



**ABL Islamic Income Fund**

**CONDENSED INTERIM  
FINANCIAL  
INFORMATION**  
FOR THE NINE MONTHS AND QUARTER ENDED  
MARCH 31, 2012

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## FUND'S INFORMATION

<b>Management Company:</b>	ABL Asset Management Company Limited 11 – B, Lalazar M. T. Khan Road, Karachi.	
<b>Board of Directors (Effective From April 7, 2012)</b>	Sheikh Mukhtar Ahmed Mr. Khalid A. Sherwani Mr. Muhammad Waseem Mukhtar Mr. Kamran Nishat Mr. M. Shakeb Murad Mr. M. Jawaid Iqbal Mr. Zia Ijaz Mr. Farid Ahmed Khan	Chairman       CEO
<b>Audit Committee:</b>	Mr. Kamran Nishat Mr. Muhammad Waseem Mukhtar Mr. Zia Ijaz	Chairman Member Member
<b>Chief Executive Officer of The Management Company:</b>	Mr. Farid Ahmed Khan	
<b>Chief Financial Officer &amp; Company Secretary:</b>	Mr. Saqib Matin	
<b>Trustee:</b>	Central Depository Company of Pakistan Ltd. CDC House, 99-B, Block – B, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi.	
<b>Bankers to the Fund:</b>	Allied Bank Limited Bank Al- Falah Limited United Bank Limited	
<b>Distributor:</b>	Allied Bank Limited	
<b>Auditor:</b>	A.F. Ferguson & Co Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, Karachi.	
<b>Legal Advisor:</b>	Bawany & Partners Room No. 404, 4th Floor Beaumont Plaza, 6 – C1 – 10, Beaumont Road, Civil Lines, Karachi.	
<b>Registrar:</b>	ABL Asset Management Company Limited. 11 – B, Lalazar, M. T. Khan Road, Karachi.	

## REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of ABL Asset Management Company Limited, the management company of ABL Islamic Income Fund (ABL-IIF), is pleased to present the un-audited Condensed Interim Financial Information of ABL-IIF for the nine months ended March 31, 2012.

### ECONOMIC PERFORMANCE REVIEW

3QFY12 was another challenging quarter for Pakistan's economy as surging international oil prices, start of IMF repayments, inability to realize non-tax revenue sources and heavy government expenditures dampened any hopes of quick recovery. Pakistan's foreign exchange reserves remained under pressure, dropping to USD 16.51bn at quarter end (USD 17.0bn at December 31, 2011) while government borrowing for budgetary support surged significantly to PKR 982bn for 9MFY12. The central bank abandoned its recent pro-growth strategy by keeping the policy rate unchanged at 12% throughout the quarter, after having limited success in stimulating private sector credit off-take and continuous deterioration in economic fundamentals.

In the overall scheme of things, Inflationary pressures have somewhat eased with CPI increasing by 10.79% for March 2012, taking cumulative inflation to 10.79% for 9MFY12. Respite in food prices has provided some relief to consumers who are reeling under the shock of oil prices trading above USD100/bbl. Current account situation has become increasingly worrisome with 9MFY12 deficit recorded at USD 2,952mn compared to a surplus in 9MFY11. Widening trade gap, owing to high oil prices and slump in cotton prices, has been the primary drag. However, record remittances of USD 9,736mn for 9MFY12 have somewhat mitigated the impact. On the fiscal front, tax collection has been commendable at PKR 1.27 trillion, +25% YoY for 9MFY12. But the budgetary balance remains firmly in red due to heavy subsidies on power sector, rising debt servicing levels and non-realization of foreign, budgetary support proceeds.

As the current situation plays out, policy makers appear to have limited capacity to jump start the economy with growth expected to remain well below 5% even next year. As the FY2012-13 budget beckons, focus is expected to be primarily on stabilizing key macroeconomic indicators rather than a pro-growth stance. Stabilization will also depend on how oil prices behave and whether the Government is able to resolve its differences with the US. Release of Coalition Support Fund and other promised US aid will be crucial, especially in the current global economic setting where Government is having difficulty in selling its assets and oil prices are showing little signs of easing off.

