



ABL Asset Management

Discover the potential

**GIPS<sup>®</sup>**  
**COMPLIANT**  
**PERFORMANCE**  
**REPORT**

FOR THE PERIOD FROM  
September 2008 till September  
2016

investment grade counters. Currently ABL AMC offers ABL Income Fund and ABL Government Securities Fund in this composite.

### **Benchmark**

The benchmark of ABL AMC Fixed Income Composite is Average of 6 Months KIBOR and the returns of benchmark are not net of withholding taxes.

### **List of Composites**

A list of all composite descriptions is available on request.

### **Fees**

Returns are calculated net of management fees and other expenses (which mainly includes custodial fee, trustee expense, SECP Fee, WWF and other levies).

### **Fee Schedule**

Management Fee ranges between 1.25%-1.5% p.a. of Daily Net Assets for different CISs and presently there Front-end load of 1.5%.

### **Minimum Portfolio Size**

The minimum portfolio size for inclusion in any composite is as follows:

For Collective Investment Schemes: Rs.100 million

For Separately Managed Account: Rs.50 million

### **Internal Dispersion**

Since number of Portfolios in the composite is only two at the moment (less than five) therefore calculation of internal dispersion is not required.

### **Ex-Post Standard Deviation**

The three-year annualized ex-post standard deviation of the composite and Benchmark is as follows:

Year	Composite 3-Yr	Benchmark 3-Yr
	St Dev	St Dev
1QFY17	1.28%	0.44%
FY16	2.56%	0.82%
FY15	2.46%	0.51%
FY14	1.53%	0.79%
FY13	0.91%	0.85%
FY12	0.42%	0.22%

## **Key Assumptions**

Following are the key assumptions used in portfolio valuation:

### **Financial Instruments**

All the financial assets and financial liabilities are recognized at the time when the CIS becomes a party to the contractual provisions of the instrument. Financial assets are de-recognized when the contractual rights to receive cash flows related to the assets expire. Financial liabilities are de-recognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on de-recognizing of the financial assets and financial liabilities is taken to the income statement in the period in which it arises.

### **Revenue Recognition**

Realized/ unrealized gains (losses) arising on sale / holding of investments are accounted for in the period in which they arise. Income on reverse repurchase, term deposit receipts, certificates of deposits, placements and government securities are recognized at the rate of return implicit in the instrument/ arrangement on a time proportionate basis. Profit on bank deposits is recorded on an accrual basis.

### **Subjective Unobservable Inputs**

ABL Asset Management uses subjective unobservable inputs for valuing some of its debt instruments like Term Finance Certificates. The criteria used for valuation is in accordance with the guidelines issued by Regulator through Circular 1 of 2009 (as amended from time to time) and unobservable inputs are disclosed through "Provisioning Policy" on the website of the Company.

### **Proprietary Assets in the Composite**

Proprietary Assets in the composite contains investments of ABL Asset Management Company Limited, its Management and that of Allied Bank Limited (ABL AMC's parent company).

### **Liability for Income Tax**

Under the income tax law in Pakistan, the CIS is regarded as a public company. The net income of the CIS is taxable, if the conditions stated under clause 99 of Part 1 of the Second Schedule of Income Tax Ordinance, 2001 are not met, at the tax rate applicable to a public company, which is presently as under:

- (a) Dividend income is taxable at the applicable rates given in the Income Tax Ordinance, 2001 for public companies on gross basis.
- (b) Capital gains arising on sale of securities, listed on Pakistan stock exchange at applicable tax rates in accordance with the Income Tax Ordinance, 2001.

(c) Return from all other sources/ instruments are taxable at the rate as applicable to a public company.

### **Liability for Income Tax, if ninety percent (90%) of the Fund's income is paid as dividend**

Notwithstanding the tax rates and withholding tax the income of the CIS will be exempt from tax, if not less than ninety per cent (90%) of the income for the year is distributed amongst the Unit Holders as dividend. This includes only cash dividend as consequent to amendments in Income Tax Ordinance, 2001 through Finance Act, 2014, for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. The ninety per cent (90%) of the income shall be calculated after excluding capital gains and as reduced by such expenses as are chargeable to the CIS under the Regulations.

### **Withholding Tax**

Under the provision of Clauses 47(B) of Part 4 of the Second Schedule to the Income Tax Ordinance, 2001, the CIS's income namely, dividend, profit on government securities, returns on deposits/ certificates of investment with banks/financial institutions, profits from money market placements, profit from Profit and Loss sharing accounts with Banks of the CIS will not be subject to any withholding tax until and unless we receive certificate of tax exemption from each exempted entity.

### **Liability for Worker's Welfare Fund (WWF)**

The CIS has provided for the liability of WWF at the rate of two percent of accounting or taxable income, whichever is higher, till June 30, 2015. The Management Company had undertaken to bear the WWF liability prior to May 27, 2010 on its books since the same has not been provided in the CIS's accounts. Furthermore, Finance Act, 2015 has abolished the applicability on CIS w.e.f July 01, 2015.

### **Taxation of Unit Holders & Liability to Zakat**

#### **(a) Withholding Tax**

Unless exempted from such taxation or applied at a reduced rate under any law or under avoidance of Double Taxation Agreement, profit distribution to Unit holders of the CIS will be subject to withholding taxes per the prevailing tax law.

#### **(b) Capital Gains**

Capital gains arising on disposition of units of the CIS before the period of two years will be subject to withholding Capital Gains Tax at the applicable rates given in the Income Tax Ordinance, 2001. There shall be no CGT, if holding period is more than 48 months (4 years).As

per section 37(A) of the Income Tax ordinance, 2001, Capital gains shall be treated as a separate block of income and losses under this head can be adjusted by the unit holders from the capital gains in the same tax year. Any unadjusted loss under this head is not allowed to be carried forward to the subsequent tax years.

**(c) Zakat levy**

Units held by qualifying investors (Sahib-e-Nisab) as per Zakat and Ushr Ordinance, 1980 shall be subject to Zakat (levy) at the rate of 2.5% of the Par value of the Units or repurchase value of units whichever is lower as on valuation date in each Zakat year under Zakat and Ushr Ordinance, 1980, (XVII of 1980), except those exempted or have provided valid Zakat declaration form on the format prescribed in the Ordinance. Zakat will be deducted at source from the dividend amount or from the redemption proceeds whichever comes earlier.

**ABL Asset Management Company Limited (ABL AMC)**
**Equity Composite**

For the Period from June 28, 2009 to September 30, 2016

Composite: ABL AMC Equity Composite

Benchmark: KSE-30 Index

Creation Date: September 27, 2010

Reporting Currency: Pak Rupees

	Total Net Return (%)	Benchmark Return (%)	No. of Portfolios	Total Assets at end of period (mn)	Percentage of Firm's assets (%)	Total assets of the Firm at the end of Period (mn)
1QFY17	10.64	6.51	<5	4,509	12.10%	37,268
FY16	9.92	0.37	<5	3,249	10.14%	32,038
FY15	27.11	5.67	<5	2,256	7.67%	29,422
FY14	32.90	25.96	<5	1,114	3.74%	29,773
FY13	55.87	35.95	<5	783	3.51%	22,293
FY12	26.30	2.90	<5	256	0.45%	57,157
FY11	29.16	21.24	<5	642	3.70%	17,355
FY10	32.72	26.22	<5	376	4.30%	8,736
FY09*	(0.20)	(0.42)	<5	218	3.08%	7,090

\*Returns are from June 28, 2009 to June 30, 2009

**Compliance Statement**

ABL Asset Management Co Ltd claims compliance with the Global Investment Performance Standards (GIPS) and has prepared and presented this report in compliance with the GIPS standards. ABL AMC has not been independently verified.

**Definition of the Firm**

ABL Asset Management Company Limited (“ABL AMC” or the “Company” or the “Firm”) is a wholly owned subsidiary of Allied Bank Limited (ABL). ABL AMC is licensed to undertake Asset Management and Investment Advisory services by Securities & Exchange Commission of Pakistan (SECP). The firm i.e. ABL AMC includes all Collective Investment Schemes (CISs) under its management and Separately Managed Accounts (SMAs).

**Policies**

ABL AMC’s policies for valuing portfolios, calculating performance and preparing compliant presentations are available on request.

**Composite Description**

ABL AMC Equity Composite includes Equity Portfolio that aim to provide investors long-term capital appreciation by investing primarily in a mix of listed equities that offer prospects of

capital gains and/or attractive dividend potential. The composite currently comprises of only two portfolios, that is, ABL Stock Fund (ABL-SF) and ABL Pension Fund – Equity sub Fund.

The portfolios in this composite can also make temporary placements in fixed income and money market instruments, at the discretion of Fund Manager, in times of high volatility and/or bearish market outlook.

### **Benchmark**

The benchmark of ABL AMC Equity Composite is KSE-30 Index and returns of Benchmark are not net of withholding taxes. Prior to June 01, 2010 Benchmark for ABL Equity Fund was KSE-100 index.

### **List of Composites**

A list of all composite descriptions is available on request.

### **Fees**

Returns are calculated net of management fees and other expenses (which mainly includes custodial fee, trustee expense, SECP Fee, WWF and other levies).

### **Fee Schedule**

Management Fee is 2.00% of Net Assets with a discretionary 2.00% Front-end load. There is no Back-end load currently.

### **Minimum Portfolio Size**

The minimum portfolio size for inclusion in any composite is as follows:

For Collective Investment Schemes: Rs.100 million

For Separately Managed Account: Rs.50 million

### **Internal Dispersion**

Since number of Portfolios in the composite is only one at the moment (less than five) therefore calculation of internal dispersion is not required.



