5 years | Financial instruments with no fixed maturity | Total     |
| ----- Rupees (000) -----                                                |                                           |                                          |                                        |                   |                                              |           |
| <b>Financial assets</b>                                                 |                                           |                                          |                                        |                   |                                              |           |
| Bank balances                                                           | 227,588                                   | -                                        | -                                      | -                 | -                                            | 227,588   |
| Investments                                                             | -                                         | -                                        | -                                      | -                 | 4,345,546                                    | 4,345,546 |
| Receivable against sale of investments                                  | -                                         | -                                        | -                                      | -                 | -                                            | -         |
| Receivable against issue of units                                       | 300                                       | -                                        | -                                      | -                 | -                                            | 300       |
| Security deposits                                                       | 2,600                                     | -                                        | -                                      | -                 | -                                            | 2,600     |
| Dividend and profit receivable                                          | 2,854                                     | -                                        | -                                      | -                 | -                                            | 2,854     |
| Prepayments and other receivable                                        | 79                                        | -                                        | -                                      | -                 | -                                            | 79        |
|                                                                         | 233,421                                   | -                                        | -                                      | -                 | 4,345,546                                    | 4,578,967 |
| <b>Financial liabilities</b>                                            |                                           |                                          |                                        |                   |                                              |           |
| Payable to ABL Asset Management Company Limited - Management Company    | 62,749                                    | -                                        | -                                      | -                 | -                                            | 62,749    |
| Payable to the Central Depository Company of Pakistan Limited - Trustee | 506                                       | -                                        | -                                      | -                 | -                                            | 506       |
| Payable against redemption of units                                     | 1,535                                     | -                                        | -                                      | -                 | -                                            | 1,535     |
| Payable against purchase of investment                                  | 25,520                                    | -                                        | -                                      | -                 | -                                            | 25,520    |
| Accrued expenses and other liabilities                                  | 4,452                                     | 507                                      | -                                      | -                 | -                                            | 4,959     |
|                                                                         | 94,762                                    | 507                                      | -                                      | -                 | -                                            | 95,269    |
| <b>Net financial assets</b>                                             | 138,659                                   | (507)                                    | -                                      | -                 | 4,345,546                                    | 4,483,698 |

### 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:

|                                              | 2021                                               |                                 | 2020                                               |                                 |
|----------------------------------------------|----------------------------------------------------|---------------------------------|----------------------------------------------------|---------------------------------|
|                                              | 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                                | 95,140                                             | 95,140                          | 227,588                                            | 227,588                         |
| Investments in quoted equity securities      | 6,495,042                                          | -                               | 4,345,546                                          | -                               |
| Receivable against sale of investments - net | 58,645                                             | 58,645                          | -                                                  | -                               |
| Receivable against issue of units            | 40,040                                             | 40,040                          | 300                                                | 300                             |
| Dividend and profit receivable               | 2,724                                              | 2,724                           | 2,854                                              | 2,854                           |
| Security deposits                            | 2,600                                              | 2,600                           | 2,600                                              | 2,600                           |
| Advances and other receivable                | 731                                                | 79                              | 731                                                | 79                              |
|                                              | <b>6,694,922</b>                                   | <b>199,228</b>                  | <b>4,579,619</b>                                   | <b>233,421</b>                  |

The maximum exposure to credit risk before any credit enhancement as at June 30, 2021 is the carrying amount of the financial assets.

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

#### 20.3.2 Credit quality of financial assets

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



| Rating               | % of financial assets exposed to credit risk |              |
|----------------------|----------------------------------------------|--------------|
|                      | 2021                                         | 2020         |
| <b>Bank balances</b> |                                              |              |
| A+                   | 0.00%                                        | 0.00%        |
| AA+                  | 0.75%                                        | 0.02%        |
| AA-                  | 0.00%                                        | 0.03%        |
| AA                   | 0.00%                                        | 3.16%        |
| AAA                  | 0.67%                                        | 1.79%        |
|                      | <u>1.42%</u>                                 | <u>5.00%</u> |

## 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 statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

### Fair value hierarchy

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

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

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

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

As at June 30, 2021 all investments were categorised in Level 1.

As at June 30, 2021 and June 30, 2020, the Fund held the following financial instruments measured at fair values:

| ----- 2021 -----         |                  |          |          |                  |
|--------------------------|------------------|----------|----------|------------------|
| Level 1                  | Level 2          | Level 3  | Total    |                  |
| -----Rupees in '000----- |                  |          |          |                  |
| Financial assets         |                  |          |          |                  |
| Equity investments       | 6,495,042        | -        | -        | 6,495,042        |
|                          | <u>6,495,042</u> | <u>-</u> | <u>-</u> | <u>6,495,042</u> |
| ----- 2020 -----         |                  |          |          |                  |
| Level 1                  | Level 2          | Level 3  | Total    |                  |
| -----Rupees in '000----- |                  |          |          |                  |
| Financial assets         |                  |          |          |                  |
| Equity investments       | 4,345,546        | -        | -        | 4,345,546        |
|                          | <u>4,345,546</u> | <u>-</u> | <u>-</u> | <u>4,345,546</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 endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short-term borrowings, where necessary.

## 23 UNIT HOLDING PATTERN OF THE FUND

| Category                         | 2021                   |                                    |                     | 2020                   |                                    |                     |
|----------------------------------|------------------------|------------------------------------|---------------------|------------------------|------------------------------------|---------------------|
|                                  | Number of unit holders | Investment amount (Rupees in '000) | Percentage of total | Number of unit holders | Investment amount (Rupees in '000) | Percentage of total |
| Individuals                      | 1,588                  | 1,688,988                          | 25.91%              | 1,719                  | 1,439,401                          | 32.52%              |
| Associated companies & Directors | 6                      | 1,083,379                          | 16.62%              | 6                      | 1,079,325                          | 24.38%              |
| Insurance companies              | 8                      | 568,301                            | 8.72%               | 3                      | 62,581                             | 1.41%               |
| Retirement Funds                 | 29                     | 2,675,695                          | 41.05%              | 26                     | 1,513,409                          | 34.19%              |
| Public limited companies         | 8                      | 326,603                            | 5.01%               | 6                      | 192,261                            | 4.34%               |
| Others                           | 4                      | 175,240                            | 2.69%               | 7                      | 139,809                            | 3.16%               |
|                                  | <b>1,643</b>           | <b>6,518,206</b>                   | <b>100.00%</b>      | <b>1,767</b>           | <b>4,426,786</b>                   | <b>100.00%</b>      |