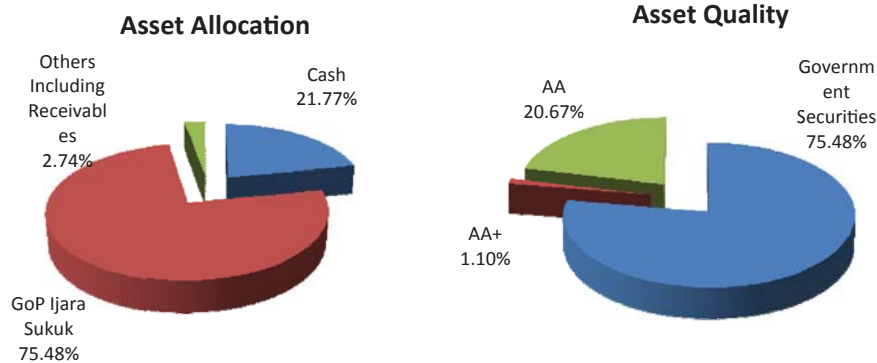
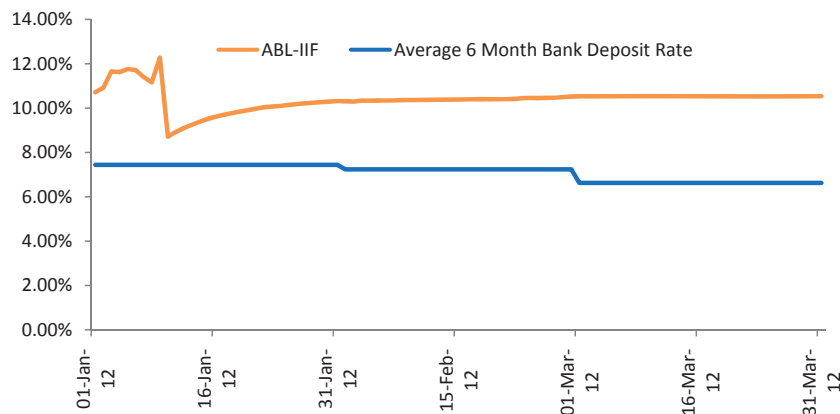
In the upcoming budget, it will be a difficult task for the Ministry of Finance to implement major tax reforms as the 2013 elections loom. On the monetary front it is fairly clear now that further monetary easing is not on the cards and interest rates have bottomed out for the time being. Moreover, any further deterioration in economic fundamentals may force the monetary authorities to adopt a more hawkish stance in 2H 2012.

## FUND PERFORMANCE

During the quarter, ABL-IIF's AUMs registered a growth of 13.7% to PKR797 million from PKR701 million in December 2011. The fund was primarily invested in GoP Ijara Sukuk which helped generate competitive yet stable returns. This led to investor interest in the fund which helped lift fund size. The unit price of ABL-IIF increased by 2.52% during the quarter to close at 10.2918 (cum dividend) as at March 31, 2012, translating into a compounded annualized return of 10.53%.

ABL-IIF outperformed its 6 months average Islamic bank deposit rate of 7.10% by 3.43% during the quarter due to investment in Ijara Sukuk and negotiating of high rates on placements with Islamic banks.

As at March 31, 2012, ABL-IIF's allocation in GoP Ijara Sukuk was 75.48% compared to 26.23% as at December 31, 2011. Allocation in Ijara Sukuk was enhanced due to their higher yields as well as low risk profile. Remaining investments were primarily in cash assets at 21.78% as on March 31, 2012 compared to 64.67% as on December 31, 2011.



Other assets account for 2.74% of Total assets.

## DIVIDEND

The Chief Executive Officer (CEO) on behalf of the Board of Directors of ABL Asset Management Company Limited (ABL AMCL), on March 26, 2012 has approved and declared Interim dividend distribution of Re.0.2642 per unit (2.64% of the par value of Rs.10) for the quarter ended March 31, 2012. This is in addition to interim dividend distribution of Re.0.2665 per unit (2.67% of the par value of Rs.10) for the quarter ended December 31, 2011 and Re.0.2733 per unit (2.73% of the par value of Rs.10) for the quarter ended September 30, 2011.

## FUND STABILITY RATING

January 10, 2012: JCR-VIS Credit Rating Company Ltd. (JCR-VIS) has revised the Fund Stability Rating of ABL Islamic Income Fund (formerly ABL Islamic Cash Fund) from 'AA(f)' (Double A (f)) to 'A+(f)' (Single A Plus(f)).

## MANAGEMENT QUALITY RATING

On September 16, 2011, JCR-VIS Credit Rating Company Limited upgraded the Management Quality Rating of ABL Asset Management Limited (ABL AMC) from 'AM3+' (AM Three Plus) to 'AM Two Minus' (AM2-) which denotes 'High Management Quality. Outlook on the assigned rating is 'Stable'.