### Ex-Post Standard Deviation

The three-year annualized ex-post standard deviation of the composite and Benchmark is as follows:

	Composite 3-Yr	Benchmark 3-Yr
Year	St Dev	St Dev
1QFY17	7.01%	6.51%
FY16	10.16%	12.98%
FY15	13.50%	12.48%
FY14	17.57%	14.40%
FY13	16.92%	17.97%
FY12	18.06%	19.15%

### Key Assumptions

Following are the key assumptions used in portfolio valuation:

#### Financial Instruments

All the financial assets and financial liabilities are recognized at the time when the CIS becomes a party to the contractual provisions of the instrument. Financial assets are de-recognized when the contractual rights to receive cash flows related to the assets expire. Financial liabilities are de-recognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on de-recognizing of the financial assets and financial liabilities is taken to the income statement in the period in which it arises.

#### Revenue Recognition

Realized/ unrealized gains (losses) arising on sale of investments / holdings are accounted for in the period in which they arise. Dividend Income is recognized when the right to receive the dividend is established. Income on government securities is recognized at the rate of return implicit in the instrument/ arrangement on a time proportionate basis. Profit on bank deposits is recorded on an accrual basis.

#### Proprietary Assets in the Composite

Proprietary Assets in the composite contains investments of ABL Asset Management Company Limited, its Management and that of Allied Bank Limited (ABL AMC's parent company).

#### Liability for Income Tax

Under the income tax law in Pakistan, the CIS is regarded as a public company. The net income of the CIS is taxable, if the conditions stated under clause 99 of Part 1 of the Second Schedule of



Income Tax Ordinance, 2001 are not met, at the tax rate applicable to a public company, which is presently as under:

- (a) Dividend income is taxable at the applicable rates given in the Income Tax Ordinance, 2001 for public companies on gross basis.
- (b) Capital gains arising on sale of securities, listed on Pakistan stock exchange at applicable tax rates in accordance with the Income Tax Ordinance, 2001.
- (c) Return from all other sources/ instruments are taxable at the rate as applicable to a public company.

#### **Liability for Income Tax, if ninety percent (90%) of the Fund's income is paid as dividend**

Notwithstanding the tax rates and withholding tax the income of the CIS will be exempt from tax, if not less than ninety per cent (90%) of the income for the year is distributed amongst the Unit Holders as dividend. This includes only cash dividend as consequent to amendments in Income Tax Ordinance, 2001 through Finance Act, 2014, for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. The ninety per cent (90%) of the income shall be calculated after excluding capital gains and as reduced by such expenses as are chargeable to the CIS under the Regulations.

#### **Withholding Tax**

Under the provision of Clauses 47(B) of Part 4 of the Second Schedule to the Income Tax Ordinance, 2001, the CIS's income namely, dividend, profit on government securities, returns on deposits/ certificates of investment with banks/financial institutions, profits from money market placements, profit from Profit and Loss sharing accounts with Banks of the CIS will not be subject to any withholding tax until and unless we receive certificate of tax exemption from each exempted entity.

#### **Liability for Worker's Welfare Fund (WWF)**

The CIS has provided for the liability of WWF at the rate of two percent of accounting or taxable income, whichever is higher, till June 30, 2015. The Management Company had undertaken to bear the WWF liability prior to May 27, 2010 on its books since the same has not been provided in the CIS's accounts. Furthermore, Finance Act, 2015 has abolished the applicability on CIS w.e.f July 01, 2015.

#### **Taxation of Unit Holders & Liability to Zakat**

##### **(a) Withholding Tax**

Unless exempted from such taxation or applied at a reduced rate under any law or under avoidance of Double Taxation Agreement, profit distribution to Unit holders of the CIS will be subject to withholding tax

as per the prevailing tax law.

**(b) Capital Gains**

Capital gains arising on disposition of units of the CIS before the period of two years will be subject to withholding Capital Gains Tax at the applicable rates given in the Income Tax Ordinance, 2001. There shall be no CGT, if holding period is more than 48 months (4 years). As per section 37(A) of the Income Tax ordinance, 2001, Capital gains shall be treated as a separate block of income and losses under this head can be adjusted by the unit holders from the capital gains in the same tax year. Any unadjusted loss under this head is not allowed to be carried forward to the subsequent tax years.

**(c) Zakat levy**

Units held by qualifying investors (Sahib-e-Nisab) as per Zakat and Ushr Ordinance, 1980 shall be subject to Zakat (levy) at the rate of 2.5% of the Par value of the Units or repurchase value of units whichever is lower as on valuation date in each Zakat year under Zakat and Ushr Ordinance, 1980, (XVII of 1980), except those exempted or have provided valid Zakat declaration form on the format prescribed in the Ordinance. Zakat will be deducted at source from the dividend amount or from the redemption proceeds whichever comes earlier.

**ABL Asset Management Company Limited (ABL AMC)**
**Money Market Composite**

For the Period from July 30, 2010 to September 30, 2016

Composite: ABL AMC Money Market Composite  
 Benchmark: Average 3 Months Deposit rates of AA and above rated Banks  
 Creation Date: September 27, 2010  
 Reporting Currency: Pak Rupees

	Total Net Return (%)	Benchmark Return (%)	No. of Portfolios	Total Assets at end of period (mn)	Percentage of Firm's assets (%)	Total assets of the Firm at the end of Period (mn)
1QFY17	1.45	1.02	<5	3,680	9.87%	37,268
FY16	5.79	3.82	<5	2,603	8.12%	32,038
FY15	9.37	6.06	<5	6,352	21.59%	29,422
FY14	8.18	6.57	<5	15,396	51.71%	29,773
FY13	9.11	6.61	<5	13,953	62.59%	22,293
FY12	11.23	7.49	<5	16,385	28.67%	57,157
FY11*	10.90	6.87	<5	10,651	61.37%	17,355

\*Returns are from July 30, 2010 to June 30, 2011

**Compliance Statement**

ABL Asset Management Co Ltd claims compliance with the Global Investment Performance Standards (GIPS) and has prepared and presented this report in compliance with the GIPS standards. ABL AMC has not been independently verified.

**Definition of the Firm**

ABL Asset Management Company Limited ("ABL AMC" or the "Company" or the "Firm") is a wholly owned subsidiary of Allied Bank Limited (ABL). ABL AMC is licensed to undertake Asset Management and Investment Advisory services by Securities & Exchange Commission of Pakistan (SECP). The firm i.e. ABL AMC includes all Collective Investment Schemes (CISs) under its management and Separately Managed Accounts (SMAs).

**Policies**

ABL AMC's policies for valuing portfolios, calculating performance and preparing compliant presentations are available on request.

**Composite Description**

The money market composite consists of low risk; highly liquid money market instruments according to the SECP defined categorization of CISs. Asset classes primarily entail short term money market and sovereign debt instruments and short term placement with AA and above

rated Financial Institutions. This composite offers stable yet competitive returns consistent with its low duration. Currently ABL AMC offers only ABL Cash Fund in this composite.

### **Benchmark**

The benchmark of ABL AMC Money Market composite is Average 3 Month Deposit rates of AA and above rated Banks and the returns of Benchmark is not net of withholding taxes.

### **List of Composites**

A list of all composite descriptions is available on request.

### **Fees**

Returns are calculated net of management fees and other expenses (which mainly includes custodial fee, trustee expense, SECP Fee, WWF and other levies).

### **Fee Schedule**

Management Fee is “10% of annualized Gross Return and 1.00% of Net Assets whichever is lower and presently there is no Front-end and Back-end load.

### **Minimum Portfolio Size**

The minimum portfolio size for inclusion in any composite is as follows:

For Collective Investment Schemes: Rs.100 million

For Separately Managed Account: Rs.50 million

### **Internal Dispersion**

Since number of Portfolios in the composite is only one at the moment (less than five) therefore calculation of internal dispersion is not required.

### **Ex-Post Standard Deviation**

The three-year annualized ex-post standard deviation of the composite and Benchmark is as follows:

Year	Composite 3-Yr	Benchmark 3-Yr
	St Dev	St Dev
1QFY17	0.47%	0.34%
FY16	0.91%	0.67%
FY15	0.77%	0.30%
FY14	0.92%	0.29%

## **Key Assumptions**

Following are the key assumptions used in portfolio valuation:

### **Financial Instruments**

All the financial assets and financial liabilities are recognized at the time when the CIS becomes a party to the contractual provisions of the instrument. Financial assets are de-recognized when the contractual rights to receive cash flows related to the assets expire. Financial liabilities are de-recognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on de-recognizing of the financial assets and financial liabilities is taken to the income statement in the period in which it arises.

### **Revenue Recognition**

Realized/ unrealized gains (losses) arising on sale of investments are accounted for in the period in which they arise. Income on reverse repurchase, term deposit receipts, certificates of deposits, placements and government securities are recognized at the rate of return implicit in the instrument/ arrangement on a time proportionate basis. Profit on bank deposits is recorded on an accrual basis.

### **Proprietary Assets in the Composite**

Proprietary Assets in the composite contains investments of ABL Asset Management Company Limited, its Management and that of Allied Bank Limited (ABL AMC's parent company).

### **Liability for Income Tax**

Under the income tax law in Pakistan, the CIS is regarded as a public company. The net income of the CIS is taxable, if the conditions stated under clause 99 of Part 1 of the Second Schedule of Income Tax Ordinance, 2001 are not met, at the tax rate applicable to a public company, which is presently as under:

- (a) Dividend income is taxable at the applicable rates given in the Income Tax Ordinance, 2001 for public companies on gross basis.
- (b) Capital gains arising on sale of securities, listed on Pakistan stock exchange at applicable tax rates in accordance with the Income Tax Ordinance, 2001.
- (c) Return from all other sources/ instruments are taxable at the rate as applicable to a public company.

### **Liability for Income Tax, if ninety percent (90%) of the Fund's income is paid as dividend**

Notwithstanding the tax rates and withholding tax the income of the CIS will be exempt from tax, if not less than ninety per cent (90%) of the income for the year is distributed amongst the Unit Holders as dividend. This includes only cash dividend as consequent to amendments in

Income Tax Ordinance, 2001 through Finance Act, 2014, for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. The ninety per cent (90%) of the income shall be calculated after excluding capital gains and as reduced by such expenses as are chargeable to the CIS under the Regulations.

