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ABL ISLAMIC PENSION FUND

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. Mohammad Naeem Mukhtar Mr. Muhammad Waseem Mukhtar Mr. Tariq Mahmood Mr. Kamran Nishat Mr. M. Shakeb Murad Mr. M. Jawaid Iqbal Mr. Farid Ahmed Khan	Chairman CEO
Audit Committee:	Mr. Kamran Nishat Mr. Muhammad Waseem Mukhtar Mr. M. Shakeb Murad	Chairman Member Member
Human Resource and Remuneration Committee	Mr. Muhammad Waseem Mukhtar Mr. Jawaid Iqbal Mr. Kamran Nishat Mr. Farid Ahmed Khan	Chairman Member 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 Shahr-e-Faisal, Karachi - 74400	
Bankers to the Fund:	Allied Bank Limited Bank Al- Falah Limited Standard Chartered Bank (Pakistan) Limited	
Auditor:	A.F. Ferguson & Co Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, Karachi.	
Legal Advisor:	Bawaney & Partners 3rd & 4th Floors, 68-C, Lane-13 Bokhari Commercial Area Phase-VI, DHA Karachi.	
Registrar:	ABL Asset Management Company Limited. 11 – B, Lalazar, M. T. Khan Road, Karachi.	

ABL ISLAMIC PENSION FUND

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of ABL Asset Management Company Limited, the management company of ABL Islamic Pension Fund (ABL-IPF), is pleased to present the Condensed Interim Financial Statements (un-audited) of ABL Islamic Pension Fund for the period ended September 30, 2014.

ECONOMIC PERFORMANCE REVIEW

Economic performance in 1QFY15 remained shaky due to prolonged political stalemate between the government and protesting political parties in the country. The talking point for the quarter was failure of the country to complete fourth review of the IMF program due to which disbursement of USD 550 million tranche was delayed. In addition the country had to delay its USD 1 billion international Sukuk issue. Consequently, PKR depreciated by 3.9% during the quarter and CAD swelled to USD 1.37 billion in 2MFY15, 1.37x higher than USD 0.58 billion during the same period of last year, due to mounting trade deficit. Delay in foreign funds coupled with widening CAD took its toll on the FX reserve position, which dropped by 6% to USD 13.21 billion during the 1QFY15.

Inflation as measured by CPI, remained soft as average inflation stood at 7.52% during the quarter due to high base effect and lower than expected food inflation (6.6%YoY in 1QFY15). Despite lower than expected inflation, SBP kept DR unchanged in Sept-14 MPS emphasizing the need to remain vigilant and monitor movement in economic indicators as vulnerabilities in external sector and other macros still remain unaddressed. The performance on fiscal front remained slightly below par during 1QFY15 as FBR collected PKR 563 billion, though +12.6% YoY, and missed its target by PKR 20. Government borrowing on the other hand, continued unabated as it raised PKR 20 billion and PKR 104 billion from SBP and commercial banks respectively.

Going ahead, the outlook for FY15 remains slightly misty as political turbulence, though subsided, still persists. While expected receipt of combined IMF tranches of USD 1.1 billion in December 2014 and declining international oil prices (Brent crude down 24% FY15TD) as a result of weak global oil demand and increasing supply shall be positive factors for macros. However current political turmoil will make reform implementations an uphill task for the government.

MARKET OVERVIEW

Equity market witnessed a roller coaster ride during the period under review with its benchmark KSE 100 Index reaching all-time high of 30,475 level amidst strong corporate earnings & strong foreign flows while political deadlock between opposition and government trenched the Index to 27,774 level. However, as situation eased off, market bounced back strongly to close the quarter at 29,726 points. Moreover, strong foreign flows, annual results accompanying payouts and general improvement in economic outlook boosted investors' sentiment. Strong foreign flows to the tune of USD 157mn recorded for 1QFY15 compared to outflow of USD 94 mn during the same quarter last year. However, liquidity of the market declined with average daily value traded dropped to USD 69 mn (down 22% YoY) in 1QFY15 vs. USD 89 mn for 1QFY14. Banks, autos, and IPPs performed strongly owing to improved dynamics (Improving asset quality, volumetric growth and healthy payouts) while fertilizers and E&P's performance remained lackluster due to uncertainty on GIDC and weaker oil prices.