## 24 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

| 2021                                      |                               | 2020                                         |                               |
|-------------------------------------------|-------------------------------|----------------------------------------------|-------------------------------|
| Name of broker                            | Percentage of commission paid | Name of broker                               | Percentage of commission paid |
| Alfalah Securities (Private) Limited      | 9.27%                         | Insight Securities (Private) Limited         | 10.95%                        |
| Ismail Iqbal Securities (Private) Limited | 8.14%                         | Ismail Iqbal Securities (Private) Limited    | 7.47%                         |
| Insight Securities (Private) Limited      | 7.70%                         | Alfalah Securities (Private) Limited         | 7.42%                         |
| AKIK Capital (Private) Limited            | 6.91%                         | BMA Capital Management Limited               | 6.90%                         |
| BMA Capital Management Limited            | 6.32%                         | Topline Securities Limited                   | 5.62%                         |
| AKD Securities Limited                    | 5.59%                         | AKD Securities Limited                       | 5.40%                         |
| Topline Securities (Private) Limited      | 5.48%                         | AlHabib Capital Markets (Private) Limited    | 5.39%                         |
| Spectrum Securities Limited               | 5.48%                         | Optimus Capital Management (Private) Limited | 5.29%                         |
| Taurus Securities Limited                 | 5.01%                         | Intermarket Securities Limited               | 4.82%                         |
| Vector Securities (Private) Limited       | 3.69%                         | Taurus Securities Limited                    | 4.74%                         |

## 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 |
|--------------------------|-----------------------------|---------------|--------------------|
| Mr. Alee Khalid Ghaznavi | Chief Executive Officer     | MBA           | 20                 |
| Mr. Saqib Matin          | CFO & Company Secretary     | FCA & FPFA    | 22                 |
| Mr. Fahad Aziz           | Head of Fixed Income        | MBA           | 15                 |
| Mr. Ali Ahmed Tiwana     | Head of Equity              | CIMA          | 11                 |
| Mr. Muhammad Tahir Saeed | Head of Risk Management     | CFA           | 9                  |
| Mr. Abdul Rehman Tahir   | Fund Manager - Fixed Income | MBA & CFA     | 13                 |
| Mr. M. Abdul Hayee       | Fund Manager - Equity       | MBA & CFA     | 10                 |

## 26 NAME AND QUALIFICATION OF THE FUND MANAGER

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



## 27 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The 64th, 65th, 66th and 67th Board of Directors meetings were held on August 18, 2020, October 27, 2020, February 11, 2021 and April 12, 2021, 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             | 64                    |
| 3                    | Muhammad Waseem Mukhtar                        | 4                  | 3        | 1             | 65                    |
| 4                    | Tahir Hasan Qureshi *                          | 2                  | -        | 2             | 64 & 65               |
| 5                    | Muhammad Kamran Shehzad                        | 4                  | 4        | -             | -                     |
| 6                    | Pervaiz Iqbal Butt                             | 4                  | 4        | -             | -                     |
| 7                    | Mr. Aizid Razzaq Gill **                       | 2                  | 2        | -             | -                     |
| 8                    | Saira Shahid Hussain***                        | 1                  | 1        | -             | -                     |
| 9                    | Alee Khalid Ghaznavi (Chief Executive Officer) | 4                  | 4        | -             | -                     |
| <b>Other persons</b> |                                                |                    |          |               |                       |
| 10                   | Saqib Mateen****                               | 4                  | 4        | -             | -                     |

\* Mr. Tahir Hassan Qureshi resigned on December 31, 2020

\*\* Mr. Aizid Razzaq Gill has been appointed as director with effect from January 01, 2021

\*\*\* Ms. Saira Shahid Hussain has been elected as Director in 13th AGM dated March 31, 2021

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

## 28 RATING OF THE MANAGEMENT COMPANY

The VIS Credit Rating Company Limited has determined the asset manager rating of the Management Company of AM2++ (2020: AM2++ on December 31, 2019) on December 31, 2020. The rating reflects the Company's experienced management team, structured investment process and sound quality of systems and processes.

## 29 CORRESPONDING FIGURES

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

## 30 GENERAL

30.1 Corresponding figures have been rearranged and reclassified, wherever necessary, for better presentation and disclosures.

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

30.3 Units have been rounded off to the nearest decimal place.

### 30.4 Impact of COVID-19

A novel strain of coronavirus (COVID-19) that first surfaced in China was classified as a pandemic by the World Health Organization on March 11, 2020. Third wave of the strain was on peak during first quarter of 2021 impacting countries globally. However due to effective vaccinations and measures taken to contain the further spread of the virus, including lock downs, travel bans, quarantines, social distancing, and closures of nonessential services, the spread was controlled in second quarter of 2021.

The management is of the view that COVID-19 pandemic has not materially affected the financial performance of the Company as the business activities of the Company remains intact. Keeping in view of the latest updates regarding the pandemic, future effects cannot be predicted. Management will continue to monitor the potential impact and will take all steps possible to mitigate any effects.

### 30.5 Operational risk management

The Management Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Management Company has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully

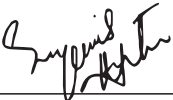
protected using virtual private network (“VPN”) connections. Further, the Management Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.

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

### 31 DATE OF AUTHORISATION FOR ISSUE

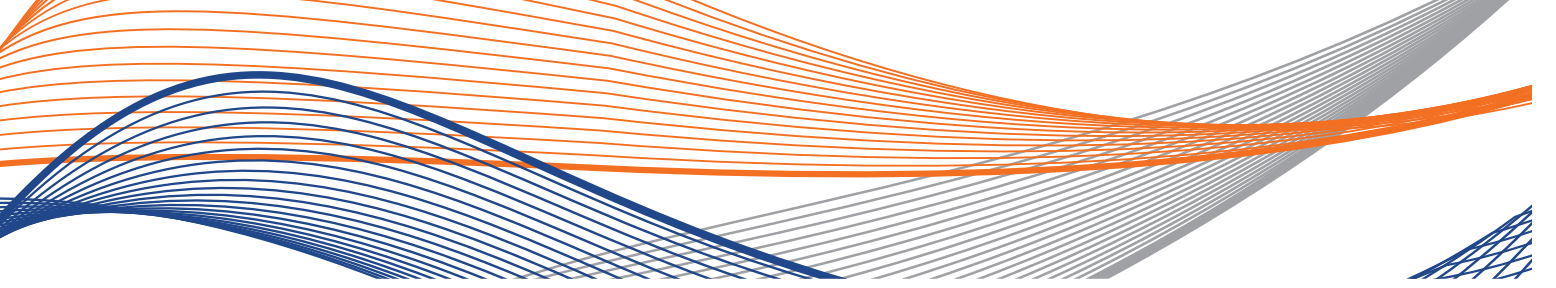
These financial statements were authorised for issue by the Board of Directors of the Management Company on 25 August 2021.

