

CONTENTS

<u>Fund's Information</u>	01
<u>Report of the Directors of the Management Company</u>	02
<u>Trustee Report to the Unit Holders</u>	05
<u>Auditors' Report to the Unit Holders on Review of Condensed Interim Financial Information</u>	06
<u>Condensed Interim Statement of Assets and Liabilities</u>	07
<u>Condensed Interim Income Statement</u>	08
<u>Condensed Interim Distribution Statement</u>	09
<u>Condensed Interim Statement of Movement in Unit Holders' Fund</u>	10
<u>Condensed Interim Cash Flow Statement</u>	11
<u>Notes to and forming part of the Condensed Interim Financial Information</u>	12

FUND'S INFORMATION

Management Company:	ABL Asset Management Company Limited 11 - B, Lalazar M. T. Khan Road, Karachi.	
Board of Directors	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
Audit Committee:	Mr. Kamran Nishat Mr. Muhammad Waseem Mukhtar Mr. Zia Ijaz	Chairman Member Member
Human Resource Committee:	Mr. Jawaid Iqbal Mr. Kamran Nishat Mr. Farid Ahmed Khan	Chairman Member Member
Chief Executive Officer of The Management Company:	Mr. Farid Ahmed Khan	
Chief Financial Officer & Company Secretary:	Mr. Saqib Matin	
Chief Internal Auditor:	Mr. Mubeen Ashraf Bhimani	
Trustee:	Central Depository Company of Pakistan Ltd. CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi - 74400	
Bankers to the Fund:	Allied Bank Limited Bank Al- Falah Limited United Bank Limited	
Distributor:	Allied Bank Limited FundShop - Investment Solutions BMA Financial Services	
Auditor:	A.F. Ferguson & Co Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, Karachi.	
Legal Advisor:	Bawany & Partners Room No. 404, 4th Floor Beaumont Plaza, 6 - C1 - 10, Beaumont Road, Civil Lines, Karachi.	
Registrar:	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 Condensed Interim Financial Statements (un-audited) of ABL Islamic Income Fund for the half year ended December 31, 2012.

ECONOMIC PERFORMANCE REVIEW

Pakistan's economic landscape somewhat stabilized during 1HFY13, but remains prone to growing challenges on the fiscal and political front. Key economic indicators showed some resilience despite continuous poor law and order situation, mounting political noise, acute energy shortages, and heavy Government spending and high international oil prices. Release of coalition support funds to the tune of USD 1.8bn rescued the weak external account and fiscal deficit situation with the current account posting a surplus of USD 250mn for 1HFY13. Provisional 1HFY13 fiscal deficit of 2.4% implied that the situation is not yet out of control, especially in the event of revenue shortfall (PKR 897bn collected vs. target of PKR 962bn) and high government subsidies ahead of elections. CPI numbers were also highly encouraging, as inflation averaged 8.32% in the first 6 month of this fiscal year compared to 10.87% during the corresponding period of last year. Controlled food inflation and Supreme Court's decision to slash CNG prices significantly contributed to the dip in CPI figures.

Taking cue from the encouraging CPI figures and steady current account situation, monetary authorities adopted a pro-growth stance, slashing the policy rate by 250bps during 1HFY13 to 9.5%. This implied that the discount rate was back in single digits after a break of 66 months. However, even such a steep decline in interest rates failed to ignite the economy or cause any excitement at the capital markets. Private sector credit off take remained subdued (PKR 74bn for 1HFY13) while Government borrowing from commercial banks escalated (PKR 746bn for 1HFY13). Overall M2 growth was witnessed at 6.98% for 1HFY13 (PKR 534bn) with NFA just about breaking even. Indeed the key area of concern was the continuous slide of the Rupee against the USD (1HFY13 depreciation 2.76%) in midst of depleting FX reserves (USD 13.8bn in December vs. USD 15.3bn at June 2012) emanating from IMF debt repayments (USD 1.2bn principal repayments during 1HFY13) and high import bill. FDI also remained disappointing at USD 563mn as poor security situation and continuous political uncertainty hampered flows. Healthy remittances recorded at USD 7.1bn (+12.5% YoY), however, provided some respite.