Investors' overwhelming response for SPO's (UBL & PPL) and IPO's (Saif Power & Engro Powergen Qadirpur) indicate ample appetite in the market for upcoming secondary offerings (OGDC, HBL & ABL) which is expected to attract more foreign investment. Moving ahead, improvement in macroeconomic landscape (weaker oil prices & strong FX reserves), attractive valuations and continuous foreign flows are expected to keep investor interest alive. However, any negative development on political front and further delay in IMF's funds disbursement can adversely impact the market. At quarter end the market trades at 2015 E/P/E of 8x and offers prospective dividend yield of 6%, which is still fairly attractive when compared to regional standards.

MUTUAL FUND INDUSTRY REVIEW

The Voluntary Pension Funds (VPF) category witnessed an overall growth of 9.36% during the quarter from PKR 8.2 billion in June-14 to PKR 8.9bn, with major contribution coming from the launch of ABL Pension Funds. The AUMs of Islamic VPF improved to PKR 5.3 billion in September-14, an 8.9% jump, when compared to PKR 4.9 billion a quarter back. We remain optimistic about growth in AUMs of the industry due to rewarding & risk mitigating properties of open-end mutual funds.

FUND PERFORMANCE

Our Islamic Pension fund has been systematically classified into three sub fund categories based on the risk appetite of our investors i.e. Islamic Equity, Islamic Debt and Islamic Money Market Sub Funds.

ABL Islamic Pension – Equity Sub Fund

The Equity sub fund posted an absolute return of 0.04% during the period under review. The Fund was invested 84% in equities at end of the period under review with major exposures in Oil & Gas (33.3%) and Chemicals (15.6%) Sectors.

ABL Islamic Pension – Debt Sub Fund

The Debt sub fund posted an annualized return of 4% during the period under review. Dearth of Islamic Debt instruments coupled with low yields on available debt instruments led us to place total cash in banks. However, we are actively pursuing the required instruments without compromising on quality.

ABL Islamic Pension – Money Market Sub Fund

ABL Islamic Pension - Money Market Sub Fund generated an annualized return of 4.04% due to low deposit rate offered by the Islamic banks. Currently, Islamic banks are not deposit hungry due to ample liquidity in the Islamic channels and dearth of Islamic instruments.

OUTLOOK

Market's resilience has surprised many participants due to on-going political deadlock between government and protesters in Islamabad as well recent turmoil in global financial markets. Foreigners remained net buyers (QTD:\$ 157.3mn), brushing aside near term political uncertainty and providing support to the market at critical levels. We believe that ongoing political deadlock has hampered government's ability to continue with aggressive and unpopular economic reforms especially on energy front. Upcoming Secondary Offerings such as OGDC, ABL, HBL and others will be further drag on market liquidity and may cap upside in near term. During the period under review second and third tier stocks have been main market drivers and some of them are now trading at exorbitant multiples. In comparison, most blue chip companies are still trading at their recent lows. We believe that the valuation gap, which is widening every day, should normalize in due course of time. At the same time we are also revisiting our strategy on robust small and mid-tier stocks that can add to portfolio returns as well as meet our valuation targets.

In short term, we believe SBP will take a cautious stance on discount rate and maintain the status quo at least in 1HFY15. As a result, we expect prices of corporate Sukuks to increase from current levels due to strong demand from market participants, attractive pricing and supply dearth of good corporate instruments. However, we will remain cautious on market dynamics and look for selected opportunities to adjust portfolio allocation accordingly.

AUDITORS

M/s. A.F. Fergusons & Co. (Chartered Accountants), have been appointed as auditors for the period ending June 30, 2015 for ABL Islamic Pension Fund (ABL-PF).

MANAGEMENT QUALITY RATING

On June 21 2013, JCR-VIS Credit Rating Company Limited upgraded the Management Quality Rating of ABL Asset Management Limited (ABL AMC) from 'AM Two Minus' (AM2-) to 'AM Two' (AM2). Outlook on the assigned rating is 'Stable'.

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) for their continued guidance and support. The Directors also appreciate the efforts put in by the management team.