For ABL Asset Management Company Limited  
(Management Company)

  
\_\_\_\_\_  
**Saqib Matin**  
Chief Financial Officer

  
\_\_\_\_\_  
**Alea Khalid Ghaznavi**  
Chief Executive Officer

  
\_\_\_\_\_  
**Pervaiz Iqbal Butt**  
Director

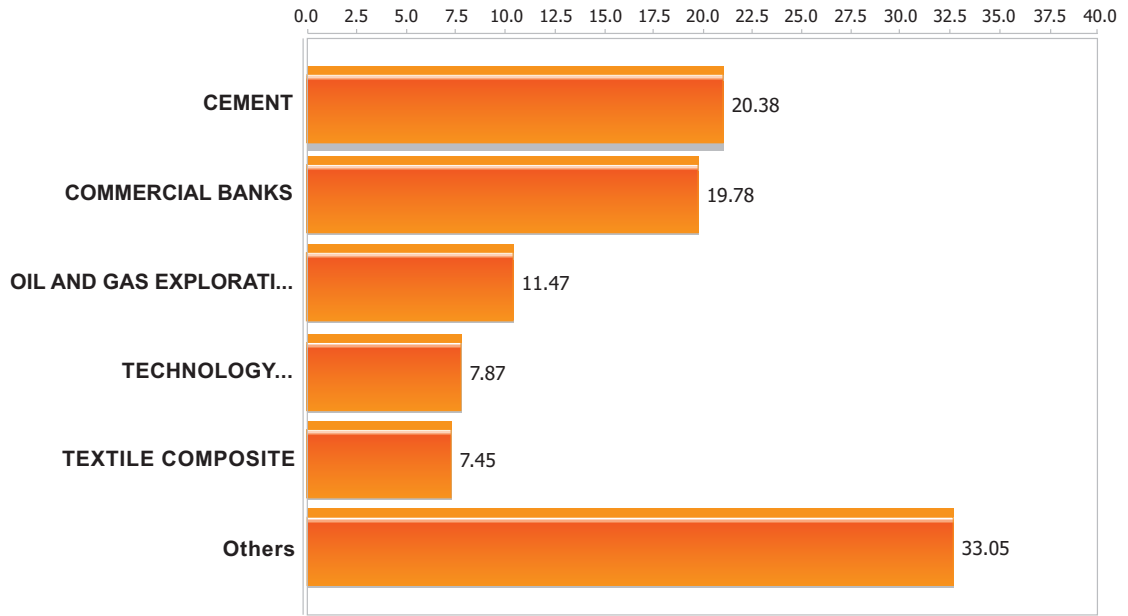


## DISCLOSURE OF PROXY VOTING

The Board of Directors of ABL Asset Management Company Limited (the Management Company of the fund) have overall responsibility for the implementation of Proxy Voting Policy and Procedures which is available on Management Company’s website ([www.ablamc.com](http://www.ablamc.com)). During the financial year, the Management Company on behalf of the Fund did not participate in 38 shareholders' meeting. Moreover, details of summarized proxies voted are as follows:

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

## SECTOR ALLOCATION (% OF TOTAL ASSETS)



## اعتراف

ہم اپنے قابل قدر سرمایہ کاروں کا شکریہ ادا کرتے ہیں جنہوں نے ہم پر اعتماد کیا ہے۔ بورڈ سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، ٹرسٹی (ڈیجیٹل کسٹوڈین کمپنی 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، 25 اگست، 2021

علی خالد غزنوی  
چیف ایگزیکٹو آفیسر

میسرز ڈیلونٹ یوسف عادل (چارٹرڈ اکاؤنٹنٹ) ، کو اے بی ایل اسٹاک فنڈ (اے بی ایل ایس ایف) کے لئے 30 جون 2022 کو ختم ہونے والے سال کے لئے آڈیٹر مقرر کیا گیا ہے۔

### 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) تفویض کردہ درجہ بندی پر آؤٹ لک 'مستحکم' ہے۔

### آؤٹ لک

گزشتہ 3 چوتھائی میں آمدنی میں اوسطاً 50 فیصد سے زیادہ اضافہ ہوا ہے ، اور توقع ہے کہ 2021QCY21 میں سالانہ بنیاد پر مضبوط رہے گا ہمیں اس بات کا کوئی امکان نہیں ہے کہ لاک ڈاؤن ایک طویل مدت تک رہے گا۔ نتیجے کے طور پر ، کارپوریٹ منافع کو اوپر کے رجحان پر جاری رکھنا چاہیے۔ حوصلہ افزا بات یہ ہے کہ روزانہ کوویڈ کی ویکسینیشن فی دن 1 ملین ہے اور 25 فیصد بالغ آبادی کو مکمل یا جزوی طور پر ویکسین دی گئی ہے۔ قیمتیں اب بھی وسط میں نمایاں رعایت پر ہیں۔ ہمارے خیال میں ایس بی پی خاص طور پر جولائی 2021 ایم پی ایس میں پیش کردہ یقین دہانی کے بعد دوشیز رہے گا جہاں سی اے ڈی کی حالت خراب ہونے کے باوجود ، اسٹیٹ بینک دفاع کی ابتدائی لائن کے طور پر کام کرنے کے لیے پہلے زر مبادلہ کی شرح پر انحصار کرے گا۔ اس سے پاکستان ایکویٹی مارکیٹ کو خوش کرنے اور سائیکلکلیک سیکٹر کے اسٹاک کو دوبارہ زندہ کرنے کا امکان ہے ، جو مئی 2021 کے آخر سے ایک سست دور میں پھنسے ہوئے ہیں۔ مارکیٹ کے اگلے بڑے محرکات یہ ہیں کہ (i) آئی ایم ایف پروگرام کی دوبارہ شروعات اور ضروری اصلاحات کا نفاذ ، (ii) اور کامیاب ویکسینیشن کے درمیان کوویڈ کیسز میں معنی خیز کمی۔

### ABL-SF vs BENCHMARK (12m ROLLING RETURNS)



ہے۔ کوویڈ 19 کی وجہ سے ایکویٹی مارکیٹ میں ہنگامہ آرائی اور مالی سال 20 کے دوران تیل کی بین الاقوامی قیمتوں میں غیر یقینی صورتحال نے ایکویٹی فنڈز کی اے یو ایم کو کم کرنے میں اہم کردار ادا کیا۔

## فنڈ کی کارکردگی

مالی سال 21 کے اختتام پذیر سال کے لئے ، اے بی ایل اسٹاک فنڈ نے اپنے معیار میں 37.57 فیصد اضافے کے مقابلے میں 39.26 فیصد کی واپسی پیش کی ، جو 1.68% کی کارکردگی کو ظاہر کرتا ہے۔ سال کے دوران ، اے بی ایل اسٹاک فنڈ کے MUA میں 47.24% کا اضافہ ہوا اور وہ 30 جون 2021 کو 6.518 بلین روپے ، جبکہ اس کے مقابلے میں 30 جون 20 کو 4.4267 بلین۔

28 جون ، 2009 کو اپنے آغاز کے بعد سے ، اے بی ایل اسٹاک فنڈ پاکستان کی ایکویٹی منڈیوں میں بہترین کارکردگی کا مظاہرہ کرنے والے فنڈز میں شامل رہا ہے۔ چونکہ اے بی ایل اسٹاک فنڈ کی ابتدا واپسی 693.69% ہے ، اس کا معیار 255.28% ہے۔