MUTUAL FUND INDUSTRY REVIEW

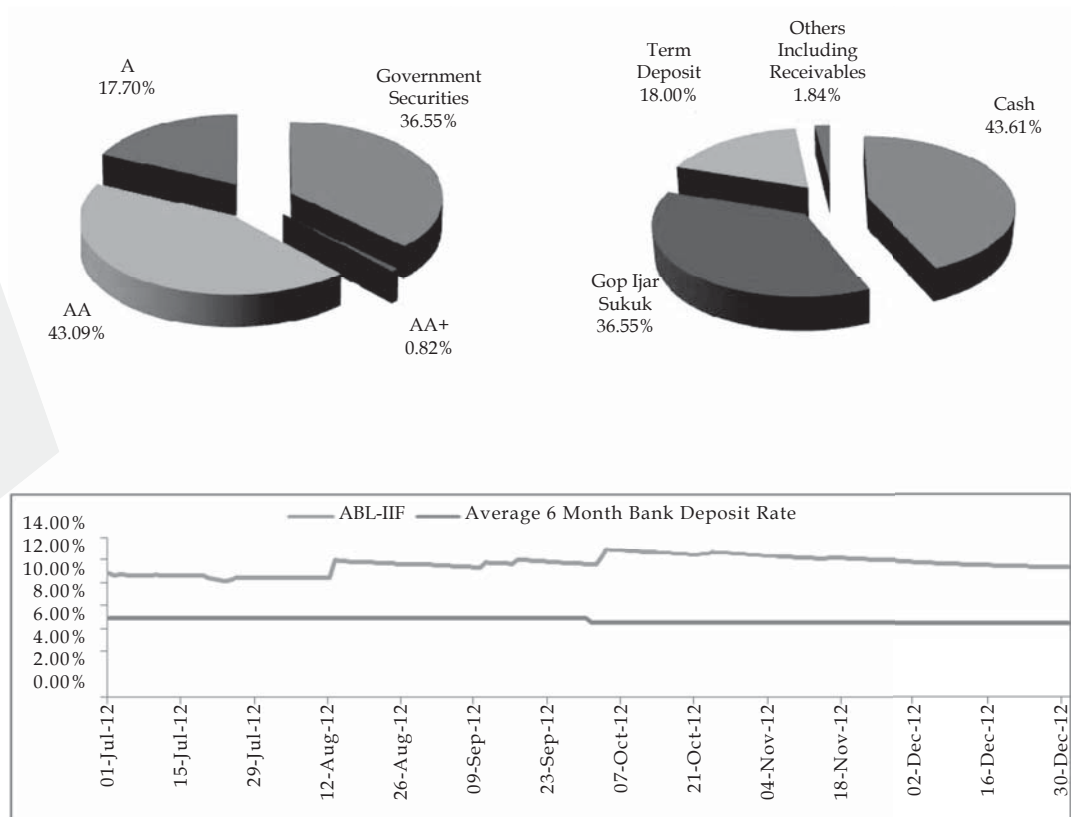
Total assets under management (AUMs) of Pakistan's open end mutual fund industry declined by 13.7% in 1HFY13 to close at PKR 309 billion in December 2012. The drop was primarily due to withdrawals by banks in Money Market and Government Securities Funds, as changes in tax rates reduced the tax efficiency of mutual funds. Fixed Income category (comprising of Income, Aggressive Income and Cash funds) registered a decline of PKR 65billion (-27%) in 1HFY13 to PKR 179 billion as at December 2012. However, lower interest rates and healthy corporate results helped equity funds to post positive growth in fund sizes as stock, balanced and asset allocation funds grew by 1.18%, 8.50% and 41.56% respectively.