For & on behalf of the Board



Farid Ahmed Khan
Chief Executive Officer

Karachi, October 28, 2014

ABL ISLAMIC PENSION FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED)
AS AT SEPTEMBER 30, 2014

		2014				
Notes	Equity	Debt	Money Market	Total		
	Sub-Fund	Sub-Fund	Sub-Fund			
-----Rupees-----						
ASSETS						
	Balances with banks	4	4,437,342	30,583,158	30,383,078	65,403,578
	Investments - net	5	25,554,378	-	-	25,554,378
	Dividend receivable		211,700	-	-	211,700
	Profit accrued on bank deposits		91,389	182,214	181,872	455,475
	Security deposit	6	100,000	100,000	-	200,000
	Preliminary expenses and floatation costs	7	144,383	144,383	144,383	433,149
	Total assets		30,539,192	31,009,755	30,709,333	92,258,280
LIABILITIES						
	Payable to ABL Asset Management Company Limited - Pension Fund Manager	8	342,652	342,848	242,717	928,217
	Payable to Central Depository Company of Pakistan Limited - trustee	9	11,142	11,315	11,241	33,698
	Payable to Securities and Exchange Commission of Pakistan		1,116	1,119	1,116	3,351
	Accrued expenses and other liabilities	10	14,256	15,914	15,851	46,021
	Total liabilities		369,166	371,196	270,925	1,011,287
	NET ASSETS		30,170,026	30,638,559	30,438,408	91,246,993
	Represented by:					
	PARTICIPANTS' SUB FUNDS (AS PER STATEMENT ATTACHED)		30,170,026	30,638,559	30,438,408	91,246,993
	NUMBER OF UNITS IN ISSUE		302,007	305,016	303,009	
	NET ASSET VALUE PER UNIT		99.8984	100.4492	100.4537	

Contingencies and commitments

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The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.


FARID AHMED KHAN
 CEO

For ABL Asset Management Company Limited
 (Pension Fund Manager)


SHAKIB MURAD
 DIRECTOR

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ABL ISLAMIC PENSION FUND
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE PERIOD FROM AUGUST 20, 2014 TO SEPTEMBER 30, 2014

		2014			
Notes	Equity	Debt	Money Market	Total	
	Sub-Fund	Sub-Fund	Sub-Fund		
-----Rupees-----					
INCOME					
	Capital loss on sale of investments	(36,514)	-	-	(36,514)
	Profit on bank deposits	150,074	240,898	240,557	631,529
	Dividend income	211,700	-	-	211,700
	Net unrealised diminution on revaluation of investments - 'at fair value through profit or loss' 11	(224,581)	-	-	(224,581)
		100,679	240,898	240,557	582,134
EXPENSES					
	Remuneration of ABL Asset Management Company Limited - Pension Fund Manager	50,714	50,860	50,762	152,336
	Sindh Sales Tax on remuneration of the Pension Fund Manager	8,824	8,850	8,833	26,507
	Federal Excise Duty on remuneration of the Pension Fund Manager	8,114	8,138	8,122	24,374
	Remuneration of Central Depository Company of Pakistan Limited - Trustee	11,142	11,315	11,241	33,698
	Annual fee - Securities and Exchange Commission of Pakistan	1,116	1,119	1,117	3,352
	Auditors' remuneration	13,057	13,057	13,057	39,171
	Brokerage and transaction costs	31,624	1,000	-	32,624
	Bank charges	1,445	2,106	2,106	5,657
	Amortisation of preliminary expenses and floatation costs	5,617	5,617	5,617	16,851
	Provision for Workers' Welfare Fund 13	-	2,777	2,794	5,571
		131,653	104,839	103,649	340,141
	Net Income / (loss) for the period	(30,974)	136,059	136,908	241,993
	Other comprehensive income / (loss) for the period	-	-	-	-
	Total comprehensive income / (loss) for the period	(30,974)	136,059	136,908	241,993

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.


FARID AHMED KHAN
 CEO

For ABL Asset Management Company Limited
 (Pension Fund Manager)


SHAKIB MURAD
 DIRECTOR

ABL ISLAMIC PENSION FUND

CONDENSED INTERIM STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB FUNDS (UN-AUDITED) FOR THE PERIOD FROM AUGUST 20, 2014 TO SEPTEMBER 30, 2014

	2014			Total
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	
	-----Rupees-----			
Issue of units	30,201,000	30,502,500	30,301,500	91,005,000
Capital loss on sale of investments	(36,514)	-	-	(36,514)
Other net income for the period	5,540	136,059	136,908	278,507
	(30,974)	136,059	136,908	241,993
Net assets at the end of the period	30,170,026	30,638,559	30,438,408	91,246,993

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.