## 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. فنڈز کی تشویش کی حیثیت سے جاری رکھنے کی اہلیت پر کوئی خاص شبہات نہیں ہیں۔
8. فنڈ کی کارکردگی کا جزو سالانہ رپورٹ کے صفحہ # 17 پر دیا گیا ہے۔
9. ٹیکسوں ، ڈیوٹیوں ، محصولات اور محصولات اور مالی معاوضوں میں پہلے ہی انکشاف کے علاوہ دیگر معاوضوں کی وجہ سے کوئی قانونی ادائیگی نہیں ہے۔
10. پروویڈنٹ فنڈ کی سرمایہ کاری کی قیمت کے بارے میں بیان فنڈ کے معاملے میں لاگو نہیں ہوتا ہے کیونکہ ملازمین کی ریٹائرمنٹ کے فوائد کے اخراجات انتظامیہ کمپنی برداشت کرتی ہے۔
11. 30 جون ، 2021 کو یونٹ ہولڈنگز کا پیٹرن مالیاتی گوشوارے کے نوٹ نمبر 23 میں دیا گیا ہے۔

مجموعی صنعت کے لیے خطرات مستقبل قریب کے لیے بلند ہیں ، ان میں سب سے زیادہ اضافہ گزشتہ سال دھاتوں میں ہوا۔ اس کے علاوہ ، سیمی کنڈکٹر کی عالمی قلت اس شعبے کے لیے ایک چیلنج ثابت ہو رہی ہے اور توقع ہے کہ 2022 کے بعد کے نصف حصے میں ہی اس میں کمی آئے گی۔

## کیمیکل سیکٹر

کیمیائی شعبہ جہنم سے گزرا اور سال کے دوران مضبوط واپس آیا۔ KSE-100 کے 37.6% YoY کے مقابلے میں کیمیائی شعبے نے زیر نظر مدت کے دوران 47.9% واپسی کی۔ پی ایس ایکس ، ای سی ایل میں درج کیمیائی کمپنیاں 90.3 فیصد پوسٹ کر کے اس شعبے کی قیادت کرتی ہیں ، اس کے بعد لوٹچیم نے 55.9 فیصد سالانہ اضافہ ریکارڈ کیا۔ کیمیائی مارجن میں اضافے کے پیچھے ڈرائیور بنیادی طور پر ابتدائی طور پر خلل ڈال رہے تھے اور اس کے بعد طلب میں اضافہ ہوا کیونکہ دنیا بھر کے صارفین نے لاک ڈاؤن کی وجہ سے اپنی کھپت کو سامان سے منتقل کیا۔ مثال کے طور پر ، ای سی ایل اپنے بنیادی اینتیلین-پی وی سی مارجن میں 111.8 فیصد اضافے سے خوش ہوا ، جبکہ LOTCHEM کو اپنے PTA-PX مارجن میں 59.6 فیصد YoY اضافے سے فروغ ملا۔ دیگر کیمیائی پروڈیوسرز جیسے ہائیڈروجن پیرو آکسائیڈ اور آکسیجن مینوفیکچررز کوویڈ 19 وبائی امراض کی وجہ سے بڑھتی ہوئی مانگ سے فائدہ اٹھا رہے ہیں۔

کیمیائی شعبے کے خطرات میں شامل ہیں صارفین کی مانگ میں کمی جب دنیا کھلتی ہے اور اخراجات کو خدمات کی طرف ری ڈائریکٹ کیا جاتا ہے ، یا شرح سود میں اضافہ اور افراط زر آسان کریڈٹ کے دور کو ختم کرتا ہے۔ سب سے اوپر ، جیسا کہ کنٹینرز کی کمی جیسی ترسیل میں رکاوٹیں کم ہوتی ہیں ، ہم توقع کرتے ہیں کہ مارجن تاریخی اصولوں کی طرف لوٹ آئے گا۔

## آئل مارکیٹنگ کمپنیاں

آئل مارکیٹنگ کمپنیوں نے مجموعی طور پر سال کے دوران 37.7 فیصد کی انڈیکس کی 37.6 فیصد کی واپسی سے 37.7 فیصد کی واپسی شائع کی۔ ان کمپنیوں میں ، (ہائیڈک لبری کینٹ HTL) نے 132.0% YoY کی حیران کن واپسی شائع کی۔ یہ اس وقت سے تھا جب ایچ ٹی ایل نے ملک بھر میں ایندھن کے پمپ کھولنے اور چلانے اور اس کی چکنا کرنے والی پیداوار کی صلاحیتوں کو بڑھانے کا فیصلہ کیا۔ پی ایس او نے معاشی بنیادوں میں بہتری کے ساتھ سالانہ 45.1 فیصد کی واپسی کی۔ مجموعی طور پر ، ملک نے 21.06 ملین ٹن تیل کی مصنوعات کو 28.7 فیصد اضافہ کیا جو مالی سال 19 میں 16.36 ملین ٹن تھا۔ یہ توقع کی جاتی ہے کہ جیسے جیسے معاشی بحالی جاری رہے گی ، تیل کی مصنوعات کی مانگ میں اضافہ ہوگا اور آئل مارکیٹنگ کا شعبہ اپنی کارکردگی جاری رکھے گا۔ خطرے کی طرف ، سب سے بڑا خطرہ گردش قرضوں میں اضافے کا ہے جو اس شعبے کی سب سے بڑی کمپنی پی ایس او کی طرف نقد بہاؤ کو روک دے گا۔

## میوچل فنڈ انڈسٹری کا جائزہ

اوپن اینڈ میوچل فنڈ کے زیر انتظام کل اثاثے (AUMs) مالی سال 20 کے دوران PKR 572bn سے PKR 788bn تک 38 فیصد کی نمایاں اضافہ ہوا ، بنیادی طور پر منی مارکیٹ فنڈ اور فکسڈ انکم فنڈ میں بڑے پیمانے پر آمد کی وجہ سے۔ منی مارکیٹ فنڈ بشمول روایتی اور اسلامی ، پی کے آر 318 bn پر مدت کو بند کرنے کے لیے 92 فیصد کی زبردست ترقی دیکھی گئی۔ مذکورہ مدت کے دوران فکسڈ انکم فنڈ کے AUMs میں روایتی اور شریعت کے مطابق فنڈ کے AUMs میں 66 فیصد اضافہ ہوا۔ اس ترقی کو بنیادی طور پر 9MFY20 کے دوران سکڑنے والی مانیٹری پالیسی کے ماحول میں زیادہ منافع کمانے کے لیے سرمایہ کاروں کی بھوک سے منسوب کیا جا سکتا ہے۔ مقررہ آمدنی کے برعکس ، اس مدت کے دوران ایکویٹی مارکیٹ AUMs میں 5 فیصد کمی واقع ہوئی ہے۔ ملک میں لاک ڈاؤن اور کورونا وائرس کے کیسز کی بڑھتی ہوئی تعداد سرمایہ کاروں کو خطرناک اثاثوں میں سرمایہ کاری کے حوالے سے محتاط کر دیتی