The Islamic income fund category, though relatively small in comparison to conventional funds, performed well due to improved returns on account of year-end bank rates and valuation gains on Sovereign Ijara Sukuks. AUMs of the Islamic income fund category thus improved by 13.04% to PKR 33.848 bn as at December 31, 2012 compared to PKR 29.944 bn as at June 30, 2012.

FUND PERFORMANCE

Return performance remained upbeat during the period due to competitive rates on bank placements and valuation gains on GoP Ijara Sukuk holdings. During the 1HFY13, unit price of ABL-IIF increased by 5.56% to close at PKR 10.5735 (cum dividend) translating into an annualized compounded return of 11.34%. In addition to that ABL-IIF outperformed its benchmark by 466 bps. This in turn attracted investor interest in the fund, catapulting AUM growth.

During the period under review, ABL Islamic Income Fund’s AUMs increased by 56.29% to PKR 1,565 million from PKR 1,059 million as at June 30, 2012. As at December 31, 2012, ABL-IIF placements with Islamic banks were 61.61% and GoP Ijara Sukuk holdings were 36.55% of the portfolio. The fund is geared to high yield returns on account of year-end placements whilst maintaining a liquid profile.



AUDITORS

M/s. A.F. Fergusons & Co. (Chartered Accountants), have been appointed as auditors for the year ending June 30, 2013 for ABL Islamic Income Fund (ABL-IIF).

FUND STABILITY RATING

JCR-VIS Credit Rating Company Ltd. (JCR-VIS) on January 17, 2013 reaffirmed the Fund Stability Rating of ABL Islamic Income Fund at 'A+ (f)' (Single A Plus (f)).

MANAGEMENT QUALITY RATING

On January 10, 2013 JCR-VIS Credit Rating Company Limited maintained the Management Quality Rating of ABL Asset Management Company Limited (ABL AMCL) at 'AM 2-' (AM Two Minus). Outlook on the assigned rating has been revised from 'Stable' to 'Positive'

FUTURE OUTLOOK

We feel interest rates have bottomed out for the mean time as further easing in midst of declining FX reserves and heavy Government borrowing could have negative implications for Pakistan's overall economic health. Inflationary pressures may re-emerge and the exchange rate could depreciate significantly. Recent resumption of dialogue with the IMF, aimed at rolling over the IMF principal repayments, will be crucial in stabilizing FX reserves and the exchange rate. However, any concession offered by IMF is expected to result in imposition of strict conditions for the SBP. These conditions will primarily aim to restrict Government borrowing and higher interest rates can be used as one of the deterrent.

Our preference would remain intact to wards GoP Ijara Sukuk due to its low credit risk and competitive returns. Moreover, trading opportunities in these are abundant which would help boost returns. Bank placements will be actively switched into Ijara Sukuk as maturities fall due.

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 Karachi Stock Exchange (Guarantee) Limited for their continued guidance and support. The Directors also appreciate the efforts put in by the management team.

For and on behalf of the Board


FARID AHMED KHAN
Chief Executive Officer

Karachi, February 15, 2013

ABL ISLAMIC INCOME FUND TRUSTEE REPORT TO THE UNIT HOLDERS

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) 34326020 - 23
URL: www.cdcpakistan.com
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ISO 27001 Certified

TRUSTEE REPORT TO THE UNIT HOLDERS

ABL ISLAMIC INCOME 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 Islamic Income Fund (the Fund) are of the opinion that ABL Asset Management Company Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2012 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.