### **Withholding Tax**

Under the provision of Clauses 47(B) of Part 4 of the Second Schedule to the Income Tax Ordinance, 2001, the CIS's income namely, dividend, profit on government securities, returns on deposits/ certificates of investment with banks/financial institutions, profits from money market placements, profit from Profit and Loss sharing accounts with Banks of the CIS will not be subject to any withholding tax until and unless we receive certificate of tax exemption from each exempted entity.

### **Liability for Worker's Welfare Fund (WWF)**

The CIS has provided for the liability of WWF at the rate of two percent of accounting or taxable income, whichever is higher, till June 30, 2015. The Management Company had undertaken to bear the WWF liability prior to May 27, 2010 on its books since the same has not been provided in the CIS's accounts. Furthermore, Finance Act, 2015 has abolished the applicability on CIS w.e.f July 01, 2015.

### **Taxation of Unit Holders & Liability to Zakat**

#### **(a) Withholding Tax**

Unless exempted from such taxation or applied at a reduced rate under any law or under avoidance of Double Taxation Agreement, profit distribution to Unit holders of the CIS will be subject to withholding tax as per the prevailing tax law.

#### **(b) Capital Gains**

Capital gains arising on disposition of units of the CIS before the period of two years will be subject to withholding Capital Gains Tax at the applicable rates given in the Income Tax Ordinance, 2001. There shall be no CGT, if holding period is more than 48 months (4 years). As per section 37(A) of the Income Tax ordinance, 2001, Capital gains shall be treated as a separate block of income and losses under this head can be adjusted by the unit holders from the capital gains in the same tax year. Any unadjusted loss under this head is not allowed to be carried forward to the subsequent tax years.

#### **(c) Zakat levy**

Units held by qualifying investors (Sahib-e-Nisab) as per Zakat and Ushr Ordinance, 1980 shall be subject to Zakat (levy) at the rate of 2.5% of the Par value of the Units or repurchase value of units whichever is lower as on valuation date in each Zakat year under Zakat and Ushr

Ordinance, 1980, (XVII of 1980), except those exempted or have provided valid Zakat declaration form on the format prescribed in the Ordinance. Zakat will be deducted at source from the dividend amount or from the redemption proceeds whichever comes earlier.



**ABL Asset Management Company Limited (ABL AMC)**  
**Islamic Income Composite (formerly Islamic Money Market Composite)**  
 For the Period from July 30, 2010 to September 30, 2016

Composite: ABL AMC Islamic Fixed Income Composite  
 Benchmark: Average 6 Months Deposit rates of any three Islamic Banks  
 Creation Date: September 27, 2010  
 Reporting Currency: Pak Rupees

	Total Net Return (%)	Benchmark Return (%)	No. of Portfolios	Total Assets at end of period (mn)	Percentage of Firm's assets (%)	Total assets of the Firm at the end of Period (mn)
1QFY17	1.44	1.03	<5	4,420	11.86%	37,268
FY16	5.83	5.11	<5	3,276	10.23%	32,038
FY15	8.69	6.61	<5	1,832	6.23%	29,422
FY14	8.88	6.78	<5	1,270	4.27%	29,773
FY13	9.22	6.63	<5	1,172	5.26%	22,293
FY12	10.98	7.46	<5	1,060	1.85%	57,157
FY11*	9.32	6.70	<5	817	4.71%	17,355

\*Returns are from July 30, 2010 to June 30, 2011

### Compliance Statement

ABL Asset Management Co Ltd claims compliance with the Global Investment Performance Standards (GIPS) and has prepared and presented this report in compliance with the GIPS standards. ABL AMC has not been independently verified.

### Definition of the Firm

ABL Asset Management Company Limited (“ABL AMC” or the “Company” or the “Firm”) is a wholly owned subsidiary of Allied Bank Limited (ABL). ABL AMC is licensed to undertake Asset Management and Investment Advisory services by Securities & Exchange Commission of Pakistan (SECP). The firm i.e. ABL AMC includes all Collective Investment Schemes (CISs) under its management and Separately Managed Accounts (SMAs).

### Policies

ABL AMC’s policies for valuing portfolios, calculating performance and preparing compliant presentations are available on request.

### Change in Name of Composite

The Islamic Money Market Composite has been redefined as Islamic Income Composite effective from October 1, 2011. Category of one and only portfolio in the composite was changed from low duration Islamic money market fund to high duration Islamic income fund.

## **Composite Description**

The Islamic Income Composite entails low to high duration Shariah (Islamic Law) compliant assets. Asset classes consist of Government and Corporate Sukuks, Spread Transactions as approved by the Shariah Advisor in eligible securities as declared by the Stock Exchanges and the SECP, Shariah compliant Money Market instruments, Placements with A and above rated Islamic Financial Institutions (or Islamic windows of conventional banks) and placement of funds under Mudarabah, Murabaha, Musharakahs, Istisna'a and Ijarah arrangements with Banks, NBFCs, Mudarabahs and DFIs. Currently ABL AMC offers only ABL Islamic Income Fund in this composite.

## **Benchmark**

Benchmark for redefined ABL AMC Islamic Income Composite is Average 6 Months Deposit rates of any three Islamic Banks and the returns of Benchmark are not net of withholding taxes.

## **Reason for Change in Benchmark**

The Benchmark was changed to reflect redefinition of the composite as at October 1, 2011 (redefinition reasons disclosed above).

## **List of Composites**

A list of all composite descriptions is available on request.

## **Fees**

Returns are calculated net of management fees and other expenses (which mainly includes custodial fee, trustee expense, SECP Fee, WWF and other levies).

## **Fee Schedule**

Management Fee is 1.00% of Net Assets and presently Front-end load of 1.5% and no Back-end load.

## **Minimum Portfolio Size**

The minimum portfolio size for inclusion in any composite is as follows:

For Collective Investment Schemes: Rs.100 million

For Separately Managed Account: Rs.50 million

## **Internal Dispersion**

Since the number of Portfolios in the composite is only one at the moment (less than five), calculation of internal dispersion is not required.

### **Ex-Post Standard Deviation**

The three-year annualized ex-post standard deviation of the composite and Benchmark is as follows:

Year	Composite 3-Yr St Dev	Benchmark 3-Yr St Dev
1QFY17	0.43%	0.25%
FY16	0.80%	0.42%
FY15	0.64%	0.08%
FY14	0.82%	0.28%

### **Key Assumptions**

Following are the key assumptions used in portfolio valuation:

#### **Financial Instruments**

All the financial assets and financial liabilities are recognized at the time when the CIS becomes a party to the contractual provisions of the instrument. Financial assets are de-recognized when the contractual rights to receive cash flows related to the assets expire. Financial liabilities are de-recognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on de-recognizing of the financial assets and financial liabilities is taken to the income statement in the period in which it arises.

#### **Revenue Recognition**

Realized/ unrealized gains (losses) arising on sale of investments / holdings are accounted for in the period in which they arise. Profit on government securities and certificate of musharaka are recognized at the expected rate of return implicit in the instrument/ arrangement on a time proportionate basis. Profit on bank deposits is recorded on an accrual basis.

#### **Proprietary Assets in the Composite**

Proprietary Assets in the composite contains investments of ABL Asset Management Company Limited, its Management and that of Allied Bank Limited (ABL AMC's parent company).

#### **Liability for Income Tax**

Under the income tax law in Pakistan, the CIS is regarded as a public company. The net income of the CIS is taxable, if the conditions stated under clause 99 of Part 1 of the Second Schedule of Income Tax Ordinance, 2001 are not met, at the tax rate applicable to a public company, which is presently as under:

- (a) Dividend income is taxable at the applicable rates given in the Income Tax Ordinance, 2001 for public companies on gross basis.
- (b) Capital gains arising on sale of securities, listed on Pakistan stock exchange at applicable tax rates in accordance with the Income Tax Ordinance, 2001.
- (c) Return from all other sources/ instruments are taxable at the rate as applicable to a public company.

### **Liability for Income Tax, if ninety percent (90%) of the Fund's income is paid as dividend**

Notwithstanding the tax rates and withholding tax the income of the CIS will be exempt from tax, if not less than ninety per cent (90%) of the income for the year is distributed amongst the Unit Holders as dividend. This includes only cash dividend as consequent to amendments in Income Tax Ordinance, 2001 through Finance Act, 2014, for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. The ninety per cent (90%) of the income shall be calculated after excluding capital gains and as reduced by such expenses as are chargeable to the CIS under the Regulations.

### **Withholding Tax**

Under the provision of Clauses 47(B) of Part 4 of the Second Schedule to the Income Tax Ordinance, 2001, the CIS's income namely, dividend, profit on government securities, returns on deposits/ certificates of investment with banks/financial institutions, profits from money market placements, profit from Profit and Loss sharing accounts with Banks of the CIS will not be subject to any withholding tax until and unless we receive certificate of tax exemption from each exempted entity.

### **Liability for Worker's Welfare Fund (WWF)**

The CIS has provided for the liability of WWF at the rate of two percent of accounting or taxable income, whichever is higher, till June 30, 2015. The Management Company had undertaken to bear the WWF liability prior to May 27, 2010 on its books since the same has not been provided in the CIS's accounts. Furthermore, Finance Act, 2015 has abolished the applicability on CIS w.e.f July 01, 2015.

### **Taxation of Unit Holders & Liability to Zakat**

#### **(a) Withholding Tax**

Unless exempted from such taxation or applied at a reduced rate under any law or under avoidance of Double Taxation Agreement, profit distribution to Unit holders of the CIS will be subject to withholding tax as per the prevailing tax law.