## OUTLOOK

Macro signals suggest that the monetary easing phase is over and interest rates could see an upward bias in coming months. In view of this, we will continue to maintain low to medium duration in ABL-IIF with investments in instruments entailing less than 6 months duration.

## ACKNOWLEDGEMENT

We thank our valued investors who have placed their confidence in us. The Board is also thankful to the Securities & Exchange Commission of Pakistan, State Bank of Pakistan, the Trustee and the management of the Karachi Stock Exchange (Guarantee) Limited for their continued cooperation and support. The Directors also appreciate the efforts put in by the management team for its commitment and hard work.

For and on behalf of the Board

  
**FARID AHMED KHAN**  
Chief Executive Officer

Karachi, April 26, 2012

**ABL ISLAMIC INCOME FUND (FORMERLY : ABL ISLAMIC CASH FUND)  
CONDENSED INTERIM STATEMENT OF  
ASSETS AND LIABILITIES**

AS AT MARCH 31, 2012

	Note	Unaudited March 31, 2012	Audited June 30, 2011
----- Rupees -----			
<b>ASSETS</b>			
Bank balances	3	175,616,777	129,803,154
Investments	4	608,779,280	710,000,000
Prepayment		67,724	5,700
Profit receivable		19,980,238	8,356,550
Preliminary expenses and floatation costs		2,050,820	2,578,909
<b>Total assets</b>		<u>806,494,839</u>	<u>850,744,313</u>
<b>LIABILITIES</b>			
Payable to ABL Asset Management Company Limited - Management Company		3,391,483	3,688,599
Payable to the Central Depository Company of Pakistan Limited -Trustee		118,195	79,022
Payable to the Securities and Exchange Commission of Pakistan		410,441	295,034
Dividend payable		19,976	2,547,515
Payable against redemption of units		3,381,000	3,516,319
Accrued expenses and other liabilities	5	1,937,583	24,012,257
<b>Total liabilities</b>		<u>9,258,678</u>	<u>34,138,746</u>
<b>NET ASSETS</b>		<u>797,236,161</u>	<u>816,605,567</u>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<u>797,236,161</u>	<u>816,605,567</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	6		
----- (Number of units) -----			
<b>NUMBER OF UNITS IN ISSUE</b>		<u>79,504,566</u>	<u>81,527,269</u>
----- (Rupees) -----			
<b>NET ASSET VALUE PER UNIT</b>		<u>10.0276</u>	<u>10.0163</u>
<b>FACE VALUE PER UNIT</b>		<u>10.0000</u>	<u>10.0000</u>

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

For ABL Asset Management Company Limited  
(Management Company)

  
FARID AHMED KHAN  
CEO

  
KAMRAN NISHAT  
DIRECTOR

## ABL ISLAMIC INCOME FUND (FORMERLY : ABL ISLAMIC CASH FUND) CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)

FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012

	For the Nine Months ended March 31, 2012	For the period from July 29, 2010 to March 31, 2011	For the quarter ended March 31, 2012	For the quarter ended March 31, 2011
<b>Note</b>	-----Rupees'-----			
<b>INCOME</b>				
Net gain on sale of investment	183,580	-	123,580	-
Profit on Term Deposit Receipts	13,101,645	-	-	-
Profit from Sukuk certificates	21,171,129	-	14,234,329	-
Profit on bank Deposits	33,639,468	30,842,986	9,798,403	12,845,839
	<u>68,095,822</u>	<u>30,842,986</u>	<u>24,156,312</u>	<u>12,845,839</u>
Unrealised Loss on re-measurement of investments classified as financial assets at fair value through profit or loss - 'held for trading'	-	-	(518,000)	-
Total income	<u>68,095,822</u>	<u>30,842,986</u>	<u>23,638,312</u>	<u>12,845,839</u>
<b>EXPENSES</b>				
Remuneration of ABL Asset Management Company Limited- Management Company	5,472,505	2,690,497	2,019,234	1,057,443
Sale Tax on Management Company 's Remuneration	875,604	-	323,080	-
Remuneration of the Central Depository Company of Pakistan -Trustee	930,333	510,934	343,270	179,765
Annual fee - SECP	410,441	203,434	151,443	79,308
Auditors' remuneration	219,124	273,059	73,347	100,711
Amortization of preliminary expenses and floatation costs	528,089	469,678	173,889	173,250
Other expenses	506,100	344,862	199,397	135,902
<b>Total operating expenses</b>	<u>8,942,196</u>	<u>4,492,464</u>	<u>3,283,660</u>	<u>1,726,379</u>
<b>Net income from operating activities</b>	<u>59,153,626</u>	<u>26,350,522</u>	<u>20,354,652</u>	<u>11,119,460</u>
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed - net	(2,835,564)	888,967	944,984	270,063
Provision for Workers Welfare Fund	(574,269)	(534,528)	-	(223,457)
<b>Net income for the period before taxation</b>	<u>55,743,793</u>	<u>26,704,961</u>	<u>21,299,636</u>	<u>11,166,066</u>
<b>Taxation</b>	-	-	-	-
<b>Net income for the period after taxation</b>	<u>55,743,793</u>	<u>26,704,961</u>	<u>21,299,636</u>	<u>11,166,066</u>
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>55,743,793</u>	<u>26,704,961</u>	<u>21,299,636</u>	<u>11,166,066</u>
<b>Earnings per unit</b>	8			