Muhammad Hanif Jakhura
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 25, 2013



ABL ISLAMIC INCOME FUND

AUDITORS REPORT TO THE UNIT HOLDERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION



A. F. FERGUSON & CO.

INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE UNIT HOLDERS

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **ABL Islamic Income Fund** as at December 31, 2012 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim distribution statement, condensed interim statement of movement in unit holders' funds and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial information'), for the half year ended December 31, 2012. The Management Company (ABL Asset Management Company Limited) is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2012 and 2011 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2012.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the half year ended December 31, 2012 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Chartered Accountants

Engagement Partner: **Rashid A. Jafer**

Dated: February 15, 2013

Karachi

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ABL ISLAMIC INCOME FUND CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT DECEMBER 31, 2012

		Unaudited December 31, 2012	Audited June 30, 2012
ASSETS		----- Rupees -----	
Balances with banks	4	733,311,830	269,492,693
Investments	5	909,325,099	787,653,501
Prepayments		101,658	-
Profit receivable		22,504,698	8,081,196
Preliminary expenses and floatation costs		1,609,129	1,934,156
Total assets		<u>1,666,852,414</u>	<u>1,067,161,546</u>
LIABILITIES			
Payable to ABL Asset Management Company Limited - Management Company	6	4,058,792	3,608,501
Payable to Central Depository Company of Pakistan Limited - Trustee		180,627	145,110
Payable to the Securities and Exchange Commission of Pakistan		449,846	580,936
Payable against redemption of units		1,450,000	-
Accrued expenses and other liabilities	7	4,460,479	3,063,835
Total liabilities		<u>10,599,744</u>	<u>7,398,382</u>
NET ASSETS		<u>1,656,252,670</u>	<u>1,059,763,164</u>
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		<u>1,656,252,670</u>	<u>1,059,763,164</u>
CONTINGENCIES AND COMMITMENTS	9		
		----- Number of units -----	
NUMBER OF UNITS IN ISSUE		<u>165,364,120</u>	<u>105,717,209</u>
		----- Rupees -----	
NET ASSET VALUE PER UNIT		<u>10.0158</u>	<u>10.0245</u>
FACE VALUE PER UNIT		<u>10.0000</u>	<u>10.0000</u>

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
CEO


KAMRAN NISHAT
DIRECTOR

ABL ISLAMIC INCOME FUND CONDENSED INTERIM INCOME STATEMENT (UN AUDITED)

FOR THE HALF YEAR & QUARTER ENDED DECEMBER 31, 2012

Note	For the half year ended December 31, 2012	For the half year ended December 31, 2011	For the quarter ended December 31, 2012	For the quarter ended December 31, 2011
	-----Rupees'-----			
INCOME				
Net capital gain on sale of investments	9,956,849	60,000	6,377,203	60,000
Profit On Term Deposit Receipts	5,792,329	13,101,645	5,551,233	623,836
Profit from Sukuk Certificates	40,326,101	6,936,800	18,160,153	3,910,581
Profit on bank accounts	18,317,768	23,841,065	11,154,070	15,511,980
	<u>74,393,047</u>	<u>43,939,510</u>	<u>41,242,659</u>	<u>20,106,397</u>
Unrealised appreciation on re-measurement of investments classified as financial assets at fair value through	286,987	518,000	286,987	518,000
Total income	<u>74,680,034</u>	<u>44,457,510</u>	<u>41,529,646</u>	<u>20,624,397</u>
EXPENSES				
Remuneration of ABL Asset Management Company Limited	5,997,946	3,453,271	3,397,438	1,561,520
Sindh sales tax on Management Company's Remuneration	959,627	552,524	543,578	249,884
Remuneration of the Central Depository Company of Pakistan - Trustee	937,809	587,063	503,028	265,459
Annual fee - Securities and Exchange Commission of Pakistan	449,846	258,998	254,808	117,114
Auditors' remuneration	148,711	145,777	74,356	77,881
Amortization of preliminary expenses and floatation costs	325,027	354,200	162,514	177,100
Other expenses	423,300	306,703	230,285	162,544
Total operating expenses	<u>9,242,266</u>	<u>5,658,536</u>	<u>5,166,007</u>	<u>2,611,502</u>
Net income from operating activities	<u>65,437,768</u>	<u>38,798,974</u>	<u>36,363,639</u>	<u>18,012,895</u>
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net	4,534,692	(3,780,548)	3,468,458	(1,320,201)
Provision for Workers' Welfare Fund	7.1 (1,399,449)	(574,269)	(795,106)	(207,754)
Net income for the period before taxation	<u>68,573,011</u>	<u>34,444,157</u>	<u>39,036,991</u>	<u>16,484,940</u>
Taxation	8 -	-	-	-
Net income for the period after taxation	<u>68,573,011</u>	<u>34,444,157</u>	<u>39,036,991</u>	<u>16,484,940</u>
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>68,573,011</u>	<u>34,444,157</u>	<u>39,036,991</u>	<u>16,484,940</u>
Earnings per unit	10			