**(b) Capital Gains**

Capital gains arising on disposition of units of the CIS before the period of two years will be subject to withholding Capital Gains Tax at the applicable rates given in the Income Tax Ordinance, 2001. There shall be no CGT, if holding period is more than 48 months (4 years). As per section 37(A) of the Income Tax ordinance, 2001, Capital gains shall be treated as a separate block of income and losses under this head can be adjusted by the unit holders from the capital gains in the same tax year. Any unadjusted loss under this head is not allowed to be carried forward to the subsequent tax years.

**(c) Zakat levy**

Units held by qualifying investors (Sahib-e-Nisab) as per Zakat and Ushr Ordinance, 1980 shall be subject to Zakat (levy) at the rate of 2.5% of the Par value of the Units or repurchase value of units whichever is lower as on valuation date in each Zakat year under Zakat and Ushr Ordinance, 1980, (XVII of 1980), except those exempted or have provided valid Zakat declaration form on the format prescribed in the Ordinance. Zakat will be deducted at source from the dividend amount or from the redemption proceeds whichever comes earlier.

## ABL Asset Management Company Limited (ABL AMC)

### Capital Protection Composite

For the Period from June 01, 2012 to September 30, 2016

Composite: ABL AMC Capital Protected Composite  
 Benchmark: Weightage of Capital Protected segment in CIS with 2 Year Term Deposit of AA- & above rated banks and weightage of Investment segment with KSE 30 Index  
 Creation Date: September 27, 2012  
 Reporting Currency: Pak Rupees

	Total Net Return (%)	Benchmark Return (%)	No. of Portfolios	Total Assets at end of period (mn)	Percentage of Firm's assets (%)	Total assets of the Firm at the end of
FY14**	9.05	8.20	<5	371	1.25%	29,773
FY13	13.89	9.50	<5	363	1.63%	22,293
FY12*	0.65	0.48	<5	336	0.59%	57,157

\*Returns are from June 1, 2012 to June 30, 2012

\*\*Returns are from July 1, 2013 to June 2, 2014

### Compliance Statement

ABL Asset Management Co Ltd claims compliance with the Global Investment Performance Standards (GIPS) and has prepared and presented this report in compliance with the GIPS standards. ABL AMC has not been independently verified.

### Definition of the Firm

ABL Asset Management Company Limited ("ABL AMC" or the "Company" or the "Firm") is a wholly owned subsidiary of Allied Bank Limited (ABL). ABL AMC is licensed to undertake Asset Management and Investment Advisory services by Securities & Exchange Commission of Pakistan (SECP). The firm i.e. ABL AMC includes all Collective Investment Schemes (CIS) under its management and Separately Managed Accounts (SMAs).

### Policies

ABL AMC's policies for valuing portfolios, calculating performance and preparing compliant presentations are available on request.

### Composite Description

ABL AMC Capital Protection Composite seeks to achieve its objective by investing a minimum of 94.75 % of the total Initial Fund Size as deposits with commercial bank(s) having a long term credit rating of at least 'AA -' (Double A minus) at the time of placement during the financial

year to protect the capital and provide a 7% p.a. guaranteed return till the end of the Minimum Period. This portion of the composite is called “Capital and Return Protected Segment”. The remaining portion of the composite other than Capital and Return Protected Segment is called “Investment Segment”. The Investment Segment will be invested in the equity markets or any other permissible investment instrument that the Management Company feels would be appropriate to maximize returns. All investments shall be made within the limits prescribed in the NBFC Regulations or in case of foreign investments as may be specified by the Commission and by State Bank of Pakistan (SBP).

Currently ABL AMC offers only ABL Capital Protected Fund in this composite.

### **Benchmark**

Benchmark for redefined ABL AMC Capital Protection Composite is Weightage of Capital Protected segment in CIS with 2 Year Term Deposit of AA- & above rated banks and weightage of Investment segment with KSE 30 Index.

### **List of Composites**

A list of all composite descriptions is available on request.

### **Fees**

Returns are calculated net of management fees and other expenses (which mainly includes custodial fee, trustee expense, SECP Fee, WWF and other levies).

### **Fee Schedule**

Management Fee is 1.50% of Net Assets with 1.75% front-end load and minimum 2% back-end load

### **Minimum Portfolio Size**

The minimum portfolio size for inclusion in any composite is as follows:

For Collective Investment Schemes: Rs.100 million

For Separately Managed Account: Rs.50 million

### **Internal Dispersion**

Since the number of Portfolios in the composite is only one at the moment (less than five), calculation of internal dispersion is not required.



### **Ex-Post Standard Deviation**

The three-year annualized ex-post standard deviation of the composite and benchmark is not presented because 36 monthly returns are not yet available.

### **Key Assumptions**

Following are the key assumptions used in portfolio valuation:

#### **Financial Instruments**

All the financial assets and financial liabilities are recognized at the time when the CIS becomes a party to the contractual provisions of the instrument. Financial assets are de-recognized when the contractual rights to receive cash flows related to the assets expire. Financial liabilities are de-recognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on de-recognizing of the financial assets and financial liabilities is taken to the income statement in the period in which it arises.

#### **Revenue Recognition**

Realized/ unrealized gains (losses) arising on sale of investments / holdings are accounted for in the period in which they arise. Dividend Income is recognized when the right to receive the dividend is established. Income on government and debt securities and certificate of musharaka are recognized at the rate of return implicit in the instrument/ arrangement on a time proportionate basis. Profit on bank deposits is recorded on an accrual basis.

#### **Proprietary Assets in the Composite**

Proprietary Assets in the composite contains investments of ABL Asset Management Company Limited, its Management and that of Allied Bank Limited (ABL AMC's parent company).

#### **Liability for Income Tax**

Under the income tax law in Pakistan, the CIS is regarded as a public company. The net income of the CIS is taxable, if the conditions stated under clause 99 of Part 1 of the Second Schedule of Income Tax Ordinance, 2001 are not met, at the tax rate applicable to a public company, which is presently as under:

- (a) Dividend income is taxable at the applicable rates given in the Income Tax Ordinance, 2001 for public companies on gross basis.
- (b) Capital gains arising on sale of securities, listed on Pakistan stock exchange at applicable tax rates in accordance with the Income Tax Ordinance, 2001.
- (c) Return from all other sources/ instruments are taxable at the rate as applicable to a public company.

### **Liability for Income Tax, if ninety percent (90%) of the Fund's income is paid as dividend**

Notwithstanding the tax rates and withholding tax the income of the CIS will be exempt from tax, if not less than ninety per cent (90%) of the income for the year is distributed amongst the Unit Holders as dividend. This includes only cash dividend as consequent to amendments in Income Tax Ordinance, 2001 through Finance Act, 2014, for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. The ninety per cent (90%) of the income shall be calculated after excluding capital gains and as reduced by such expenses as are chargeable to the CIS under the Regulations.

### **Withholding Tax**

Under the provision of Clauses 47(B) of Part 4 of the Second Schedule to the Income Tax Ordinance, 2001, the CIS's income namely, dividend, profit on government securities, returns on deposits/ certificates of investment with banks/financial institutions, profits from money market placements, profit from Profit and Loss sharing accounts with Banks of the CIS will not be subject to any withholding tax until and unless we receive certificate of tax exemption from each exempted entity.

### **Liability for Worker's Welfare Fund (WWF)**

The CIS has provided for the liability of WWF at the rate of two percent of accounting or taxable income, whichever is higher, till June 30, 2015. The Management Company had undertaken to bear the WWF liability prior to May 27, 2010 on its books since the same has not been provided in the CIS's accounts. Furthermore, Finance Act, 2015 has abolished the applicability on CIS w.e.f July 01, 2015.

### **Taxation of Unit Holders & Liability to Zakat**

#### **(a) Withholding Tax**

Unless exempted from such taxation or applied at a reduced rate under any law or under avoidance of Double Taxation Agreement, profit distribution to Unit holders of the CIS will be subject to withholding tax as per the prevailing tax law.

#### **(b) Capital Gains**

Capital gains arising on disposition of units of the CIS before the period of two years will be subject to withholding Capital Gains Tax at the applicable rates given in the Income Tax Ordinance, 2001. There shall be no CGT, if holding period is more than 48 months (4 years). As per section 37(A) of the Income Tax ordinance, 2001, Capital gains shall be treated as a separate block of income and losses under this head can be adjusted by the unit holders from the capital

gains in the same tax year. Any unadjusted loss under this head is not allowed to be carried forward to the subsequent tax years.

**(c) Zakat levy**

Units held by qualifying investors (Sahib-e-Nisab) as per Zakat and Ushr Ordinance, 1980 shall be subject to Zakat (levy) at the rate of 2.5% of the Par value of the Units or repurchase value of units whichever is lower as on valuation date in each Zakat year under Zakat and Ushr Ordinance, 1980, (XVII of 1980), except those exempted or have provided valid Zakat declaration form on the format prescribed in the Ordinance. Zakat will be deducted at source from the dividend amount or from the redemption proceeds whichever comes earlier.

**ABL Asset Management Company Limited (ABL AMC)**  
**Islamic Equity Composite**  
 For the Period from June 12, 2013 to September 30, 2016

Composite: ABL AMC Equity Composite  
 Benchmark: KMI-30 Index  
 Creation Date: September 27, 2013  
 Reporting Currency: Pak Rupees

	Total Net Return (%)	Benchmark Return (%)	No. of Portfolios	Total Assets at end of period (mn)	Percentage of Firm's assets (%)	Total assets of the Firm at the end of Period (mn)
1QFY17	9.16	4.23	<5	2,959	7.94%	37,268
FY16	5.75	15.53	<5	2,600	8.12%	32,038
FY15	29.03	20.10	<5	2,646	8.99%	29,422
FY14	24.67	29.89	<5	1,728	5.80%	29,773
FY13*	-3.20	-2.30	<5	643	2.88%	22,293

\*Returns are from June 12, 2013 to June 30, 2013

### Compliance Statement

ABL Asset Management Co Ltd claims compliance with the Global Investment Performance Standards (GIPS) and has prepared and presented this report in compliance with the GIPS standards. ABL AMC has not been independently verified.