## کھاد کا شعبہ

FY21 کھاد کے شعبے میں اس کے وزن کے ساتھ ، KSE-100 انڈیکس میں %12 ایکویٹی مارکیٹ کے مقابلے میں کم کارکردگی کا مظاہرہ کیا (YoY %37.58) 20.01% YoY کی ریٹرن پوسٹ کر کے۔ یورپا کی مقدار میں تھوڑا سا اضافہ ہوا (YoY %3.00) جبکہ دیا امونیم فاسفیٹ (DAP) کی پیداوار YoY %9.00 بڑھ گئی۔ یورپا کی قیمت مالی سال 21 میں چپکی رہی جبکہ (ڈی اے پی) قیمت برازیل اور آسٹریلیا سے سپلائی کے مسائل کی وجہ سے زیادہ مانگ کی وجہ سے نمایاں طور پر بڑھ گئی۔ کھاد کے شعبے میں ، فوجی فرٹیلائزر بن قاسم (ایف ایف بی ایل) نے ڈی اے پی کے زیادہ پرائمری مارجن کی وجہ سے 65 فیصد ریٹرن پوسٹ کر کے زبردست کارکردگی کا مظاہرہ کیا۔

آگے بڑھتے ہوئے ہم توقع کرتے ہیں کہ کھاد کا شعبہ بین الاقوامی مارکیٹ میں کھاد کی مصنوعات کی بلند قیمتوں کی وجہ سے کارکردگی کا مظاہرہ کرے گا جس سے گھریلو کھلاڑیوں کے لیے جگہ پیدا ہوگی۔ ورلڈ بینک کی اجناس کی رپورٹ کے مطابق ، مراکش یا دوسری جگہوں سے نئی سپلائی آن لائن آنے تک کھاد کی قیمتیں بلند رہتی ہیں۔

## انفارمیشن ٹیکنالوجی (آئی ٹی)

FY21 کھاد کے شعبے میں اس کے وزن کے ساتھ ، KSE-100 انڈیکس میں %12 ایکویٹی مارکیٹ کے مقابلے میں کم کارکردگی کا مظاہرہ کیا (YoY %37.58) 20.01% YoY کی ریٹرن پوسٹ کر کے۔ یورپا کی مقدار میں تھوڑا سا اضافہ ہوا (YoY %3.00) جبکہ دیا امونیم فاسفیٹ (DAP) کی پیداوار YoY %9.00 بڑھ گئی۔ یورپا کی قیمت مالی سال 21 میں چپکی رہی جبکہ (ڈی اے پی) قیمت برازیل اور آسٹریلیا سے سپلائی کے مسائل کی وجہ سے زیادہ مانگ کی وجہ سے نمایاں طور پر بڑھ گئی۔ کھاد کے شعبے میں ، فوجی فرٹیلائزر بن قاسم (ایف ایف بی ایل) نے ڈی اے پی کے زیادہ پرائمری مارجن کی وجہ سے 65 فیصد ریٹرن پوسٹ کر کے زبردست کارکردگی کا مظاہرہ کیا۔

آگے بڑھتے ہوئے ہم توقع کرتے ہیں کہ کھاد کا شعبہ بین الاقوامی مارکیٹ میں کھاد کی مصنوعات کی بلند قیمتوں کی وجہ سے کارکردگی کا مظاہرہ کرے گا جس سے گھریلو کھلاڑیوں کے لیے جگہ پیدا ہوگی۔ ورلڈ بینک کی اجناس کی رپورٹ کے مطابق ، مراکش یا دوسری جگہوں سے نئی سپلائی آن لائن آنے تک کھاد کی قیمتیں بلند رہتی ہیں۔

## آٹو اسمبلی سیکٹر

زیر غور سال کے دوران ، آٹوموبائل اسمبلرز بہترین ریفلکشن ٹریڈ میں سے ایک نکلے۔ KSE-100 کے لیے 37.7 فیصد واپسی کے مقابلے میں مجموعی شعبے نے 83.7 فیصد سالانہ منافع حاصل کیا۔ یہ منہ موڑنے والی واپسی اسٹیٹ بینک آف پاکستان کی تیزی سے ہم آہنگ مانیٹری پالیسی کی وجہ سے ہوئی جس نے کوویڈ 19 وبائی امراض کے تناظر میں اپنی پالیسی کی شرح کو 625 بی پی ایس کم کر دیا۔ چونکہ صارفین کو آسان کریڈٹ تک رسائی ملی وہ آٹو شورومز میں واپس آگئے ، اور انڈسٹری نے مسلسل دو سال کی کمی کے بعد فروخت میں مثبت اضافہ دیکھا۔ کاروں کے لیے صارفین کی یہ دوبارہ شروع ہونے والی مانگ مارکیٹ میں نئے آنے والوں کی جانب سے جارحانہ انداز کے ساتھ ، نئے ماڈل متعارف کرانے اور صارفین کے لیے مزید انتخاب کے نتیجے میں ہے۔ مجموعی طور پر انڈسٹری نے مالی سال 21 میں 151,196 یونٹس فروخت کیے جو کہ پچھلے سال کی اسی مدت کے مقابلے میں 58.93 فیصد سالانہ ہے۔ یہ اضافہ نہ صرف کاروں بلکہ ٹریکٹروں میں بھی دیکھا گیا ہے ، کیونکہ کسانوں کو زرعی مصنوعات کی بین الاقوامی قیمتوں میں اضافے کی وجہ سے زیادہ زرعی آمدنی حاصل ہوئی۔ مجموعی طور پر انڈسٹری نے مالی سال 21 میں 50,685 یونٹس فروخت کیے ، جو پچھلے سال کے مقابلے میں 54.88 فیصد اضافہ ہے۔ انفرادی کمپنیوں میں ، GHNI نے YoY %131.6 کی واپسی شائع کی جبکہ PSMC نے YoY %117.5 کی واپسی کی اور صنعت میں سب سے آگے رہا۔

آگے بڑھتے ہوئے ، توقع کی جاتی ہے کہ کتابی اقدار اور معاشی بحالی میں رعایت کے پیش نظر یہ شعبہ بہتر کارکردگی کا مظاہرہ کرے گا۔

## انجینئرنگ سیکٹر

مالی سال 21 میں ، انجینئرنگ سیکٹر نے 105 فیصد YoY کی مثبت واپسی کے ساتھ مارکیٹ کو پیچھے چھوڑ دیا جبکہ KSE-100 بینچ مارک کے مطابق 38 فیصد YoY تھا۔ مالی سال 21 کے دوران ، کوویڈ 19 وبائی امراض نے انجینئرنگ سیکٹر کو مختلف چیلنجوں کا باعث بنا جس میں محدود مانگ ، زیادہ ان پٹ لاگت ، اور انڈسٹری کا عارضی طور پر بند ہونا تھا لیکن یہ حکومت کی جانب سے فوری اقدامات اور مراعات کے ساتھ اس شعبے کے لیے چاندی کی لکیر ثابت ہوا۔ (i) تعمیراتی پیکج ، (ii) قرض کی اصل ادائیگیوں میں تاخیر اور پالیسی کی شرح میں bps625 کی کمی ، انفراسٹرکچر کی سرگرمیوں ، اور USD/PKR کی مستحکم زر مبادلہ کی شرح کے دوران اس شعبے کی بحالی تاہم ، دنیا بھر میں معاشی بحالی کے بعد طویل سٹیل سکریپ اور HRC کی قیمت مالی سال 21 میں بالترتیب MT/383 اور MT/715 امریکی ڈالر تک بڑھ گئی ہے۔ اسٹیل سکریپ کی قیمتوں میں اضافے کے جواب میں ، کمپنیوں نے قیمتوں کو آخری صارف تک پہنچا دیا جس نے مارجن کو پہلے وبائی سطح پر واپس لے لیا۔ سال کے دوران ، دونوں لمبے اور فلیٹ اسٹیل ، روشنی میں رہے اور ریکارڈ فروخت ہوئی ، خاص طور پر تعمیراتی سرگرمیوں اور اختتامی صارف کی صنعتوں (ایپلائینسز ، آٹوز) کی زیادہ گھریلو طلب کے بعد لاک ڈاؤن کے بعد۔