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

For ABL Asset Management Company Limited  
(Management Company)

  
FARID AHMED KHAN  
CEO

  
KAMRAN NISHAT  
DIRECTOR



## ABL ISLAMIC INCOME FUND (FORMERLY : ABL ISLAMIC CASH FUND) CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED)

FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012

	For the Nine Months ended March 31, 2012	For the period from July 29, 2010 to March 31, 2011	For the quarter ended March 31, 2012	For the quarter ended March 31, 2011
-----Rupees-----				
Opening undistributed income - realised	1,333,019	-	2,701,177	345,487
Opening undistributed income - unrealised	-	-	-	-
	<u>1,333,019</u>	<u>-</u>	<u>2,701,177</u>	<u>345,487</u>
Net income for the period	55,743,793	26,704,961	21,299,636	11,166,066
Interim distribution:				
- Re 0.2733 per unit on September 27, 2011 (2010 - Re 0.1418 per unit on September 29, 2010)				
Cash distribution	(2,747,044)	(1,466,354)	-	-
Issue of 1,556,490 bonus units (2010: 419,069)	(15,564,900)	(4,190,687)	-	-
Interim distribution:				
- Re 0.2665 per unit on December 26, 2011 (2010 - Re 0.2326 per unit on December 30, 2010)				
Cash distribution	(14,222)	(2,326,348)	-	-
Issue of 1,451,309 bonus units (2010: 721,001)	(14,513,089)	(7,210,019)	-	-
Interim distribution:				
- Re 0.2642 per unit on March 26, 2012 (2011 - Re 0.2567 per unit on March 30, 2011)				
Cash distribution	(19,976)	(2,568,020)	(19,976)	(2,568,020)
Issue of 2,179,021 bonus units (2011: 852,941)	(21,790,211)	(8,529,405)	(21,790,211)	(8,529,405)
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed	(236,744)	-	-	-
Undistributed income carried forward	<u>2,190,626</u>	<u>414,128</u>	<u>2,190,626</u>	<u>414,128</u>
<b>Undistributed income comprising:</b>				
Realised income	2,190,626	414,128	2,708,626	414,128
Unrealised income	-	-	(518,000)	-
	<u>2,190,626</u>	<u>414,128</u>	<u>2,190,626</u>	<u>414,128</u>

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

For ABL Asset Management Company Limited  
(Management Company)