### Definition of the Firm

ABL Asset Management Company Limited (“ABL AMC” or the “Company” or the “Firm”) is a wholly owned subsidiary of Allied Bank Limited (ABL). ABL AMC is licensed to undertake Asset Management and Investment Advisory services by Securities & Exchange Commission of Pakistan (SECP). The firm i.e. ABL AMC includes all Collective Investment Schemes (CISs) under its management and Separately Managed Accounts (SMAs).

### Policies

ABL AMC’s policies for valuing portfolios, calculating performance and preparing compliant presentations are available on request.

### Composite Description

ABL AMC Islamic Equity Composite includes Islamic Equity Portfolio that aim to provide investors long-term capital appreciation by investing primarily in a mix of listed “Shahriah Compliant” equities that offer prospects of capital gains and/or attractive dividend potential. The composite currently comprises of only two portfolio, that is, ABL Islamic Stock Fund (ABL-ISF) and ABL – Islamic Pension Fund - Equity sub Fund.

The portfolios in this composite can also make temporary placements in Shariah Compliant Short term Government Securities, at the discretion of Fund Manager, in times of high volatility and/or bearish market outlook.

### **Benchmark**

The benchmark of ABL AMC Islamic Equity Composite is KMI-30 Index and returns of Benchmark are not net of withholding taxes.

### **List of Composites**

A list of all composite descriptions is available on request.

### **Fees**

Returns are calculated net of management fees and other expenses (which mainly includes custodial fee, trustee expense, SECP Fee, WWF and other levies).

### **Fee Schedule**

Management Fee is 3.00% of Net Assets with a discretionary 2.00% Front-end load. There is no Back-end load currently.

### **Minimum Portfolio Size**

The minimum portfolio size for inclusion in any composite is as follows:

For Collective Investment Schemes: Rs.100 million

For Separately Managed Account: Rs.50 million

### **Internal Dispersion**

Since number of Portfolios in the composite is only one at the moment (less than five) therefore calculation of internal dispersion is not required.

### **Ex-Post Standard Deviation**

The three-year annualized ex-post standard deviation of the composite and Benchmark is as follows:

	Composite 3-Yr	Benchmark 3-Yr
Year	St Dev	St Dev
1QFY17	5.54%	6.82%
FY16	11.23%	13.67%

## **Key Assumptions**

Following are the key assumptions used in portfolio valuation:

### **Financial Instruments**

All the financial assets and financial liabilities are recognized at the time when the CIS becomes a party to the contractual provisions of the instrument. Financial assets are de-recognized when the contractual rights to receive cash flows related to the assets expire. Financial liabilities are de-recognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on de-recognizing of the financial assets and financial liabilities is taken to the income statement in the period in which it arises.

### **Revenue Recognition**

Realized/ unrealized gains (losses) arising on sale of investments / holdings are accounted for in the period in which they arise. Dividend Income is recognized when the right to receive the dividend is established. Income on Shariah Compliant government securities is recognized at the rate of return implicit in the instrument/ arrangement on a time proportionate basis. Profit on bank deposits is recorded on an accrual basis.

### **Proprietary Assets in the Composite**

Proprietary Assets in the composite contains investments of ABL Asset Management Company Limited, its Management and that of Allied Bank Limited (ABL AMC's parent company).

### **Liability for Income Tax**

Under the income tax law in Pakistan, the CIS is regarded as a public company. The net income of the CIS is taxable, if the conditions stated under clause 99 of Part 1 of the Second Schedule of Income Tax Ordinance, 2001 are not met, at the tax rate applicable to a public company, which is presently as under:

- (a) Dividend income is taxable at the applicable rates given in the Income Tax Ordinance, 2001 for public companies on gross basis.
- (b) Capital gains arising on sale of securities, listed on Pakistan stock exchange at applicable tax rates in accordance with the Income Tax Ordinance, 2001.
- (c) Return from all other sources/ instruments are taxable at the rate as applicable to a public company.

### **Liability for Income Tax, if ninety percent (90%) of the Fund's income is paid as dividend**

Notwithstanding the tax rates and withholding tax the income of the CIS will be exempt from tax, if not less than ninety per cent (90%) of the income for the year is distributed amongst the Unit Holders as dividend. This includes only cash dividend as consequent to amendments in

Income Tax Ordinance, 2001 through Finance Act, 2014, for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. The ninety per cent (90%) of the income shall be calculated after excluding capital gains and as reduced by such expenses as are chargeable to the CIS under the Regulations.

### **Withholding Tax**

Under the provision of Clauses 47(B) of Part 4 of the Second Schedule to the Income Tax Ordinance, 2001, the CIS's income namely, dividend, profit on government securities, returns on deposits/ certificates of investment with banks/financial institutions, profits from money market placements, profit from Profit and Loss sharing accounts with Banks of the CIS will not be subject to any withholding tax until and unless we receive certificate of tax exemption from each exempted entity.

### **Liability for Worker's Welfare Fund (WWF)**

The CIS has provided for the liability of WWF at the rate of two percent of accounting or taxable income, whichever is higher, till June 30, 2015. The Management Company had undertaken to bear the WWF liability prior to May 27, 2010 on its books since the same has not been provided in the CIS's accounts. Furthermore, Finance Act, 2015 has abolished the applicability on CIS w.e.f July 01, 2015.

### **Taxation of Unit Holders & Liability to Zakat**

#### **(a) Withholding Tax**

Unless exempted from such taxation or applied at a reduced rate under any law or under avoidance of Double Taxation Agreement, profit distribution to Unit holders of the CIS will be subject to withholding tax as per the prevailing tax law.

#### **(b) Capital Gains**

Capital gains arising on disposition of units of the CIS before the period of two years will be subject to withholding Capital Gains Tax at the applicable rates given in the Income Tax Ordinance, 2001. There shall be no CGT, if holding period is more than 48 months (4 years). As per section 37(A) of the Income Tax ordinance, 2001, Capital gains shall be treated as a separate block of income and losses under this head can be adjusted by the unit holders from the capital gains in the same tax year. Any unadjusted loss under this head is not allowed to be carried forward to the subsequent tax years.

#### **(c) Zakat levy**

Units held by qualifying investors (Sahib-e-Nisab) as per Zakat and Ushr Ordinance, 1980 shall be subject to Zakat (levy) at the rate of 2.5% of the Par value of the Units or repurchase value of



units whichever is lower as on valuation date in each Zakat year under Zakat and Ushr Ordinance, 1980, (XVII of 1980), except those exempted or have provided valid Zakat declaration form on the format prescribed in the Ordinance. Zakat will be deducted at source from the dividend amount or from the redemption proceeds whichever comes earlier.

**ABL Asset Management Company Limited (ABL AMC)**
**Broader Equity Composite**

For the Period from January 1, 2011 to September 30, 2016

Composite: ABL AMC Broader Equity Composite

Benchmark: KSE-100 Index

Creation Date: January 01, 2011

Reporting Currency: Pak Rupees

	Total Net Return (%)	Benchmark Return (%)	No. of Portfolios	Total Assets at end of period (mn)	Percentage of Firm's assets (%)	Total assets of the Firm at the end of Period (mn)
1QFY17	7.54	6.38	<5	153	0.41%	37,268
FY16	8.90	9.34	<5	143	0.44%	32,038
FY15	21.15	16.01	<5	143	0.49%	29,422
FY14	34.56	41.16	<5	184	0.62%	29,773
FY13	54.07	52.20	<5	176	0.79%	22,293
FY12	29.40	10.45	<5	209	0.37%	57,157
FY11*	7.34	3.94	<5	113	0.65%	17,355

\* Returns are from December 31, 2010 to June 30, 2011

**Compliance Statement**

ABL Asset Management Co Ltd claims compliance with the Global Investment Performance Standards (GIPS) and has prepared and presented this report in compliance with the GIPS standards. ABL AMC has not been independently verified.

**Definition of the Firm**

ABL Asset Management Company Limited ("ABL AMC" or the "Company" or the "Firm") is a wholly owned subsidiary of Allied Bank Limited (ABL). ABL AMC is licensed to undertake Asset Management and Investment Advisory services by Securities & Exchange Commission of Pakistan (SECP). The firm i.e. ABL AMC includes all Collective Investment Schemes (CISs) under its management and Separately Managed Accounts (SMAs).

**Policies**

ABL AMC's policies for valuing portfolios, calculating performance and preparing compliant presentations are available on request.

**Composite Description**

ABL AMC Broader Equity Composite includes Equity Portfolios with equity mandates that aim to provide investors long-term capital appreciation by investing primarily in a wide universe of listed equities that offer prospects of capital gains and/or attractive dividend potential. The composite currently comprises of only two portfolios. The portfolios in this composite can also make temporary placements in fixed income and money market instruments, at the discretion

of the Fund Manager, in times of high volatility and/or bearish market outlook. The portfolios in this composite are not guided by the NBFC Regulations applicable on Collective Investment Schemes.

### **Benchmark**

The benchmark of ABL AMC Broader Equity Composite is KSE-100 Index and returns of Benchmark are not net of withholding taxes.

### **List of Composites**

A list of all composite descriptions is available on request.

### **Fees**

Returns are calculated gross of management fees but net of trading expenses.

### **Fee Schedule**

Management Fees for portfolios being managed in this composite currently range from 0.01% to 1% of funds under management. Further, any excess performance over benchmark is shared between the fund manager and the client at an agreed upon ratio.

### **Minimum Portfolio Size**

The minimum portfolio size for inclusion in any composite is as follows:

Separately Managed Account:           Rs.50 million

### **Internal Dispersion**

Since number of Portfolios in the composite is only two at the moment (less than five therefore calculation of internal dispersion is not required.)