آگے بڑھتے ہوئے ، ہم تعمیراتی شعبے کے پیکج کی پشت پر انجینئرنگ کے شعبے میں مضبوط ترقی کی توقع کرتے ہیں اور اس کے ساتھ ساتھ بڑھتے ہوئے شہری کاری ، آٹوموٹو ، الیکٹریکل اور گھریلو آلات کی سرگرمیوں میں بھی شراکت ہوگی۔ مزید برآں ، ہم توقع کرتے ہیں کہ نیا پاکستان ہاؤسنگ سکیم کے نفاذ اور ٹیموں کی تعمیر طلب میں اضافے کو مزید سہارا دے گی۔

## ٹیکسٹائل سیکٹر

مالی سال 21 میں ، ٹیکسٹائل کا شعبہ 71 فیصد YoY کی واپسی کے ساتھ بہتر رہا جبکہ بینچ مارک KSE-100 انڈیکس کی طرف سے 38 فیصد YoY کی واپسی۔ اس عرصے کے دوران ، ٹیکسٹائل انڈسٹری وبائی امراض کی وجہ سے رکنے اور رکاوٹوں کا شکار رہی جس کی وجہ سے برآمدی آرڈرز میں اچانک کمی واقع ہوئی۔ حکومت کی جانب سے لاک ڈاؤن میں جلد نرمی کے بروقت فیصلے کے بعد صورتحال تیزی سے پلٹ گئی جس نے کمپنیوں کو برآمدی احکامات وصول کرنے کے قابل بنایا۔ مسابقتی ممالک (چین ، بھارت اور بنگلہ دیش) میں لاک ڈاؤن کے نتیجے میں ٹیکسٹائل انڈسٹری نے بڑے پیمانے پر آرڈرز کی آمد کا تجربہ کیا اور مالی سال 21 کے دوران آرڈر بکنگ کی لمبی قطار دیکھی۔

سال کے دوران ، ملک میں کپاس کی فصلوں کی قلت کے درمیان کپاس کی قیمتیں 12،500 من تک بڑھ گئیں ، اور دور دراز ممالک سے خریداری کا مطلب مال کی ٹلائی میں اضافہ اور ترسیل کا زیادہ وقت ہے۔ حالانکہ ، حکومت نے ویلیو ایڈڈ طبقے کو فارغ کرنے کے لیے کپاس کی درآمد پر 5 فیصد ریگولیٹری ڈیوٹی ہٹا دی۔ مزید برآں ، حکومت نے برآمد کنندگان کو چھوٹ دی ہے جنہوں نے ٹیکسٹائل انڈسٹری کی لیکویڈیٹی پوزیشن میں مدد کی اور رعایتی شرحوں پر قرض لینے کا فائدہ فراہم کیا جہاں ایکسپورٹ فنانسنگ سکیم (EFS) اور لانگ ٹرم فنانسنگ سکیم (LTFS) بالترتیب 3% اور 6% ہیں۔ پاکستان کی ٹیکسٹائل برآمدات 19 فیصد اضافے کے ساتھ 13.75 بلین ڈالر تک پہنچ گئی ہیں اور اپنی بلند ترین سطح تک پہنچنے کے لیے لائن میں ہیں۔ مزید برآں ، حکومت نے PKR1.3tn کوویڈ 19 ریلیف پیکج کے تحت برآمد کنندگان کو ریلیف کے لیے 100 ارب روپے بھی مختص کیے ہیں۔

آگے بڑھتے ہوئے ، حکومت ایک طویل انتظار کی ٹیکسٹائل پالیسی 2020-25 ظاہر کرنے کے لیے تیار ہے جو سیسٹی اور bn960 روپے کی افادیت پر کم نرخوں سے بھری ہوئی ہے تاکہ ویلیو ایڈڈ ٹیکسٹائل مصنوعات کی پیداوار اور برآمدات کو بڑھایا جاسکے۔

## سیکٹر کا جائزہ

### سیمنٹ سیکٹر

سیمنٹ کے شعبے نے مارکیٹ کو 74.86% YoY کی واپسی کے بعد زبردست کارکردگی کا مظاہرہ کیا جبکہ اس مدت کے دوران بینچ مارک KSE-100 انڈیکس کی طرف سے فراہم کردہ 37.58% YoY کی واپسی ہے۔ شعبے نے شمالی خطے میں سیمنٹ کی اوسط قیمتوں میں اضافے (8.26% YoY) کی وجہ سے غیر معمولی واپسی کی اطلاع دی ، (ii) تعمیراتی پیکج کے رول آؤٹ کے پیچھے مقامی سیمنٹ کی کھپت میں 19.69% YoY اضافہ ، نیا پاکستان ہاؤسنگ سکیم ، اور ڈیموں کی تعمیر۔ شمالی اور جنوبی زون میں ڈیمانڈ میں بالترتیب 17.49 فیصد اور 33.14 فیصد سالانہ اضافہ ہوا ، (iii) برآمدات کی شاندار کارکردگی ، 18.42 فیصد سالانہ اگرچہ مالی سال کے آغاز میں شمالی زون سے برآمدات متاثر ہوئیں ، لیکن افغانستان کی مارکیٹ سے تیزی سے برآمد نے برآمدات کو بڑھانے میں مدد دی۔ مزید یہ کہ بنگلہ دیش اور چین سے زیادہ کلینکر کی مانگ کے درمیان جنوبی زون سے برآمدات میں 14.68% YoY بڑے پیمانے پر اضافہ ہوا ، (iv) مالی سال 21 کے بجٹ میں 25 PKR/بیگ کا FED ریلیف ، اور (v) شرح سود میں 13.25% سے 7.00% کی کمی۔

آگے بڑھتے ہوئے ، ہم توقع کرتے ہیں کہ یہ شعبہ مزید کارکردگی کا مظاہرہ کرے گا کیونکہ ڈیموں کی تعمیر ، نیا پاکستان ہاؤسنگ پروگرام کے تحت گھروں اور نجی شعبوں کی طرف سے ہاؤسنگ سوسائٹیوں کی طرف سے زبردست مانگ۔