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
CEO


KAMRAN NISHAT
DIRECTOR

ABL ISLAMIC INCOME FUND CONDENSED INTERIM DISTRIBUTION STATEMENT (UN AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2012

	For the half year ended December 31, 2012	For the half year ended December 31, 2011
-----Rupees-----		
Undistributed income brought forward:		
- realised income	2,591,144	1,333,019
- unrealised income	-	-
	2,591,144	1,333,019
Net income for the period	68,573,011	34,444,157
Interim distribution:		
- Re 0.2788 per unit on September 24, 2012 (2011 - Re 0.2733 per unit on September 27, 2011)		
Cash distribution	(22,381)	(2,747,044)
Issue of 2,945,055 bonus units (2011: 1,556,490)	(29,450,550)	(15,564,900)
Interim distribution:		
- Re 0.2789 per unit on December 27, 2012 (2011 - Re 0.2665 per unit on December 26, 2011)		
Cash distribution	(22,939)	(14,222)
Issue of 3,905,674 bonus units (2011: 1,451,309)	(39,056,738)	(14,513,089)
Element of loss and capital losses included in prices of units issued less those in units redeemed	-	(236,744)
Undistributed income carried forward	2,611,547	2,701,177
Undistributed income comprising:		
Realised income	2,324,560	2,183,177
Unrealised income	286,987	518,000
	2,611,547	2,701,177

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
CEO


KAMRAN NISHAT
DIRECTOR

ABL ISLAMIC INCOME FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT
IN UNIT HOLDERS' FUND (UN AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2012

	For the half year ended December 31, 2012	For the half year ended December 31, 2011
	-----Rupees-----	
Net Assets at beginning of the period	1,059,763,164	816,605,567
Issue of 121,559,965 units (2011: 52,620,044)	1,232,337,895	531,571,293
Redemption of 68,763,782 units (2011: 67,312,882)	(699,841,388)	(682,516,888)
	532,496,507	(150,945,595)
- Issue of 6,850,729 bonus units (2011: 3,007,799)	68,507,288	30,077,989
Net element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed		
- amount representing (income) / loss and capital (gains)/ losses - transferred to Income Statement	(4,534,692)	3,780,548
- amount representing (income) / loss and capital (gains) / losses - transferred to Distribution Statement	-	236,744
	(4,534,692)	4,017,292
Other net income for the period	58,329,175	33,866,157
Capital gain on sale of investments	9,956,849	60,000
Unrealised diminution on re-measurement of investments at fair value through profit or loss - net	286,987	518,000
Total comprehensive income for the period	68,573,011	34,444,157
Interim distribution:		
- Re 0.2788 per unit on September 24, 2012 (2011 - Re 0.2733 per unit on September 27, 2011)		
Cash distribution	(22,381)	(2,747,044)
Issue of 2,945,055 bonus units (2011: 1,556,490)	(29,450,550)	(15,564,900)
Interim distribution:		
- Re 0.2789 per unit on December 27, 2012 (2011 - Re 0.2665 per unit on December 26, 2011)		
Cash distribution	(22,939)	(14,222)
Issue of 3,905,674 bonus units (2011: 1,451,309)	(39,056,738)	(14,513,089)
	(68,552,608)	(32,839,255)
Element of loss and capital losses included in prices of units issued less those in units redeemed	-	(236,744)
Net assets as at end of the period	<u>1,656,252,670</u>	<u>701,123,411</u>