FARID AHMED KHAN
CEO

For ABL Asset Management Company Limited
(Pension Fund Manager)


SHAKIR MURAD
DIRECTOR

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ABL ISLAMIC PENSION FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE PERIOD FROM AUGUST 20, 2014 TO SEPTEMBER 30, 2014

Notes	2014			Total
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	
-----Rupees-----				
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income / (loss) for the period	(30,974)	136,059	136,908	241,993
Adjustments				
Amortisation of preliminary expenses and floatation costs	5,617	5,617	5,617	16,851
Net unrealised diminution on revaluation of investments - 'at fair value through profit or loss'	224,581	-	-	224,581
Dividend income	(211,700)	-	-	(211,700)
	(12,476)	141,676	142,525	271,725
Decrease in assets				
Investments	(25,778,959)	-	-	(25,778,959)
Profit receivable on bank deposits	(91,389)	(182,214)	(181,872)	(455,475)
Deposit	(100,000)	(100,000)	-	(200,000)
Preliminary expenses and floatation costs	(150,000)	(150,000)	(150,000)	(450,000)
	(26,120,348)	(432,214)	(331,872)	(26,884,434)
Increase in liabilities				
Payable to Pension Fund Manager	342,652	342,848	242,717	928,217
Payable to Central Depository Company of Pakistan Limited	11,142	11,315	11,241	33,698
Payable to Securities and Exchange Commission of Pakistan	1,116	1,119	1,116	3,351
Accrued expenses and other liabilities	14,256	15,914	15,851	46,020
	369,166	371,196	270,925	1,011,287
Net cash generated from / (used in) operating activities	(25,763,658)	80,658	81,578	(25,601,422)
CASH FLOW FROM FINANCING ACTIVITIES				
Receipts on issuance of units	30,201,000	30,502,500	30,301,500	91,005,000
Net cash generated from financing activities	30,201,000	30,502,500	30,301,500	91,005,000
Net increase in cash and cash equivalents during the period	4,437,342	30,583,158	30,383,078	65,403,578
Cash and cash equivalents at the end of the period	4,437,342	30,583,158	30,383,078	65,403,578

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.


FARID AHMED KHAN
 CEO

For ABL Asset Management Company Limited
 (Pension Fund Manager)


SHAKEB MURAD
 DIRECTOR

ABL ISLAMIC PENSION FUND

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENT (UN-AUDITED)

FOR THE PERIOD FROM AUGUST 20, 2014 TO SEPTEMBER 30, 2014

1. LEGAL STATUS AND NATURE OF BUSINESS

ABL Islamic Pension Fund was established under a Trust Deed executed between ABL Asset Management Company Limited (ABL AMC) as Pension Fund Manager and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was approved by the Securities & Exchange Commission of Pakistan (SECP) on March 11, 2014 and was executed under the Voluntary Pension System Rules, 2005 (VPS Rules).

The Pension Fund Manager has been licensed to act as a Pension Fund Manager under the VPS Rules through a certificate of registration issued by the SECP. The registered office of the Pension Fund Manager is situated at 11-B, Lalazar, M.T Khan Road, Karachi.

This is the first year of operations of the Fund. Title to the assets of the Fund are held in the name of CDC as a Trustee of the Fund.

All operational, management and investment activities of ABL Islamic Pension Fund are undertaken in accordance with Islamic Shariah as per the guidelines provided by the Shariah Advisor.

JCR-VIS Credit Rating Company Limited has assigned Management Quality Rating of AM2 (stable outlook) to the Management Company as at June 21, 2013.

The objective of ABL Islamic Pension Fund is to provide individuals with a portable, individualized, funded (based on defined contribution) and flexible pension scheme which is managed by professional investment manager to assist them to plan and provide for their retirement. . The design of the scheme empowers the participants to decide how much to invest in their pensions, and how to invest it, as well as to continue investing in their pension accounts even if they change jobs.

At present, the Fund consists of the following three Sub-Funds:

- 1) **ABL Islamic Pension Fund - Equity Sub-Fund (ABLIPF - ESF)**
The objective of the Fund is to achieve long term capital growth. The Fund shall invest primarily in shariah compliant equity securities, with a minimum investment of 90% of its net asset value in listed shares
- 2) **ABL Islamic Pension Fund - Debt Sub-Fund (ABLIPF - DSF)**
The objective of the Fund is to provide income along with capital preservation. The Fund shall invest primarily in Shariah Compliant tradable debt securities with the weighted average time to maturity of the investment portfolio of the Sub-Fund not exceed
- 3) **ABL Islamic Pension Fund - Money Market Sub-Fund (ABLIPF - MMSF)**
The objective of the Fund is to provide regular income along with capital preservation. The Fund shall invest primarily in short term Shariah Compliant money market securities with the average time to maturity of the fund not exceeding one year.

The Sub-Funds' units are issued against contributions by the eligible participants on a continuous basis and can be redeemed by surrendering them to the Fund.