  
FARID AHMED KHAN  
CEO

  
KAMRAN NISHAT  
DIRECTOR

## ABL ISLAMIC INCOME FUND (FORMERLY : ABL ISLAMIC CASH FUND) CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)

FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012

	For the Nine Months ended March 31, 2012	For the period from July 29, 2010 to March 31, 2011	For the quarter ended March 31, 2012	For the quarter ended March 31, 2011
	-----Rupees-----			
Net Assets at the beginning of the period	816,605,567	-	701,123,411	417,984,061
Issued of 88,401,483 units and 35,781,439 units (2011: 53,567,597 and 2,830,299) for the Nine Months & quarter ended respectively	893,538,043	537,203,044	361,966,827	28,655,211
Redemption of 95,611,006 units and 28,298,124 units (2011: 11,636,776 and 1,530,265 units) for the Nine Months & quarter ended respectively	(968,705,563) (75,167,520)	(117,041,375) 420,161,669	(286,188,752) 75,778,075	(15,350,314) 13,304,897
- Issue of 5,186,820 bonus units (2011: 1,993,011)	51,868,200	19,930,111	21,790,211	8,529,405
Net element of loss/ (income) and capital losses/ (gains) included in prices of units issued less those in units redeemed				
- amount representing loss / (income) and capital losses / (gains) - transferred to Income Statement	2,835,564	(888,967)	(944,984)	(270,063)
- amount representing loss / (income) and capital losses / (gains) - transferred to other Comprehensive Income	236,744 3,072,308	- (888,967)	- (944,984)	- (270,063)
Other net income for the period	55,560,213	26,704,961	21,694,056	11,166,066
Capital gain on sale of investments	183,580	-	123,580	-
Unrealised diminution on re-measurement of investments Classified at fair value through profit or loss - net	- 55,743,793	- 26,704,961	(518,000) 21,299,636	- 11,166,066
Interim distribution:				
- Re 0.2733 per unit on September 27, 2011 (2010 - Re 0.1418 per unit on September 29, 2010)				
Cash distribution	(2,747,044)	(1,466,354)	-	-
Issue of 1,556,490 bonus units (2010: 419,069)	(15,564,900)	(4,190,687)	-	-
Interim distribution:				
- Re 0.2665 per unit on December 26, 2011 (2010 - Re 0.2326 per unit on December 30, 2010)				
Cash distribution	(14,222)	(2,326,348)	-	-
Issue of 1,451,309 bonus units (2010: 721,001)	(14,513,089)	(7,210,019)	-	-
Interim distribution:				
- Re 0.2642 per unit on March 26, 2012 (2011 - Re 0.2567 per unit on March 30, 2011)				
Cash distribution	(19,976)	(2,568,020)	(19,976)	(2,568,020)
Issue of 2,179,021 bonus units (2011: 852,941)	(21,790,211)	(8,529,405)	(21,790,211)	(8,529,405)
	(54,649,442)	(26,290,833)	(21,810,187)	(11,097,425)
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed	(236,744)	-	-	-
<b>Net assets as at the end of the period</b>	<b>797,236,161</b>	<b>439,616,941</b>	<b>797,236,161</b>	<b>439,616,941</b>

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

For ABL Asset Management Company Limited  
(Management Company)

  
FARID AHMED KHAN  
CEO

  
KAMRAN NISHAT  
DIRECTOR

## ABL ISLAMIC INCOME FUND (FORMERLY : ABL ISLAMIC CASH FUND) CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)

FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012

	For the Nine Months ended March 31, 2012	For the period from July 29, 2010 to March 31 2011,	For the quarter ended March 31, 2012	For the quarter ended March 31, 2011
-----Rupees-----				
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net income for the period before taxation	55,743,793	26,704,961	21,299,636	11,166,066
<b>Adjustments</b>				
Unrealised diminution on remeasurement of investments classified as financial assets 'at fair value through profit or loss' - held for trading	-	-	518,000	-
Net element of loss / (income) and capital losses / (gains) included in prices of units sold less those in units redeemed	2,835,564	(888,967)	(944,984)	(270,063)
Amortization of preliminary expenses and floatation cost	528,089	469,678	173,889	173,250
	<b>59,107,445</b>	<b>26,285,672</b>	<b>21,046,541</b>	<b>11,069,253</b>
<b>(Increase)/ decrease in assets</b>				
Investments	(558,779,280)	-	(373,779,280)	-
Prepayments	(62,024)	(52,348)	55,871	51,257
Profit receivable	(11,623,688)	(6,831,232)	(7,957,964)	(63,329)
	<b>(570,464,992)</b>	<b>(6,883,580)</b>	<b>(381,681,373)</b>	<b>(12,072)</b>
<b>Increase/ (decrease) in liabilities</b>				
Payable to ABL Asset Management Company Limited - Management Company	(297,116)	373,147	(418,472)	24,346
Payable to Central Depository Company of Pakistan Limited - Trustee	39,173	63,435	33,162	(6,325)
Payable to Securities and Exchange Commission of Pakistan	115,408	203,434	151,444	79,308
Accrued expenses and other liabilities	(22,074,674)	867,511	41,159	310,541
	<b>(22,217,209)</b>	<b>1,507,527</b>	<b>(192,707)</b>	<b>407,870</b>
<b>Net cash generated/ (used In) from operating activities</b>	<b>(533,574,756)</b>	<b>20,909,619</b>	<b>(360,827,539)</b>	<b>11,465,051</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Dividend Paid	(5,308,781)	(3,792,702)	(14,222)	(2,326,348)
Receipts from issue of units	893,538,043	537,203,044	361,966,749	28,655,211
Payments on redemption of units	(968,840,882)	(115,337,969)	(282,832,675)	(13,652,101)
<b>Net cash generated/ (used In) from financing activities</b>	<b>(80,611,620)</b>	<b>418,072,373</b>	<b>79,119,852</b>	<b>12,676,762</b>
<b>Net Increase / (decrease) in cash and cash equivalents</b>	<b>(614,186,376)</b>	<b>438,981,992</b>	<b>(281,707,687)</b>	<b>24,141,813</b>
Cash and cash equivalents at the beginning of the period	789,803,154	-	457,324,465	414,840,179
<b>Cash and cash equivalents at the end of the period</b>	<b>175,616,778</b>	<b>438,981,992</b>	<b>175,616,778</b>	<b>438,981,992</b>

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.