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
CEO


KAMRAN NISHAT
DIRECTOR

**ABL ISLAMIC INCOME FUND
CONDENSED INTERIM CASH FLOW
STATEMENT (UN AUDITED)**

FOR THE HALF YEAR ENDED DECEMBER 31, 2012

	For the half year ended December 31, 2012	For the half year ended December 31, 2011
-----Rupees-----		
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	68,573,011	34,444,157
Adjustments:		
Unrealised appreciation on remeasurement of investments classified as financial assets 'at fair value through profit or loss' - held for trading	(286,987)	(518,000)
Net element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed	(4,534,692)	3,780,548
Amortization of preliminary expenses and floatation cost	325,027	354,200
	<u>64,076,359</u>	<u>38,060,905</u>
(Increase)/ decrease in assets		
Profit receivable	(14,423,502)	(3,665,724)
Deposits and prepayments	(101,658)	(117,895)
Investments-net	178,615,389	(185,000,000)
	164,090,229	(188,783,619)
Increase/ (decrease) in liabilities		
Payable to ABL Asset Management Company Limited - Management Company	450,291	121,356
Payable to Central Depository Company of Pakistan Limited - Trustee	35,517	6,011
Payable to Securities and Exchange Commission of Pakistan	(131,090)	(36,036)
Accrued expenses and other liabilities	1,396,644	(22,115,833)
	<u>1,751,362</u>	<u>(22,024,502)</u>
Net cash generated from / (used in) operating activities	<u>229,917,950</u>	<u>(172,747,216)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(45,320)	(5,294,559)
Net receipts / (payments) against issuance / (redemption) of units	533,946,507	(154,436,914)
Net cash generated from / (used in) financing activities	<u>533,901,187</u>	<u>(159,731,473)</u>
Net increase / (decrease) in cash and cash equivalents	<u>763,819,137</u>	<u>(332,478,689)</u>
Cash and cash equivalents at the beginning of the period	269,492,693	789,803,154
Cash and cash equivalents at the end of the period	<u>4.3</u> <u>1,033,311,830</u>	<u>457,324,465</u>

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
CEO


KAMRAN NISHAT
DIRECTOR

ABL ISLAMIC INCOME FUND NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2012

1 LEGAL STATUS AND NATURE OF BUSINESS

ABL Islamic Income Fund (the 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 are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund at the option of the unit holders.

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 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- (stable outlook)' 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 the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the "NBFC Regulations") and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published financial statements of the Fund for the year ended June 30, 2012.

In compliance with schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at December 31, 2012.

2.2 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 the first time for the financial period beginning on or after July 1, 2012:

Amendment to IFRS 7, 'Financial instruments': The amendment includes new disclosures to facilitate comparison between those entities that prepare IFRS financial statements to those that prepare financial statements in accordance with US GAAP. The adoption of this amendment did not have any impact on the Fund's condensed interim financial information.

There are certain other new standards, amendments and interpretations that became effective during the period and are mandatory for accounting periods beginning on or after July 1, 2012 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.

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

There are certain new standards, amendments to approved accounting standards and new interpretations that are mandatory for accounting periods beginning on or after July 1, 2013 but are considered not to be relevant or did not have any significant effect on the fund's operations and are, therefore, not detailed in these financial statements.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied for the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual published financial statements of the Fund for the year ended June 30, 2012.

The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

The significant judgments made by management in applying the accounting policies and the key sources of estimation of uncertainty were the same as those that applied to the financial statements as at and for the year ended June 30, 2012.

The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2012.