The participants of the Fund voluntarily determine the contribution amount subject to the minimum limit fixed by the Pension Fund Manager. Such contributions received from the participants are allocated among the Sub-Funds, in accordance with their respective preferences and in line with the prescribed allocation policy. The units held by the participants in the Sub-Funds can be redeemed or on before their retirement and in case of disability or death subject to conditions laid down in the Offering Document, VPS Rules and the Income Tax Ordinance, 2001.

According to the VPS Rules, 2005, there shall be no distribution from the Sub-Funds and all income earned by the Sub-Funds shall be accumulated and retained in the Sub Funds.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standard-34 "Interim Financial Reporting and the requirements of the Trust Deed and the directives / guidelines issued by the SECP. In case where requirements differ the provisions of / or directives issued by the SECP will prevail.

These condensed interim financial statements comprise of the condensed interim statement of assets and liabilities as at September 30, 2014 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in participants' sub fund, condensed interim cash flow statement and notes thereto for the period ended September 30, 2014.

These condensed interim financial statements are unaudited and does not include all the information and disclosures required in the annual financial statements.

2.2 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires management to make estimates, judgements and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also require management to exercise judgement in application of its accounting policies. The estimates, judgements and associated assumptions are based on the management's experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

The areas involving a degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements are as follows:

- i) Classification and valuation of financial assets (notes 3.2 and 5)
- ii) Impairment of financial assets (note 3.2.5)

2.3 Accounting convention

These financial statements have been prepared under the historical cost convention except for certain

investments which have been carried at fair value.

2.4 Functional and presentation currency

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Cash and cash equivalents

Cash and cash equivalents comprise of balances with banks and short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are carried in the statement of assets and liabilities at cost.

3.2 Financial assets

3.2.1 Classification

The Fund classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables and available for sale. The Pension Fund Manager determines the classification of its financial assets at initial recognition and re-evaluates this classification on a regular basis.

Investments are categorised as follows:

a) Financial assets at fair value through profit or loss

Financial assets that are acquired principally for the purpose of generating profits from short-term fluctuations in prices are classified as financial assets at fair value through profit or loss category.

b) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

c) Available for sale

Available for sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as (a) loans and receivables or (b) financial assets at fair value through profit or loss. These are intended to be held for an indefinite period of time which may be sold in response to the needs for liquidity or change in price.

3.2.2 Regular way contracts

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Fund commits to purchase or sell the asset.

3.2.3 Initial recognition and measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value while the related transaction costs are expensed out in the income statement.

3.2.4 Subsequent measurement

a) Financial assets at fair value through profit or loss and available for sale

Subsequent to initial recognition, financial assets classified as "at fair value through profit or loss" and "available for sale" are valued as follows:

- Basis of valuation of debt securities

The investment of the Fund in debt securities (comprising any security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital and includes sukuks etc. is valued on the basis of rates determined by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the SECP for valuation of debt securities. In the determination of the rates the MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The methodology also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

- Basis of valuation of government securities

The investment of the Fund in government securities is valued on the basis of rates announced by the Financial Markets Association of Pakistan.

- Basis of Valuation of Equity Securities

The investment of the Sub-Fund in equity securities is valued on the basis of quoted market price available at the stock exchanges.

Net gains and losses arising from the changes in the fair value and on sale of financial assets at fair value through profit or loss are taken to the income statement.

Net gains and losses arising from changes in the fair value of available for sale financial assets are taken to the other comprehensive income until these are derecognised or impaired. At this time, the cumulative gain or loss previously recognised in the other comprehensive income is shown as part of net income for the year.

b) Loans and receivables

Subsequent to initial recognition, financial assets classified as loans and receivables are carried at amortised cost using the effective interest method.

Gain or loss is also recognised in the 'income statement' when the financial assets carried at amortised cost are derecognised or impaired.

3.2.5 Impairment

The Fund assesses at each reporting date whether there is an objective evidence that the financial assets or a group of financial assets is impaired. The carrying value of the Fund's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

For certain other financial assets, a provision for impairment is established when there is an objective evidence that the Fund will not be able to collect all amounts due according to the original terms. The provision against these amounts is made as per the provisioning policy duly formulated and approved by the Board of Directors of the Pension Fund Manager in accordance with the requirements of the Securities and Exchange Commission of Pakistan.

3.2.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Fund has transferred substantially all the risks and rewards of ownership.

3.3 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognised at fair value and subsequently stated at amortised cost.

3.4 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liabilities simultaneously.