For ABL Asset Management Company Limited  
(Management Company)

  
FARID AHMED KHAN  
CEO

  
KAMRAN NISHAT  
DIRECTOR

 **ABL Asset Management**  
Discover the potential

  
**ABLIF**  
ABL Islamic Income Fund

## ABL ISLAMIC INCOME FUND (FORMERLY : ABL ISLAMIC CASH FUND) NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2012

### 1 LEGAL STATUS AND NATURE OF BUSINESS

ABL Islamic Income Fund (the Fund) formerly ABL Islamic Cash Fund was established under a trust deed executed between ABL Asset Management Company Limited (ABL AMCL) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on June 11, 2010 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) and the Trust Deed was executed on June 23, 2010.

The Fund is an open ended fund and is listed on the Karachi Stock Exchange (Guarantee) Limited. Units of the Fund are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.

The Fund has been categorized as an Open-End Shariah Compliant (Islamic) Income Scheme as per the criteria laid down by the Securities and Exchange Commission of Pakistan for categorisation of Collective Investment Schemes (CIS).

The Fund was categorised as a Cash Fund on its floatation on July 29, 2010. However, on July 29, 2011, a Supplemental Trust Deed was executed to change the category of the Fund to income fund scheme and the name of the Fund was changed from ABL Islamic Cash Fund to ABL Islamic Income Fund. The Fund's revised offering document was cleared by SECP on September 27, 2011. Accordingly, the Management Company has decided to implement the same with effect from October 1, 2011.

The objective of the Fund is to seek maximum possible preservation of capital and offer steady rate of return by investing in liquid Shariah compliant instruments providing Halal income like Shariah compliant short term Government Securities, cash and near cash instruments.

JCR-VIS Credit Rating Company has assigned Management Quality Rating of 'AM2-' to the Management Company and a stability rating of 'A+(f)' to the ABL Islamic Income Fund.

Title of the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as trustee of the Fund.

### 2 BASIS OF PREPARATION

#### 2.1 STATEMENT OF COMPLIANCE

This condensed interim financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of International Accounting Standard (IAS) 34: 'Interim Financial Reporting', the requirements of the Trust Deed, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Trust Deed, the NBFC Regulations or directives issued by the SECP differ with the requirements of IAS 34, the requirements of the Trust Deed, the NBFC Regulations or the directives issued by the SECP prevail.

This condensed interim financial information does not include all the information and disclosures required in the financial statements and should be read in conjunction with the annual published financial statements of the Fund for the year ended June 30, 2011.

This condensed interim financial information is unaudited. However, a limited scope review has been performed by the external auditors in accordance with the requirements of the Code of Corporate Governance. Accordingly, the Board of Directors of the Management Company declare that this condensed interim financial information gives a true and fair view of the state of affairs of the Fund.

## 2.1 Standards, interpretations and amendments to published approved accounting standards that are effective in the current period:

The following new standards and amendments to existing standards are mandatory for accounting periods beginning on or after July 1, 2011:

IAS 24 (revised), 'Related party disclosures', issued in November 2009. It supersedes IAS 24, 'Related party disclosures', issued in 2003. The revised standard clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. The adoption of the revised standard does not have any impact on the Fund's condensed interim financial information.

IFRS 7 (amendment) 'Financial instruments: Disclosures'. This amendment was part of the IASB's annual improvement project published in May 2010. The amendment emphasises the interaction between quantitative and qualitative disclosures about the nature and extent of risks associated with financial instruments. Adoption of this amendment does not have any impact on the Fund's condensed interim financial information.

There are certain new standards, amendments and International Financial Reporting Interpretations Committee (IFRIC) interpretations that became effective during the period and are mandatory for accounting periods beginning on or after July 1, 2011 but are considered not to be relevant or did not have any significant effect on the Fund's operations and are, therefore, not disclosed in this condensed interim financial information.