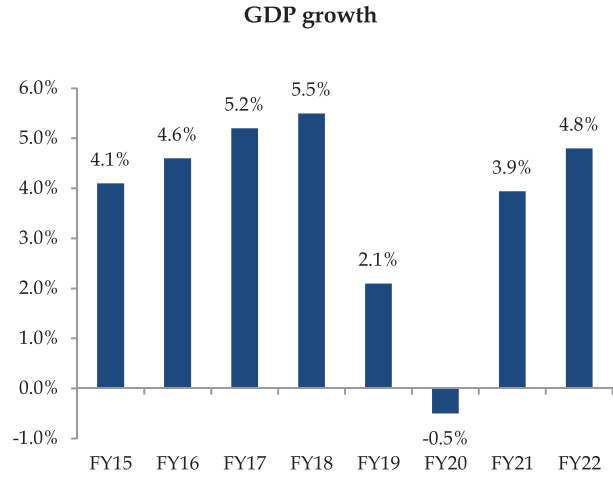
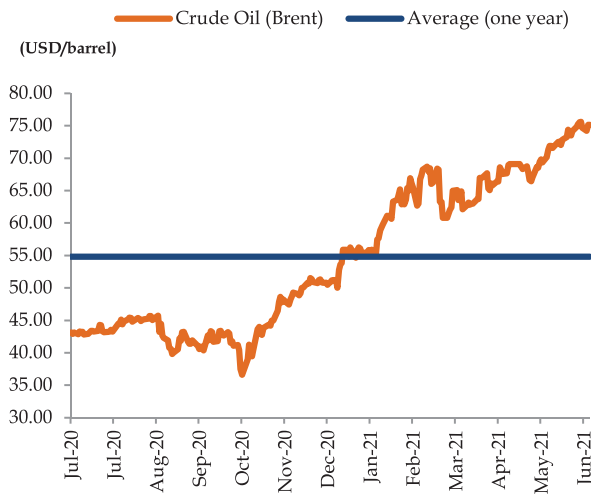
### پاور سیکٹر

پاور سیکٹر نے بینچ مارک KSE-100 انڈیکس کو کم کارکردگی کا مظاہرہ کیا کیونکہ اس نے 31.53% YoY کی واپسی کی جبکہ مارکیٹ میں 37.58% YoY کی واپسی ہوئی۔ اگرچہ 1HFY21 کے دوران اس شعبے نے ناقص کارکردگی کا مظاہرہ کیا ، حکومت کے ساتھ MOUs پر دستخط کے بعد تصویر اس کے برعکس ہوگئی جس سے بقایا سرکلر ڈیٹ کے حل کے بارے میں امید پیدا ہوئی۔ لہذا ، ہم نے مئی 21 میں ایم او یو کے نفاذ کا مشاہدہ کیا جب 1994 کی پالیسی کے تحت 89.86 بلین روپے کی پہلی قسط آئی پی پیز کو دی گئی۔ نوٹ کرنے کے لئے ، حکومت نے پہلے ہی دو سکوک ایشوز کے ذریعے کچھ گردش فرسٹوں کو حل کر لیا تھا۔

آگے بڑھتے ہوئے ، پاور سیکٹر اس حقیقت کے پیش نظر روشنی میں آسکتا ہے کہ بقیہ 60 فیصد کی دوسری قسط پہلی قسط کی تاریخ سے آگے چھ مہینوں میں باقی ہے۔ تاہم ، ان ایم او یوز پر عملدرآمد ہونے سے ، مستقبل میں سرکلر ڈیٹ کی ادائیگی بند نہیں ہوگی ، ہمارے خیال میں ، چونکہ 2015 کی پالیسی کے تحت آئی پی پیز کے ساتھ کوئی انتظام نہیں کیا گیا ہے ، جو آگے بڑھنے میں اہم حصہ ڈالے گا۔

### بینکنگ سیکٹر

کوویڈ 19 وبائی بیماری نے سیکٹر کو غیر یقینی صورتحال سے دوچار کردیا۔ یہی معاملہ پوری دنیا میں غالب رہا ، اور تمام مرکزی بینکوں نے توسیعی مالیاتی پالیسی نافذ کی۔ انڈسٹری کو سہارا دینے کے لیے اسٹیٹ بینک نے بھی سوٹ کی پیروی کی اور پالیسی کی شرح میں 6.25 فیصد کمی کی جس سے سیکٹر کا منافع متاثر ہوا۔ اسی طرح ، سود کی کم شرح نے سائیکل کی طرف راغب کیا۔ مزید برآں ، غیر ملکی فروخت نے سیکٹر کو مزید افسردہ کیا کیونکہ سرمایہ کاروں نے محفوظ آسمانوں کی حفاظت کو ترجیح دیا۔ اس کے باوجود ، بعد میں غیر یقینی صورتحال کا خاتمہ ہوا جب حکومت نے اپنی پالیسی کو واضح کیا - سمارٹ لاک ڈاؤن متعارف کرایا۔ مزید برآں ، سود کی شرحیں ختم کردی گئیں۔ اس کے نتیجے میں ، اس شعبے نے 20.72% YoY کی مثبت واپسی فراہم کرتے ہوئے زبردست صحت یابی حاصل کی ، لیکن یہ مارکیٹ کی واپسی (37.58% YoY) سے نمٹ نہیں سکا۔



## اسٹاک مارکیٹ کا جائزہ

مالی سال 21 کے دوران ، کے ایس ای 100 انڈیکس نے شاندار کارکردگی کا مظاہرہ کیا اور 38 فیصد کی زبردست واپسی کی اور 47,356 پر بند ہوا۔ مالی سال 14 کے بعد مارکیٹ کی یہ سب سے زیادہ واپسی مثبت پیش رفتوں کی تعداد سے منسوب کی جا سکتی ہے جیسے سال کے آغاز میں مالیاتی نرمی ، کرنٹ اکاؤنٹ سرپلس ، مضبوط ترسیلات زر میں اضافہ ، صحت مند ٹیکس وصولی ، اور کورونا وائرس ویکسین کا کامیاب آغاز۔ پاکستان کے جمہوری تحریک کے بینر تلے اپوزیشن جماعتوں کے اتحاد اور کوویڈ 19 کی لہروں کے دوبارہ متحرک ہونے کے درمیان سیاسی جذبات سمیت سال کے دوران کئی بار مارکیٹ کے جذبات کا تجربہ کیا گیا۔ مالی سال 21 کے دوران معاشی بحالی کلیدی موضوع رہی ، جس نے انڈیکس میں تیز آب و ہوا کی مدد کی۔

اوسط تجارت کا حجم اور قیمت 93 فیصد YoY اور 111 فیصد YoY بڑھ کر بالترتیب 261 ملین اور 83 USD ملین ہو گئی۔ غیر ملکیوں نے مذکورہ مدت کے دوران 387 ملین ڈالر مالیت کے شیئر فروخت کیے۔ مقامی محاذ پر ، افراد ، کمپنیاں اور دیگر تنظیمیں بالترتیب 332 ملین ڈالر ، 138 ملین ڈالر اور 45 ملین امریکی ڈالر کی خالص خریداری کے ساتھ سرفہرست رہیں۔ مثبت انڈیکس شراکت کی قیادت کمرشل بینکوں ، ٹیکنالوجی اور مواصلات نے کی اور سپمنٹ نے بالترتیب 2,411 ، 2,299 اور 2,173 پوائنٹس کا اضافہ کیا۔ دوسری طرف تمباکو اور متفرق شعبوں نے انڈیکس کو بالترتیب 71 اور 55 پوائنٹس کو منفی طور پر متاثر کیا۔