3.5 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are being amortised over a period of three years in accordance with the requirements set out in the Trust Deed of the Fund.

3.6 Provisions

Provisions are recognised when the Fund has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions, if any, are regularly reviewed and adjusted to reflect the current best estimate.

3.7 Taxation

No provision for taxation has been made for the quarter ended September 30, 2014 in view of the exemption available under clause 57(3) (viii) pf Part-1 of the Second Schedule to Income Tax Ordinance, 2001.

3.8 Net asset value per unit

The Net Asset Value (NAV) per unit, as disclosed in the statement of assets and liabilities, is calculated by dividing the net assets of the Fund by the number of units in circulation at the year / period end.

3.9 Revenue recognition

- Realised capital gains / (losses) arising on sale of investments are included in the income statement on the date at which the sale transaction takes place.
- Profit on bank balances is recognised on an accrual basis
- Dividend income is recognised when the right to receive the dividend is established

3.10 Issue, Allocation, Reallocation and Redemption of Units

Contributions received from the participants is allocated to the Sub-funds on the basis of the allocation scheme selected by each participant out of the allocation schemes offered by the pension fund manager. The net asset value (NAV) per unit of each Sub-Fund is determined at the close of each business day, according to the procedure outline in the VPS Rules and is applicable for allocation of units in each Sub-Fund for all the contribution amount realised and credited in collection account of the fund during the business hours' in that business day.

The Pension Fund Manager makes reallocation of the units between the sub-Funds at least once a year to ensure that the allocations of the units of all the participants are according to the allocation scheme selected by the participants.

All Sub-Funds units are automatically redeemed in the close of the dealing day at which the retirement date falls or death of a participant has been confirmed. The participant may also withdraw from the scheme prior to retirement. The redemption from the respective Sub-Fund is made on the Net Asset Value per unit prevailing at the close of the dealing day on which the request is received, subject to deduction of zakat and withdraw taxes, as applicable.

In case of partial withdrawals, units are redeemed in a pro rata basis by ensuring that the remaining units are in accordance with the allocation scheme last selected by the participant.

Proceeds received / paid on issuance / redemptions if units are reflected in the participant's Sub-Fund. The voluntary pension system rules, 2005 specify that distribution of dividend shall not be allowed for pension funds and return to unit holders is, therefore, only possible through redemption of units which is based on Net Asset Value (NAV). Hence, the management believes that creation of income equalization mechanism through separate recording of "element of income / (Loss) and capital gains / (Losses) included in prices of units issued less those in units redeemed" is not required. The accounting policy followed by the Sub-Fund does not have any impact on the NAV per unit of the Sub- Fund.

3.11 Earnings Per Unit

Earnings per unit has not been disclosed as in the opinion of the Pension Fund Manager determination of cumulative weighted average number of outstanding units for calculation of EPU is not practicable.

		2014				
Notes	Equity	Debt	Money Market	Total		
	Sub-Fund	Sub-Fund	Sub-Fund			
-----Rupees-----						
4.	BANK BALANCES					
	In profit and loss accounts	4.1	4,437,342	30,583,158	30,383,078	65,403,577
4.1	These profit and loss accounts carry profit rates ranging from 5.43% to 8.5% per annum.					
4.2	Deposits in profit or loss accounts includes aggregate balance of Rs. 5,381,578 maintained with Allied Bank Limited.					

		2014				
Notes	Equity	Debt	Money Market	Total		
	Sub-Fund	Sub-Fund	Sub-Fund			
-----Rupees-----						
5.	INVESTMENTS					
	Financial assets 'at fair vale through profit or loss'					
	Listed Equity Securities	5.1	25,554,378	-	-	25,554,378

-Equity Sub Fund

5.1 Listed equity securities

Name of the investee company	(Number of shares)				Cost as at September 30, 2014	Market value as at September 30, 2014	Market value as a percentage of net assets of Sub-Fund	Par value as percentage of issued capital of investee company
	As at August 20, 2014	Purchased during the period	Sold during the period	As at September 30, 2014				
-----Rupees-----								

Shares of listed companies - Fully paid up ordinary shares of Rs. 10 each unless otherwise stated

Automobile & Parts

Pak Suzuki Motor Company Limited	-	5,000	-	5,000	1,433,460	1,421,400	4.71	0.01
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Construction And Materials

D.G. Khan Cement Company Limited	-	7,000	-	7,000	558,580	557,900	1.85	0.01
Maple Leaf Cement factory Limited	-	30,000	-	30,000	870,249	815,700	2.70	0.01