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

There are certain new standards, amendments and International Financial Reporting Interpretations Committee (IFRIC) interpretations that are mandatory for accounting periods beginning on or after July 1, 2012 but are considered not to be relevant or do not have any significant effect on the Fund's operations and are therefore not detailed in this condensed interim financial information.

	Note	Unaudited March 31, 2012	Audited June 30, 2011
-----Rupees-----			
<b>3 BANK BALANCES</b>			
Current accounts		2,086,687	15,114,016
Saving accounts	3.2	173,530,091	114,689,138
		<u>175,616,778</u>	<u>129,803,154</u>
<b>3.1 CASH AND CASH EQUIVALENTS</b>			
Balances with banks		175,616,778	129,803,154
Term deposit receipts		-	660,000,000
		<u>175,616,778</u>	<u>789,803,154</u>

- 3.2 These saving accounts carrying profit at rates ranging from 5.00% to 13.00% per annum (June 30, 2011: 5% to 11.50%). Deposits in Current accounts include Rs. 2,086,687 maintained with Allied Bank Limited, a related party.

4	INVESTMENTS	Note	Unaudited	Audited
			March 31, 2012	June 30, 2011
-----Rupees-----				
<b>Financial assets 'at fair value through profit or loss' - held for trading</b>				
	Government Ijara Sukuk:	4.1	608,779,280	-
	Sukuk	4.1	-	50,000,000
			608,779,280	50,000,000
<b>Loans and receivables</b>				
	Term Deposit Receipts		-	660,000,000
			608,779,280	710,000,000
			608,779,280	710,000,000

4.1 **Financial assets at fair value through profit or loss - held for trading**

a) Government Ijara Sukuk:

Issue date	Tenor	Face Value				Balance as at March 31, 2012			Market value as a percentage of net assets	Market value as a percentage of total investment
		As at July 01, 2011	Purchased during the Period	Disposed / matured during the Period	As at March 31, 2012	Cost	Market value			
-----Rupees-----										
March 7, 2011	3 Year	-	55,000,000	-	55,000,000	55,143,000	55,143,000	-	0.07	0.09
December 26, 2011	3 Year	-	603,000,000	50,000,000	553,000,000	553,636,280	553,636,280	-	0.69	0.91
Total - March 31, 2012		-	658,000,000	50,000,000	608,000,000	608,779,280	608,779,280	-		

b) Sukuk:

Issue	Profit/Markup Rate %	Face Value				Balance as at March 31, 2012			Market value as a percentage of net assets	Market value as a percentage of total investment
		As at July 01, 2011	Purchased during the Period	Disposed / matured during the Period	As at March 31, 2012	Cost	Market value	Appreciation (diminution)		
-----Rupees in-----										
KAPCO	14.89	50,000,000	-	50,000,000	-	-	-	-	-	-
HUBCO	14.47	-	50,000,000	50,000,000	-	-	-	-	-	-
Total - March 31, 2012		50,000,000	50,000,000	100,000,000	-	-	-	-	-	-

5	ACCRUED EXPENSES AND OTHER LIABILITIES	Unaudited	Audited
		March 31, 2012	June 30, 2011
-----Rupees-----			
	Auditors' remuneration	179,955	220,000
	Printing charges and others	197,266	22,814,036
	Provision for Workers' Welfare Fund	1,548,452	974,183
	Tax deducted at source	10,846	4,038
	Brokerage payable	1,064	-
		1,937,583	24,012,257
		1,937,583	24,012,257

## 5.1 Provision for workers' welfare fund

The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs 0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honourable High Court of Sindh (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication. However, without prejudice to the above, the Management Company made a provision for WWF contribution in the annual financial statements for the year ended June 30, 2011.

Last year a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. However, on December 14, 2010 the Ministry filed its response against the Constitutional petition requesting the court to dismiss the petition. According to the legal counsel who is handling the case, there is a contradiction between the aforementioned clarification issued by the Ministry and the response filed by the Ministry in Court.

Subsequent to June 30, 2011, the Honourable Lahore High Court (LHC) in a constitutional petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act 2008, has declared the said amendments as unlawful and unconstitutional and struck them down. The Management Company is hopeful that the decision of the LHC will lend further support to the constitutional petition which is pending in the Sindh High Court (SHC). Accordingly, the Management Company has stopped making accrual of this liability with effect from December 1, 2011. However, provision made till this date has not been reversed. An amount of Rs. 1.548 million has been recognised by the Fund including an amount of Rs 0.574 million recognised during the current period till November 30, 2011. The aggregate amount of the Fund's liability in respect of WWF amounts to Rs. 2.095 million till March 31, 2012.