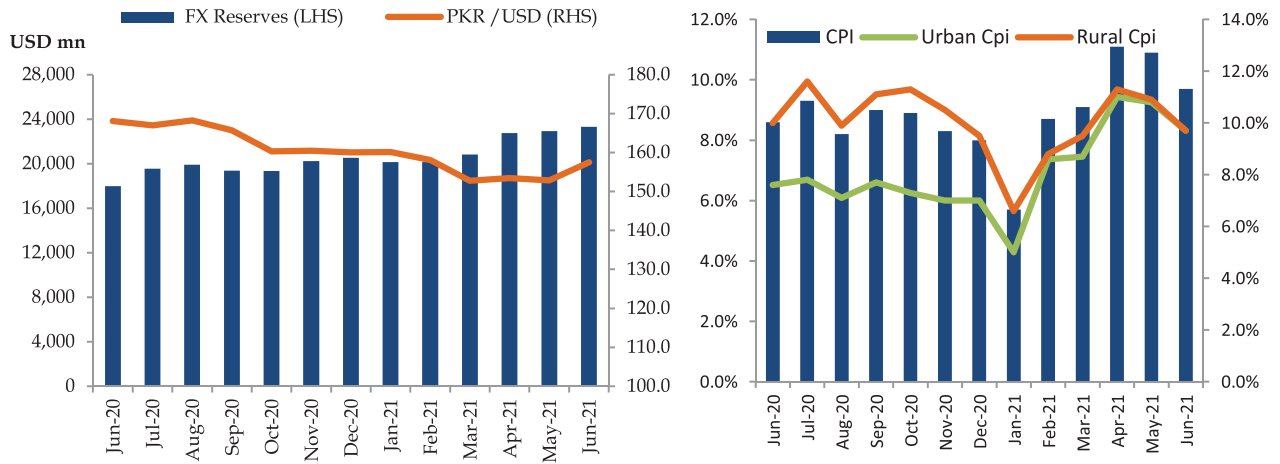
آگے بڑھتے ہوئے ، ہمیں یقین ہے کہ مارکیٹ بہتر میکرو انڈیکسٹرز ، ترقی کا حامی بجٹ ، اور ملک میں ویکسینیشن کی جارحانہ مہم کی وجہ سے کارکردگی کا مظاہرہ کرے گی۔ مارکیٹ x6.8 کے TTM P/E ملٹیپل پر تجارت کر رہی ہے اور 7.0% کی منافع بخش پیداوار ہے۔

## مینجمنٹ کمپنی کے ڈائریکٹرز کی رپورٹ

اے بی ایل اسٹاک فنڈ (اے بی ایل ایس ایف) کی انتظامیہ کمپنی ، اے بی ایل ایسٹ مینجمنٹ کمپنی لمیٹڈ کے بورڈ آف ڈائریکٹرز 30 جون ، 2021 کو ختم ہونے والے سال کے لئے اے بی ایل اسٹاک فنڈ کے آڈٹ شدہ فنانشل اسٹیٹمنٹ پیش کرنے پر خوشی محسوس کرتے ہیں۔

### اقتصادی کارکردگی کا جائزہ

مالی سال 21 کے لیے اوسط افراط زر 8.90 YoY پر اختتام پذیر ہوا ہے ، جو کہ SBP کی ہدف 7-9 YoY کے اندر ہے ، جبکہ گزشتہ سال کی اسی مدت (SPLY) میں 10.76 YoY تھا۔ خوراک کے دوران انڈیکس میں مجموعی طور پر 9.35 فیصد سالانہ اضافہ ہوا۔ رہائش ، پانی ، بجلی اور گیس نقل و حمل ، اور کپڑے اور جوتے کے انڈیکس نے بنیادی طور پر مذکورہ اضافے میں حصہ لیا کیونکہ ان میں مجموعی طور پر بالترتیب 3.58 YoY ، 2.10 YoY ، 0.98 YoY اور 0.82 YoY اضافہ ہوا۔ آگے بڑھتے ہوئے ، ہم اندازہ لگاتے ہیں کہ اگلے سال (مالی سال 22) افراط زر 7.20 تک آ جائے گا ، جو اشارہ کرتا ہے کہ شرح میں اضافے کا کوئی خطرہ نہیں ، یا کم از کم CY21 کے دوران۔ بہر حال ، بین الاقوامی اشیاء کی قیمتوں میں اتار چڑھاؤ اندازے کے لیے خطرہ ہے۔



بیلنس آف پیمینٹ (بی او پی) کے محاذ پر ، پاکستان نے مئی 21 کے دوران 632 ملین ڈالر کا کرنٹ اکاؤنٹ خسارہ (سی اے ڈی) پوسٹ کیا جبکہ پچھلے مہینے میں 188 ملین امریکی ڈالر کا تھا ، جس سے کل کرنٹ اکاؤنٹ کی پوزیشن 11MFY21 کے لیے 153 امریکی ڈالر سے زائد رہ گئی SPLY کے دوران 4.33 بلین امریکی ڈالر کے خسارے کے خلاف - CAD میں ماہانہ اضافے کی بنیادی وجوہات برآمدات اور ترسیلات زر میں کمی تھی۔ برآمدات ~ 6.88% MoM سے کم ہو کر 2.62 بلین ڈالر رہ گئی ہیں جبکہ درآمدات صرف 0.14% MoM سے گھٹ کر 5.54 بلین ڈالر رہ گئی ہیں جس سے تجارتی خسارہ بڑھ گیا ہے۔ مجموعی طور پر ملک کی برآمدات اور درآمدات بالترتیب 28.51 بلین ڈالر (YoY %9.56) اور 54.15 بلین امریکی ڈالر (YoY %12.37) تک پہنچ گئی ہیں۔ ورکرز کی ترسیلات زر گزشتہ ماہ کے 2.78 بلین ڈالر کے مقابلے میں 2.50 بلین امریکی ڈالر رہ گئی جو کہ 10.33 فیصد ایم او ایم ہے۔ مجموعی طور پر 11MFY21 کے لیے ترسیلات زر 26.74 بلین امریکی ڈالر تک پہنچ گئی ہیں جو کہ 29.43 فیصد سالانہ ہے۔ آخر کار ، اسٹیٹ بینک میں زرمبادلہ کے ذخائر 16.12 بلین امریکی ڈالر تھے ، 25 جون ، 2021 تک ، 3.27 ماہ کا مجموعی درآمدی احاطہ فراہم کرتے ہیں۔

مالی لحاظ سے ، ایف بی آر مالی سال 21 کے دوران PKR 4.72 ٹریلین جمع کرنے میں کامیاب رہا جبکہ PKR 4.69 کے نظر ثانی شدہ ہدف کو PKR 30 billion سے بڑھا دیا۔



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