Chemicals

Fauji Fertilizer Bin Qasim Limited	-	35,000	-	35,000	1,445,840	1,407,700	4.67	0.01
Fauji Fertilizer Company Limited	-	22,800	-	22,800	2,601,154	2,586,432	8.57	0.01

Electricity

The Hub Power Company Limited	-	43,000	-	43,000	2,871,080	2,751,140	9.12	0.01
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Banks

Meezan Bank Limited	-	60,500	-	60,500	2,463,000	2,480,500	8.22	0.01
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Oil & Gas

Attock Petroleum Limited	-	3,600	-	3,600	2,025,243	1,953,468	6.47	0.01
Oil & Gas Development Company Limited	-	-	3,700	3,700	1,007,764	914,122	3.03	0.01
Pakistan Oilfields Limited	-	5,200	-	5,200	2,893,781	2,763,488	9.16	0.01
Pakistan Petroleum Limited	-	12,700	-	12,700	2,879,924	2,870,835	9.52	0.01

Personal Goods

Nishat Mills Limited	-	7,700	-	7,700	867,679	916,300	3.04	0.01
Service Industries Limited	-	1,750	-	1,750	1,435,250	1,476,143	4.89	0.01

Pharma & Bio Tech

The Searle Company Limited	-	6,600	-	6,600	1,444,861	1,616,670	5.36	0.01
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Food Producers

Faran Sugar Mills Limited	-	13,000	-	13,000	494,000	481,260	1.60	0.05
Habib Sugar Mills Limited	-	13,000	-	13,000	487,094	541,320	1.79	0.01

25,778,959 **25,554,378**

6. SECURITY DEPOSIT

This represents deposit with Central Depository Company of Pakistan Limited on account of security deposit for opening of investor account for electronic transfer of book-entry securities.

2014			
Equity	Debt	Money Market	Total
Sub-Fund	Sub-Fund	Sub-Fund	
-----Rupees-----			

7. PRELIMINARY EXPENSES AND FLOATATION COSTS

Opening balance at the beginning of the period	150,000	150,000	150,000	450,000
Less: amortised during the period	(5,617)	(5,617)	(5,617)	(16,851)
Closing balance at the end of the period	144,383	144,383	144,383	433,149

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund. These costs are being amortised over three years in accordance with the requirements set out in the Trust Deed of the Fund.

8. PAYABLE TO ABL ASSET MANAGEMENT COMPANY LIMITED - PENSION FUND MANAGER

		2014			
		Equity	Debt	Money Market	Total
		Sub-Fund	Sub-Fund	Sub-Fund	
-----Rupees-----					
Remuneration Payable	8.1	50,714	50,860	50,762	152,336
Sindh Sales Tax on remuneration of the Pension Fund Manager	8.2	8,824	8,850	8,833	26,507
Federal Exercise Duty on remuneration of the Pension Fund Manager	8.3	8,114	8,138	8,122	24,374
Preliminary expenses and floatation costs		150,000	150,000	150,000	450,000
Others		125,000	125,000	25,000	275,000
		342,652	342,848	242,717	928,217

8.1 In accordance with the provisions of the VPS Rules, the Pension Fund Manager is entitled to remuneration for its services out of the Trust Property by way of an annual management fee not exceeding 1.50% of the net assets of each Sub-Funds calculated during the year / period for determining the prices of the units of the Sub-Funds. Currently, the Pension Fund Manager Fee is charged at the rate of 1.50% of the daily net assets of the Sub-Funds which is paid monthly, in arrears.

8.2 The Provincial Government of Sindh has levied Sindh sales tax at the rate of 15% on the remuneration of the Pension Fund Manager through the Sindh Sales Tax on Services Act, 2011.

8.3 As per the requirements of the Finance Act 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Management Company has been applied effective June 13, 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax as explained in note 9.2, further levy of FED may result in double taxation, which does not appear to be the spirit of the law.

The matter has been collectively taken up by the Management Company jointly with other Asset Management Companies together with their respective Collective Investment Schemes through their trustees, through a Constitutional Petition filed in the Honourable Sindh High Court (SHC) during September 2013 challenging the levy of FED. In this respect, the SHC has issued a stay order against the recovery of FED and the hearing of the petition is still pending.

Pending decision of the SHC, the Fund is not making payments for FED. However, the Fund, as a matter of abundant caution, has made full provision in respect of FED aggregating to Rs 24,374 in Sub-Funds. Had the same not been made the net asset value per unit of the ABLIPF - ESF, ABLIPF - DSF and ABLIPF - MMSF would have been higher by Rs. 0.0268 Rs. 0.0267 and Rs. 0.0268 per unit respectively.