	Note	(Unaudited) December 31, 2012	(Audited) June 30, 2012
4 BALANCES WITH BANKS		-----Rupees-----	
Current account	4.1	5,222,810	8,122,656
Saving accounts	4.2	<u>728,089,020</u>	<u>261,370,037</u>
		<u><u>733,311,830</u></u>	<u><u>269,492,693</u></u>

4.1 Deposits in current account is maintained with Allied Bank Limited, a related party.

- 4.2 These saving accounts carry profit at rates ranging from 6.00% to 9.60% (June 30, 2012: 6.00% to 11.70%) per annum.

	Note	(Unaudited) December 31, 2012	(Audited) June 30, 2012
4.3 Cash and cash equivalents		-----Rupees-----	
Balances with banks		733,311,830	269,492,693
Term Deposit Receipts		300,000,000	-
		<u>1,033,311,830</u>	<u>269,492,693</u>
5 INVESTMENTS			
Financial assets 'at fair value through profit or loss' - held for trading			
Government Securities - Gop Ijarah Sukuk	5.1	609,325,099	787,653,501
Loans and receivables			
Term Deposit Receipts		300,000,000	-
		<u>909,325,099</u>	<u>787,653,501</u>

- 5.1 Term Deposit Receipts carry profit rates at 9.90% and will mature on March 25, 2013

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

Government Ijara Sukuk:

Issue date	Mark-up rate / tenor	Face Value				Balance as at December 31, 2012			
		As at July 01, 2012	Purchased during the year	Disposed / matured during the year	As at December 31, 2012	Cost	Market value	Appreciation / (diminution)	Market value as a percentage of net assets
-----Rupees in '000-----									
7-Mar-11	10.28 / 3 Year	55,000,000	-	55,000,000	-	-	-	-	-
26-Dec-11	11.94 / 3 Year	458,000,000	244,075,000	702,075,000	-	-	-	-	-
2-Mar-12	10.43 / 3 Year	-	1,199,900,000	708,000,000	491,900,000	496,712,823	497,261,999	548,887	30.02%
30-Apr-12	9.65 / 3 Year	-	5,000,000	-	5,000,000	5,000,000	5,045,500	45,500	0.30%
28-Jun-12	9.28 / 3 Year	274,000,000	396,000,000	564,000,000	106,000,000	107,325,000	107,017,600	(307,400)	6.46%
18-Sep-12	10.03 / 3 Year	-	36,500,000	36,500,000	-	-	-	-	-
		<u>787,000,000</u>	<u>1,881,475,000</u>	<u>2,065,575,000</u>	<u>602,900,000</u>	<u>609,037,823</u>	<u>609,325,099</u>	<u>286,987</u>	<u>37%</u>

	Note	(Unaudited) December 31, 2012	(Audited) June 30, 2012
6 PAYABLE TO ABL ASSET MANAGEMENT COMPANY LIMITED - MANAGEMENT COMPANY		-----Rupees-----	
Remuneration		1,275,713	887,493
Preliminary expenses and floatation costs		2,579,010	2,579,010
Sindh sales tax on Management Company's Remuneration		204,069	141,998
		<u>4,058,792</u>	<u>3,608,501</u>

	Note	(Unaudited) December 31, 2012	(Audited) June 30, 2012
-----Rupees-----			
7	ACCRUED EXPENSES AND OTHER LIABILITIES		
	Auditors' remuneration	171,266	253,302
	Payable against printing and stationery	115,902	142,880
	Provision for Workers' Welfare Fund	7.1 4,046,995	2,647,546
	Brokerage payable	83,600	-
	Withholding tax	42,716	20,107
		<u>4,460,479</u>	<u>3,063,835</u>

7.1 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 Honorable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs, which is pending adjudication.

Subsequent to the year ended 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 SHC.

However, without prejudice to the above, the Management Company, as a matter of abundant caution, has decided to retain the provision for WWF amounting to Rs. 4.047 Million (including Rs. 1.399 Million for the current period) in these financial statements.