### **Ex-Post Standard Deviation**

The three-year annualized ex-post standard deviation of the composite and Benchmark is as follows:

Year	Composite 3-Yr St Dev	Benchmark 3-Yr St Dev
1QFY17	6.41%	7.34%
FY16	12.87%	14.69%
FY15	14.98%	15.19%
FY14	17.28%	18.54%

## **Key Assumptions**

Following are the key assumptions used in portfolio valuation:

## **Financial Instruments**

All the financial assets and financial liabilities are recognized at the time when the Portfolio becomes a party to the contractual provisions of the instrument. Financial assets are de-recognized when the contractual rights to receive cash flows related to the assets expire. Financial liabilities are de-recognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on de-recognizing of the financial assets and financial liabilities is taken to the income statement in the period in which it arises.

## **Revenue Recognition**

Realized/ unrealized gains (losses) arising on sale of investments / holdings are accounted for in the period in which they arise. Dividend Income is recognized when the right to receive the dividend is established. Income on government/debt securities is recognized at the rate of return implicit in the instrument/ arrangement on a time proportionate basis. Profit on bank deposits is recorded on an accrual basis.

## **Proprietary Assets in the Composite**

Proprietary Assets in the composite could include investments from ABL Asset Management Company Limited, its Management and that from Allied Bank Limited (ABL AMC's parent company). However, presently the composite only comprises of two investment mandates from a non-related party. The composite, therefore, does not contain any proprietary assets as at September 30, 2016.

## **Liability for Income Tax**

Presently, portfolios managed under this composite are exempt from income taxes.

**ABL Asset Management Company Limited (ABL AMC)**  
**Balanced Absolute Return Composite**  
 For the Period from April 11, 2011 to September 30, 2016

Composite: ABL AMC Balanced Absolute Return Composite  
 Benchmark: Fixed Absolute Return of 15%  
 Creation Date: April 11, 2011  
 Reporting Currency: Pak Rupees

	Total Net Return (%)	Benchmark Return (%)	No. of Portfolios	Total Assets at end of period (mn)	Percentage of Firm's assets (%)	Total assets of the Firm at the end of Period (mn)
1QFY17	10.75	5.55	<5	121	0.32%	37,268
FY16	12.83	15.00	<5	109	0.34%	32,038
FY15**	16.96	8.88	<5	117	0.40%	29,422
FY14	22.28	15.00	<5	116	0.39%	29,773
FY13	37.90	15.00	<5	167	1.56%	22,293
FY12	13.34	15.00	<5	122	0.21%	57,157
FY11*	3.09	3.29	<5	103	0.59%	17,355

\*Returns are from April 11, 2011 to June 30, 2011

\*\*Returns are from November 27, 2014 to June 30, 2015

## Compliance Statement

ABL Asset Management Co Ltd claims compliance with the Global Investment Performance Standards (GIPS) and has prepared and presented this report in compliance with the GIPS standards. ABL AMC has not been independently verified.

## Definition of the Firm

ABL Asset Management Company Limited (“ABL AMC” or the “Company” or the “Firm”) is a wholly owned subsidiary of Allied Bank Limited (ABL). ABL AMC is licensed to undertake Asset Management and Investment Advisory services by Securities & Exchange Commission of Pakistan (SECP). The firm i.e. ABL AMC includes all Collective Investment Schemes (CISs) under its management and Separately Managed Accounts (SMAs).

## Policies

ABL AMC’s policies for valuing portfolios, calculating performance and preparing compliant presentations are available on request.

## Composite Description

ABL AMC Balanced Absolute Return Composite includes Portfolios that aim to provide investors predefined absolute fixed return with no restriction on the investment tools to be utilized in management of funds. The composite currently comprises of only one portfolio.

## **Benchmark**

Fixed Absolute return of 15%

## **List of Composites**

A list of all composite descriptions is available on request.

## **Fees**

Returns are calculated gross of management fees but net of trading expenses.

## **Fee Schedule**

Management Fee is a mix of fixed percentage fee on total AUMs and performance fee, which is based on any excess performance over agreed upon benchmark (predefined fixed return).

## **Minimum Portfolio Size**

The minimum portfolio size for inclusion in any composite is as follows:

Separately Managed Account:           Rs.50 million

## **Internal Dispersion**

Since number of Portfolios in the composite is only one at the moment (less than five) therefore calculation of internal dispersion is not required.

## **Ex-Post Standard Deviation**

The three-year annualized ex-post standard deviation of the composite and Benchmark is as follows:

	Composite 3-Yr	Benchmark 3-Yr
Year	St Dev	St Dev
1QFY17	10.75%	0.00%
FY16	9.24%	0.00%
FY15	7.33%	0.00%
FY14	6.94%	0.00%

## **Key Assumptions**

Following are the key assumptions used in portfolio valuation:

### **Financial Instruments**

All the financial assets and financial liabilities are recognized at the time when the Portfolio becomes a party to the contractual provisions of the instrument. Financial assets are de-recognized when the contractual rights to receive cash flows related to the assets expire. Financial liabilities are de-recognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on de-recognizing of the financial assets and financial liabilities is taken to the income statement in the period in which it arises.

### **Revenue Recognition**

Realized/ unrealized gains (losses) arising on sale of investments / holdings are accounted for in the period in which they arise. Dividend Income is recognized when the right to receive the dividend is established. Income on government / debt securities is recognized at the rate of return implicit in the instrument/ arrangement on a time proportionate basis. Profit on bank deposits is recorded on an accrual basis.

### **Proprietary Assets in the Composite**

Proprietary Assets in the composite could include investments from ABL Asset Management Company Limited, its Management and that from Allied Bank Limited (ABL AMC's parent company). However, presently the composite only comprises of single investment mandate from a non-related party. The composite, therefore, does not contain any proprietary assets as at September 30, 2016.

### **Liability for Income Tax**

Presently, portfolios managed under this composite are exempt from income taxes.

**ABL Asset Management Company Limited (ABL AMC)**
**Fixed Absolute Return Composite**

For the Period from May 09, 2011 to September 30, 2016

Composite: ABL AMC Fixed Absolute Return Composite  
 Benchmark: Asset Weighted Benchmark Return of Individual Portfolios  
 Creation Date: December 11, 2011  
 Reporting Currency: Pak Rupees

	Total Net Return (%)	Benchmark Return (%)	No. of Portfolios	Assets at end of period (mn)	Percentage of Firm's assets (%)	Total assets of the Firm at the end of Period (mn)
1QFY15	1.49	2.52	<5	59	0.23%	25,837
FY14	7.73	9.71	<5	97	0.33%	29,773
FY13	13.85	9.92	<5	55	0.25%	22,293
FY12	12.06	13.40	<5	116	0.20%	57,157
FY11*	1.73	1.95	<5	102	0.59%	17,355

\* Returns are from May 08, 2011 to June 30, 2011

**Compliance Statement**

ABL Asset Management Co Ltd claims compliance with the Global Investment Performance Standards (GIPS) and has prepared and presented this report in compliance with the GIPS standards. ABL AMC has not been independently verified.

**Definition of the Firm**

ABL Asset Management Company Limited ("ABL AMC" or the "Company" or the "Firm") is a wholly owned subsidiary of Allied Bank Limited (ABL). ABL AMC is licensed to undertake Asset Management and Investment Advisory services by Securities & Exchange Commission of Pakistan (SECP). The firm i.e. ABL AMC includes all Collective Investment Schemes (CISs) under its management and Separately Managed Accounts (SMAs).

**Policies**

ABL AMC's policies for valuing portfolios, calculating performance and preparing compliant presentations are available on request.

**Composite Description**

ABL AMC Fixed Absolute Return Composite includes Portfolios that aim to provide investors predefined absolute fixed return using debt instruments including Corporate and Sovereign Debt Bonds, Bank Deposits, Treasury Bills, Margin Trading Products, Spread Transactions and Money Market placements. The composite currently comprises of only one portfolio.



## **Benchmark**

Asset Weighted Benchmark Returns of individual portfolios within the composite, where weight of any one benchmark would be the equal to AUM (Asset under Management) of the portfolio following that benchmark divided by total AUMs within the composite.

## **List of Composites**

A list of all composite descriptions is available on request.

## **Fees**

Returns are calculated gross of management fees but net of trading expenses.

## **Fee Schedule**

Management Fee is a mix of fixed percentage fee on total AUMs and performance fee, which is based on any excess performance over agreed upon benchmark (predefined fixed return).

## **Minimum Portfolio Size**

The minimum portfolio size for inclusion in any composite is as follows:

Separately Managed Account:           Rs.50 million

## **Internal Dispersion**

Since number of Portfolios in the composite is only one at the moment (less than five) therefore calculation of internal dispersion is not required.

## **Ex-Post Standard Deviation**

The three-year annualized ex-post standard deviation of the composite and Benchmark is not presented because 36 monthly returns are not yet available.

## **Key Assumptions**

Following are the key assumptions used in portfolio valuation:

## **Financial Instruments**

All the financial assets and financial liabilities are recognized at the time when the Portfolio becomes a party to the contractual provisions of the instrument. Financial assets are de-recognized when the contractual rights to receive cash flows related to the assets expire. Financial liabilities are de-recognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on de-recognizing

of the financial assets and financial liabilities is taken to the income statement in the period in which it arises.

### **Revenue Recognition**

Realized/ unrealized gains (losses) arising on sale of investments / holdings are accounted for in the period in which they arise. Dividend Income is recognized when the right to receive the dividend is established. Income on government securities is recognized at the rate of return implicit in the instrument/ arrangement on a time proportionate basis. Profit on bank deposits is recorded on an accrual basis.

### **Proprietary Assets in the Composite**

Proprietary Assets in the composite could include investments from ABL Asset Management Company Limited, its Management and that from Allied Bank Limited (ABL AMC's parent company). However, presently the composite only comprises of single investment mandate from a non-related party. The composite, therefore, does not contain any proprietary assets as at September 30, 2016.

### **Liability for Income Tax**

Presently, portfolios managed under this composite are exempt from income taxes.