## 6 CONTINGENCIES AND COMMITMENTS

There were no other contingencies and commitments outstanding as at March 31, 2012.

## 7 NET ASSET VALUE PER UNIT

The net asset value (NAV) per unit is calculated by dividing the net assets of the Fund by the number of units in circulation as at the period end.

## 8 EARNINGS PER UNIT (EPU)

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

## 9 TRANSACTIONS WITH CONNECTED PERSONS

Connected persons include ABL Asset Management Company Limited being the Management Company, Allied Bank Limited being the holding company of the Management Company, ABL-Employees Superannuation (Pension) Fund being an entity under common management, Central Depository Company being the trustee of the Fund and directors and officers of the Management Company.

The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

Remuneration to the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

Remuneration payable to the Trustee is determined in accordance with the provisions of the Trust Deed.

#### 9.1 Details of transactions with connected persons are as follows:

-----Unaudited-----				
	For the Nine Months ended March 31, 2012	For the period from July 29, 2010 to March 31, 2011	For the quarter Ended March 31, 2012	For the quarter Ended March 31, 2011
-----Rupees-----				
<b>ABL Asset Management Company Limited</b>				
<b>- Management Company</b>				
Issue of 4,986,188 units (2010: 20,000,000 units)	50,000,000	200,000,000	-	-
Bonus of 445,476 units (2010: 1,193,368 units)	4,454,760	11,933,684	1,537,750	4,782,950
Redemption of 18,553,681 units (2010: 2,182,622 units)	189,500,000	21,000,000	-	6,000,000
Remuneration for the period	5,472,505	2,690,497	2,019,234	1,057,443
Preliminary expense incurred by Management Company	-	3,223,762	-	-
<b>Allied Bank Limited</b>				
Bank charges	14,291	6,020	6,063	406
<b>ABL- Employees Superannuation (Pension) Fund</b>				
Issue of Nil units (2010: 10,000,000 units)	-	100,000,000	-	-
Redemption of 10,000,000 units (2010: Nil units)	101,115,000	-	-	-
Cash dividend	2,733,000	6,312,020	-	2,568,020
<b>KEY MANAGEMENT PERSONNEL</b>				
<b>Chief Executive Officer</b>				
Bonus of 4,507 units (2010: Nil units)	45,070	-	15,210	-
<b>Executives</b>				
Issue of 196,014 units (2010: 764,882 units)	2,000,000	7,701,982	1,600,000	4,497,512
Bonus of 29,126 units (2010: 18,818 units)	291,260	188,177	47,744	119,773
Redemption of 35,075 units (2010: 305,076 units)	354,623	3,078,726	-	1,701,400
<b>TRUSTEE</b>				
<b>Central Depository Company of Pakistan Limited</b>				
Remuneration for the period	930,333	510,934	343,270	179,765



	Unaudited March 31, 2012	Audited June 30, 2011
	-----Rupees-----	
<b>9.2</b>	<b>Amounts outstanding as at period end</b>	
	<b>ABL Asset Management Company Limited - Management Company</b>	
	Outstanding 5,974,160 Units (June 2011: 19,096,177 units)	59,906,487      191,273,038
	Preliminary expenses and floatation costs payable	2,579,010      3,223,762
	Remuneration payable to management company	700,405      464,837
	<b>Allied Bank Limited</b>	
	Bank Balance	2,086,687      15,114,016
	<b>ABL- Employees Superannuation (Pension) Fund</b>	
	Outstanding Nil Units (June 2011: 10,000,000 units)	-      100,163,000
	Cash dividend payable	-      2,546,000
	<b>KEY MANAGEMENT PERSONNEL</b>	
	<b>Chief Executive Officer</b>	
	Outstanding 59,082 Units (June 2011: 54,575 units)	592,450      546,640
	<b>Executives</b>	
	Outstanding 502,072 Units (June 2011: 544,361 units)	5,034,577      5,452,483
	<b>Central Depository Company of Pakistan Limited - Trustee</b>	
	Remuneration payable	118,195      79,022

**10 GENERAL**

**10.1** Figures have been rounded off to the nearest rupees.

**11 DATE OF AUTHORISATION FOR ISSUE**

These condensed Interim financial statements were authorized for issue on April 26, 2012 by the Board of Directors of the Management Company.

For ABL Asset Management Company Limited  
(Management Company)

  
FARID AHMED KHAN  
CEO

  
KAMRAN NISHAT  
DIRECTOR

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