8 TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Further, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than unrealized capital gains to the unit holders. The management intends to distribute at least 90% of the Fund's net accounting income earned by the year end to the unit holders. Accordingly, no provision in respect of taxation has been made in this condensed interim financial information.

9 CONTINGENCIES AND COMMITMENTS

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

10 EARNINGS PER UNIT

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

11 TRANSACTIONS WITH CONNECTED PERSONS

Connected persons / related parties include ABL Asset Management Company Limited being the Management Company, Allied Bank Limited, Ibrahim Fibres Limited, Cyan Limited and ABL - Employees Superannuation (Pension) Fund being entities under common management and / or directorship, Central Depository Company of Pakistan Limited being the trustee of the Fund and directors and officers of the Management Company.

Transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market norms

11.1 Details of transactions with connected persons are as follows:

	Unaudited	
	For the half year ended December 31, 2012	For the half year ended December 31, 2011
	-----Rupees-----	
ABL Asset Management Company Limited		
- Management Company		
Issue of Nil units (2011: 4,986,188 units)	-	50,000,000
Bonus of 346,128 units (2011: 291,701 units)	3,461,280	2,917,010
Redemption of Nil units (2011: 18,553,681 units)	-	189,500,000
Remuneration for the period	5,997,946	3,453,271
Sindh Sales tax on Management Company's Remuneration	959,627	552,524
Allied Bank Limited		
Bank charges	24,124	8,228
ABL- Employees Superannuation (Pension) Fund		
Redemption of nil units (2011: 10,000,000 units)	-	101,115,000
Cash dividend	-	2,733,000
DIRECTOR OF THE MANAGEMENT COMPANY		
M. Shakeb Murad		
Issue of 20,456 units(2011: Nil units)	205,000	-
Bonus of,2,733 units (2011: Nil units)	27,330	-
Redemption of 2,743 units (2011: Nil units)	27,729	-
KEY MANAGEMENT PERSONNEL		
Chief Executive Officer		
Bonus of 5,734 units (2011: 2,986)	57,340	29,860
Executives		
Issue of 192,504 units (2011: 39,523 units)	1,950,000	400,000
Bonus of 5,789 units (2011: 22,517 units)	57,889	225,170
Redemption of Nil units (2011: 104,119 units)	-	1,051,214
TRUSTEE		
Central Depository Company of Pakistan Limited		
Remuneration for the period	937,809	587,063

11.2	Amounts outstanding as at period end	Unaudited December 31, 2012	Audited June 30, 2012
		-----Rupees-----	
	ABL Asset Management Company Limited - Management Company		
	Outstanding 6,467,133 Units (June 30, 2012: 6,121,005 units)	64,773,509	61,360,014
	Preliminary expenses and floatation costs payable	2,579,010	2,579,010
	Remuneration payable to management company	1,275,713	887,493
	Sindh Sales tax on Management Company's Remuneration	204,069	141,998
	Allied Bank Limited		
	Bank Balance	5,222,810	8,122,656
	DIRECTOR OF THE MANAGEMENT COMPANY		
	M. Shakeb Murad		
	Outstanding 49,985 Units (June 30, 2012: 29,539 units)	500,640	296,114
	KEY MANAGEMENT PERSONNEL		
	Chief Executive Officer		
	Outstanding 107,115 Units (June 30, 2012: 101,381 units)	1,072,843	1,016,293
	Executives		
	Outstanding 198,293 Units (June 30, 2012: 485,661 units)	1,986,065	4,868,507
	TRUSTEE		
	Central Depository Company of Pakistan Limited		
	Remuneration payable	180,627	145,110

12 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on February 15, 2013.

13 GENERAL

13.1 Figures have been rounded off to the nearest rupee.

13.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation. No significant reclassifications have been made during the current period.

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
CEO


KAMRAN NISHAT
DIRECTOR

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ABL Asset Management

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