**ABL Asset Management Company Limited (ABL AMC)**
**DR Based Composite**

For the Period from April 19, 2012 to September 30, 2016

Composite: ABL AMC Fixed Absolute Return Composite

Benchmark: Prevailing Discount Rate

Creation Date: September 27, 2012

Reporting Currency: Pak Rupees

	Total Net Return (%)	Benchmark Return (%)	No. of Portfolios	Total Assets at end of period (mn)	Percentage of Firm's assets (%)	Total assets of the Firm at the end of Period (mn)
FY 13**	9.95	8.40	<5	56	0.25%	22,285
FY12*	2.35	2.37	<5	51	0.09%	57,157

\*Returns are from April 19, 2012 to June 30, 2012

\*\*Returns are from July 01, 2012 to April 19, 2013

**Compliance Statement**

ABL Asset Management Co Ltd claims compliance with the Global Investment Performance Standards (GIPS) and has prepared and presented this report in compliance with the GIPS standards. ABL AMC has not been independently verified.

**Definition of the Firm**

ABL Asset Management Company Limited ("ABL AMC" or the "Company" or the "Firm") is a wholly owned subsidiary of Allied Bank Limited (ABL). ABL AMC is licensed to undertake Asset Management and Investment Advisory services by Securities & Exchange Commission of Pakistan (SECP). The firm i.e. ABL AMC includes all Collective Investment Schemes (CISs) under its management and Separately Managed Accounts (SMAs).

**Policies**

ABL AMC's policies for valuing portfolios, calculating performance and preparing compliant presentations are available on request.

**Composite Description**

ABL AMC DR Based Composite includes Portfolios that aim to provide investors absolute fixed return in line with changing Discount Rates, issued by State Bank of Pakistan. Investable universe include debt instruments namely Sovereign Debt Bonds, Bank Deposits, Treasury Bills and Money Market placements. The composite currently comprises of only one portfolio, which stands terminated.

## **Benchmark**

Prevailing Discount Rate.

## **List of Composites**

A list of all composite descriptions is available on request.

## **Fees**

Returns are calculated gross of management fees but net of trading expenses.

## **Fee Schedule**

Management Fee is a mix of fixed percentage fee on total AUMs and performance fee, which is based on any excess performance over agreed upon benchmark (pre-defined fixed return).

## **Minimum Portfolio Size**

The minimum portfolio size for inclusion in any composite is as follows:

Separately Managed Account:           Rs.50 million

## **Internal Dispersion**

Since number of Portfolios in the composite is only one at the moment (less than five) therefore calculation of internal dispersion is not required.

## **Ex-Post Standard Deviation**

The three-year annualized ex-post standard deviation of the composite and Benchmark is not presented because 36 monthly returns are not yet available.

## **Key Assumptions**

Following are the key assumptions used in portfolio valuation:

## **Financial Instruments**

All the financial assets and financial liabilities are recognized at the time when the Portfolio becomes a party to the contractual provisions of the instrument. Financial assets are de-recognized when the contractual rights to receive cash flows related to the assets expire. Financial liabilities are de-recognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on de-recognizing of the financial assets and financial liabilities is taken to the income statement in the period in which it arises.

### **Revenue Recognition**

Realized/ unrealized gains (losses) arising on sale of investments are accounted for in the period in which they arise. Dividend Income is recognized when the right to receive the dividend is established. Income on government securities is recognized at the rate of return implicit in the instrument/ arrangement on a time proportionate basis. Profit on bank deposits is recorded on an accrual basis.

### **Proprietary Assets in the Composite**

Proprietary Assets in the composite could include investments from ABL Asset Management Company Limited, its Management and that from Allied Bank Limited (ABL AMC's parent company). However, presently the composite only comprises of single investment mandate form a non-related party. The composite, therefore, does not contain any proprietary assets as at September 30, 2016.

### **Liability for Income Tax**

Presently, portfolios managed under this composite are exempt from income taxes.

## ABL Asset Management Company Limited (ABL AMC)

### Variable Return Composite

For the Period from March 06, 2013 to September 30, 2016

Composite: ABL AMC Variable Return Composite  
 Benchmark: Asset Weighted Benchmark Return of Individual Portfolios.  
 Creation Date: June 28, 2013  
 Reporting Currency: Pak Rupees

	Total Net Return (%)	Benchmark Return (%)	No. of Portfolios	Total Assets at end of period (mn)	Percentage of Firm's assets (%)	Total assets of the Firm at the end of Period (mn)
1QFY17	3.53	2.67	>5	1,823	4.89%	37,268
FY16	8.02	10.15	<5	1,767	0.33%	32,038
FY15	15.35	10.34	<5	1,493	5.08%	29,422
FY14**	6.25	5.60	<5	1493	5.02%	29,773
FY13*	8.16	9.50	<5	54	0.24%	22,293

\*Returns are from March 06, 2013 to June 30, 2013

### Compliance Statement

ABL Asset Management Co Ltd claims compliance with the Global Investment Performance Standards (GIPS) and has prepared and presented this report in compliance with the GIPS standards. ABL AMC has not been independently verified.

### Definition of the Firm

ABL Asset Management Company Limited ("ABL AMC" or the "Company" or the "Firm") is a wholly owned subsidiary of Allied Bank Limited (ABL). ABL AMC is licensed to undertake Asset Management and Investment Advisory services by Securities & Exchange Commission of Pakistan (SECP). The firm i.e. ABL AMC includes all Collective Investment Schemes (CISs) under its management and Separately Managed Accounts (SMAs).

### Policies

ABL AMC's policies for valuing portfolios, calculating performance and preparing compliant presentations are available on request.

### Composite Description

ABL AMC Variable Return Composite includes Portfolios that aim to provide investors predefined return benchmarking a variable rate using debt instruments including Corporate and Sovereign Debt Bonds, Bank Deposits, Treasury Bills, Margin Trading Products, Spread Transactions and Money Market placements as well as equity instruments including direct stock exposure and exposure through mutual funds. The composite currently comprises of three portfolios.

## **Benchmark**

Asset Weighted Benchmark Returns of individual portfolios within the composite, where weight of any one benchmark would be the equal to AUM (Asset under Management) of the portfolio following that benchmark divided by total AUMs within the composite.

## **List of Composites**

A list of all composite descriptions is available on request.

## **Fees**

Returns are calculated gross of management fees but net of trading expenses.

## **Fee Schedule**

Management Fee is a mix of fixed percentage fee on total AUMs and performance fee, which is based on any excess performance over agreed upon benchmark (predefined variable return).

## **Minimum Portfolio Size**

The minimum portfolio size for inclusion in any composite is as follows:

Separately Managed Account:           Rs.50 million

## **Internal Dispersion**

Since number of Portfolios in the composite is only one at the moment (less than five) therefore calculation of internal dispersion is not required.

## **Ex-Post Standard Deviation**

The three-year annualized ex-post standard deviation of the composite and Benchmark is as follows:

	Composite 3-Yr	Benchmark 3-Yr
Year	St Dev	St Dev
1QFY17	2.48%	2.67%
FY16	4.91%	2.78%

## **Key Assumptions**

Following are the key assumptions used in portfolio valuation:

### **Financial Instruments**

All the financial assets and financial liabilities are recognized at the time when the Portfolio becomes a party to the contractual provisions of the instrument. Financial assets are de-recognized when the contractual rights to receive cash flows related to the assets expire. Financial liabilities are de-recognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on de-recognizing of the financial assets and financial liabilities is taken to the income statement in the period in which it arises.

### **Revenue Recognition**

Realized/ unrealized gains (losses) arising on sale of investments / holdings are accounted for in the period in which they arise. Dividend Income is recognized when the right to receive the dividend is established. Income on government securities is recognized at the rate of return implicit in the instrument/ arrangement on a time proportionate basis. Profit on bank deposits is recorded on an accrual basis.

### **Proprietary Assets in the Composite**

Proprietary Assets in the composite could include investments from ABL Asset Management Company Limited, its Management and that from Allied Bank Limited (ABL AMC's parent company). However, presently the composite only comprises of single investment mandate from a non-related party. The composite, therefore, does not contain any proprietary assets as at September 30, 2016.

### **Liability for Income Tax**

Presently, portfolios managed under this composite are exempt from income taxes.



## ABL Asset Management Company Limited (ABL AMC)

### Fixed Asset Allocation Composite

For the Period from June 02, 2013 to September 30, 2016

Composite: ABL AMC Fixed Asset Allocation Composite  
 Benchmark: Asset Weighted Benchmark Return of Individual Portfolios  
 Creation Date: June 02, 2013  
 Reporting Currency: Pak Rupees

	Total Net Return (%)	Benchmark Return (%)	No. of Portfolios	Total Assets at end of period (mn)	Percentage of Firm's assets (%)	Total assets of the Firm at the end of Period (mn)
FY15**	19.42	8.36	<5	0	0.00%	29,422
FY14	16.26	15.03	<5	458	1.54%	29,773
FY13*	-1.50	-0.22	<5	394	0.25%	22,293

\* Returns are from May 31, 2013 to June 30, 2013

\* Returns are from July 01, 2014 to June 02, 2015

### Compliance Statement

ABL Asset Management Co Ltd claims compliance with the Global Investment Performance Standards (GIPS) and has prepared and presented this report in compliance with the GIPS standards. ABL AMC has not been independently verified.

### Definition of the Firm

ABL Asset Management Company Limited ("ABL AMC" or the "Company" or the "Firm") is a wholly owned subsidiary of Allied Bank Limited (ABL). ABL AMC is licensed to undertake Asset Management and Investment Advisory services by Securities & Exchange Commission of Pakistan (SECP). The firm i.e. ABL AMC includes all Collective Investment Schemes (CISs) under its management and Separately Managed Accounts (SMAs).

### Policies

ABL AMC's policies for valuing portfolios, calculating performance and preparing compliant presentations are available on request.

## **Composite Description**

ABL AMC Fixed Asset Allocation Composite includes Portfolios that aim to provide investors asset-weighted returns based on a fixed allocation between different asset classes using debt instruments including Corporate and Sovereign Debt Bonds, Bank Deposits, Treasury Bills, Margin Trading Products, Spread Transactions and Money Market placements as well as equity instruments including direct stock exposure and exposure through mutual funds. The composite currently comprises of only three portfolios.

## **Benchmark**

The benchmark of ABL AMC Fixed Asset Allocation Composite is Asset Weighted Benchmark Return of Individual Portfolios.

## **List of Composites**

A list of all composite descriptions is available on request.

## **Fees**

Returns are calculated gross of management fees but net of trading expenses.

## **Fee Schedule**

Management Fees for portfolios being managed in this composite currently range from 0.01% to 1% of funds under management. Further, any excess performance over benchmark is shared between the fund manager and the client at an agreed upon ratio.

## **Minimum Portfolio Size**

The minimum portfolio size for inclusion in any composite is as follows:

Separately Managed Account:           Rs.50 million

## **Internal Dispersion**

Since number of Portfolios in the composite is only two at the moment (less than five therefore calculation of internal dispersion is not required.)

## **Ex-Post Standard Deviation**

The three-year annualized ex-post standard deviation of the composite and Benchmark is not presented because 36 monthly returns are not yet available.

## **Key Assumptions**

Following are the key assumptions used in portfolio valuation:

### **Financial Instruments**

All the financial assets and financial liabilities are recognized at the time when the Portfolio becomes a party to the contractual provisions of the instrument. Financial assets are de-recognized when the contractual rights to receive cash flows related to the assets expire. Financial liabilities are de-recognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on de-recognizing of the financial assets and financial liabilities is taken to the income statement in the period in which it arises.

### **Revenue Recognition**

Realized/ unrealized gains (losses) arising on sale of investments / holdings are accounted for in the period in which they arise. Dividend Income is recognized when the right to receive the dividend is established. Income on government/debt securities is recognized at the rate of return implicit in the instrument/ arrangement on a time proportionate basis. Profit on bank deposits is recorded on an accrual basis.

### **Proprietary Assets in the Composite**

Proprietary Assets in the composite could include investments from ABL Asset Management Company Limited, its Management and that from Allied Bank Limited (ABL AMC's parent company). However, presently the composite only comprises of two investment mandates from a non-related party. The composite, therefore, does not contain any proprietary assets as at September 30, 2016.

### **Liability for Income Tax**

Presently, portfolios managed under this composite are exempt from income taxes.

**ABL Asset Management Company Limited (ABL AMC)**
**Principal Preservation Fund Composite**

For the Period from June 01, 2012 to September 30, 2016

Composite: ABL AMC Principal Preservation Fund Composite  
 Benchmark: Asset Weighted Benchmark Return of Individual Portfolios  
 Creation Date: March 20, 2014  
 Reporting Currency: Pak Rupees

	Total Net Return (%)	Benchmark Return (%)	No. of Portfolios	Net Assets at end of period (mn)	Percentage of Firm's assets (%)	Net assets of the Firm at the end of Period (mn)
2QFY16	0.59	2.06	<5	1,113	3.41%	32,665
1QFY16	-2.14	-2.38	<5	2,252	7.27%	30,958
FY15	15.09	11.87	<5	2,306	7.84%	29,422
*FY14	5.41	6.72	<5	2,081	6.99%	29,773

\*Returns are from December 24, 2013 to June 30, 2014

**Compliance Statement**

ABL Asset Management Co Ltd claims compliance with the Global Investment Performance Standards (GIPS) and has prepared and presented this report in compliance with the GIPS standards. ABL AMC has not been independently verified.

**Definition of the Firm**

ABL Asset Management Company Limited (“ABL AMC” or the “Company” or the “Firm”) is a wholly owned subsidiary of Allied Bank Limited (ABL). ABL AMC is licensed to undertake Asset Management and Investment Advisory services by Securities & Exchange Commission of Pakistan (SECP). The firm i.e. ABL AMC includes all Collective Investment Schemes (CISs) under its management and Separately Managed Accounts (SMAs).

**Policies**

ABL AMC’s policies for valuing portfolios, calculating performance and preparing compliant presentations are available on request.

**Composite Description**

ABL AMC Principal Preservation Fund (PPF) Composite seeks to achieve its objective by providing higher risk adjusted return through dynamic asset allocation between Equity Scheme(s) offered by Mutual Fund Companies and Income/Money Market Scheme(s) and balances with Commercial Banks while providing Principal preservation of the initial Investment Value at maturity of the fund.

Currently ABL AMC offers two portfolios ABL AMC IPPF and ABL AMC IPPF II in this composite.

### **Benchmark**

Asset Weighted Benchmark Return of Individual Portfolios.

### **List of Composites**

A list of all composite descriptions is available on request.

### **Fees**

Returns are calculated net of management fees and other expenses (which mainly includes custodial fee, trustee expense, SECP Fee, WWF and other levies).

### **Fee Schedule**

Management Fee for one portfolio in the composite is 1% of Net Assets that are not invested in equity schemes with 0-2% front-end load and 0-1% back-end load

### **Minimum Portfolio Size**

The minimum portfolio size for inclusion in any composite is as follows:

For Collective Investment Schemes: Rs.100 million

For Separately Managed Account: Rs.50 million

### **Internal Dispersion**

Since the number of Portfolios in the composite is only one at the moment (less than five), calculation of internal dispersion is not required.

### **Ex-Post Standard Deviation**

The three-year annualized ex-post standard deviation of the composite and benchmark is not presented because 36 monthly returns are not yet available.

### **Key Assumptions**

Following are the key assumptions used in portfolio valuation:

### **Financial Instruments**

All the financial assets and financial liabilities are recognized at the time when the CIS becomes a party to the contractual provisions of the instrument. Financial assets are de-recognized when

the contractual rights to receive cash flows related to the assets expire. Financial liabilities are de-recognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on de-recognizing of the financial assets and financial liabilities is taken to the income statement in the period in which it arises.

### **Revenue Recognition**

Realized/ unrealized gains (losses) arising on sale of investments / holdings are accounted for in the period in which they arise. Dividend Income is recognized when the right to receive the dividend is established. Income on government and debt securities and certificate of musharaka are recognized at the rate of return implicit in the instrument/ arrangement on a time proportionate basis. Profit on bank deposits is recorded on an accrual basis.

### **Proprietary Assets in the Composite**

Proprietary Assets in the composite contains investments of ABL Asset Management Company Limited, its Management and that of Allied Bank Limited (ABL AMC's parent company).

### **Liability for Income Tax**

Under the income tax law in Pakistan, the CIS is regarded as a public company. The net income of the CIS is taxable, if the conditions stated under clause 99 of Part 1 of the Second Schedule of Income Tax Ordinance, 2001 are not met, at the tax rate applicable to a public company, which is presently as under:

- (a) Dividend income is taxable at the applicable rates given in the Income Tax Ordinance, 2001 for public companies on gross basis.
- (b) Capital gains arising on sale of securities, listed on Pakistan stock exchange at applicable tax rates in accordance with the Income Tax Ordinance, 2001.
- (c) Return from all other sources/ instruments are taxable at the rate as applicable to a public company.

### **Liability for Income Tax, if ninety percent (90%) of the Fund's income is paid as dividend**

Notwithstanding the tax rates and withholding tax the income of the CIS will be exempt from tax, if not less than ninety per cent (90%) of the income for the year is distributed amongst the Unit Holders as dividend. This includes only cash dividend as consequent to amendments in Income Tax Ordinance, 2001 through Finance Act, 2014, for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. The ninety per cent (90%) of the income shall be calculated after excluding capital gains and as reduced by such expenses as are chargeable to the CIS under the Regulations.

## **Withholding Tax**

Under the provision of Clauses 47(B) of Part 4 of the Second Schedule to the Income Tax Ordinance, 2001, the CIS's income namely, dividend, profit on government securities, returns on deposits/ certificates of investment with banks/financial institutions, profits from money market placements, profit from Profit and Loss sharing accounts with Banks of the CIS will not be subject to any withholding tax until and unless we receive certificate of tax exemption from each exempted entity.

## **Liability for Worker's Welfare Fund (WWF)**

The CIS has provided for the liability of WWF at the rate of two percent of accounting or taxable income, whichever is higher, till June 30, 2015. The Management Company had undertaken to bear the WWF liability prior to May 27, 2010 on its books since the same has not been provided in the CIS's accounts. Furthermore, Finance Act, 2015 has abolished the applicability on CIS w.e.f July 01, 2015.

## **Taxation of Unit Holders & Liability to Zakat**

### **(a) Withholding Tax**

Unless exempted from such taxation or applied at a reduced rate under any law or under avoidance of Double Taxation Agreement, profit distribution to Unit holders of the CIS will be subject to withholding tax as per the prevailing tax law.

### **(b) Capital Gains**

Capital gains arising on disposition of units of the CIS before the period of two years will be subject to withholding Capital Gains Tax at the applicable rates given in the Income Tax Ordinance, 2001. There shall be no CGT, if holding period is more than 48 months (4 years). As per section 37(A) of the Income Tax ordinance, 2001, Capital gains shall be treated as a separate block of income and losses under this head can be adjusted by the unit holders from the capital gains in the same tax year. Any unadjusted loss under this head is not allowed to be carried forward to the subsequent tax years.

### **(c) Zakat levy**

Units held by qualifying investors (Sahib-e-Nisab) as per Zakat and Ushr Ordinance, 1980 shall be subject to Zakat (levy) at the rate of 2.5% of the Par value of the Units or repurchase value of units whichever is lower as on valuation date in each Zakat year under Zakat and Ushr Ordinance, 1980, (XVII of 1980), except those exempted or have provided valid Zakat declaration form on the format prescribed in the Ordinance. Zakat will be deducted at source from the dividend amount or from the redemption proceeds whichever comes earlier.