9. **PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED (CDC) - TRUSTEE**

		2014			
Notes	Equity	Debt	Money Market	Total	
	Sub-Fund	Sub-Fund	Sub-Fund		
-----Rupees-----					
Trustee Fee	9.1	11,142	11,315	11,241	33,698

9.1 CDC being the trustee of the Fund is entitled to a monthly remuneration for services rendered to the Sub-Funds under the provisions of the Trust Deed as per the tariff specified therein and shall be charged in proportion to the daily net assets of the pertinent Sub-Fund. The remuneration is paid to the trustee monthly in arrears.

The tariff structure applicable to the Fund as at September 30, 2014 is as follows:

Net Assets (Rupees)		Tariff
From	To	
1	1 billion	Rs. 0.3 million or 0.15% per annum of Net Assets whichever is higher.
Above 1 billion	3 billion	Rs. 1.5 million plus 0.10% per annum of Net Assets on amount exceeding Rs 1 billion
Above 3 billion	6 billion	Rs. 3.5 million plus 0.08% per annum of Net Assets on amount exceeding Rs 3 billion
Above 6 billion	-	Rs. 5.9 million plus 0.06% per annum of Net Assets on amount exceeding Rs 6 billion

10. **ACCRUED EXPENSES AND OTHER LIABILITIES**

Auditors' remuneration
Provision for Workers' Welfare Fund
Settlement Charges
Withholding tax

				2014			
		Equity	Debt	Money Market			Total
		Sub-Fund	Sub-Fund	Sub-Fund			
-----Rupees-----							
		13,057	13,057	13,057			39,171
		-	2,777	2,794			5,571
		1,118	-	-			1,118
		80	80	-			160
		14,256	15,914	15,851			46,021

11. **NET UNREALISED DIMINUTION ON REVALUATION OF INVESTMENTS - 'AT FAIR VALUE THROUGH PROFIT OR LOSS'**

Market Value of investment
Less: Cost of investment

	25,554,378	-	-	25,554,378
	(25,778,959)	-	-	(25,778,959)
	(224,581)	-	-	(224,581)

12. **CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments outstanding as at September 30, 2014.

13. **PROVISION FOR WORKERS' WELFARE FUND**

The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISS) whose income exceeds Rs 0.5 million in a tax year have been brought within the scope of the WWF Ordinance. Thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISS through their trustees in the Honourable High Court of Sindh (the Court), challenging the applicability of WWF to the CISS, which is pending for adjudication.

During the year ended June 30, 2011, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. However, on 14 December 2010 the Ministry filed its response against the Constitutional petition requesting the Court to dismiss the petition. According to the legal counsel who is handling the case, there is a contradiction between the aforementioned clarification issued by the Ministry and the response filed by the Ministry in the Court.

During the year ended June 30, 2012, 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, had declared the said amendments as unlawful and unconstitutional. In March 2013, a larger bench of the Honourable Sindh High Court (SHC) passed an order declaring that the amendments introduced in the WWF Ordinance, 1971 through the Finance Act, 2006 and the Finance Act, 2008 do not suffer from any constitutional or legal infirmity. However, the Honourable High Court of Sindh has not addressed the other amendments made in the WWF Ordinance 1971 about applicability of WWF to the CISs which is still pending before the Court. In a recent judgement, Peshawar High Court (PHC) has also held these amendment to be ultra vires as they lacked the essential mandate to be introduced and passed through the Money Bill under the Constitution.

Without prejudice to the above, the Pension Fund Manager as a matter of abundant caution has decided to made the provision for WWF in each Sub-Fund aggregating to Rs. 5,571 in these condensed interim financial statements. Had the same not been made the net asset value per unit of the ABL IPF - DSF and ABLIPF - MMSF as at September 30, 2014 would have been higher by Rs. 0.0091 and Rs. 0.0092 per unit respectively.

2014			
Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
-----Rupees-----			

14. TRANSACTIONS WITH CONNECTED PERSONS

14.1 Details of transactions with connected persons during the period are as follows:

ABL Asset Management Company Limited - Pension Fund Manager

Remuneration	50,714	50,860	50,762	152,336
Sindh Sales Tax on Remuneration of Pension Fund Manager	8,824	8,850	8,833	26,507
Federal Excise Duty on Remuneration of Pension Fund Manager	8,114	8,138	8,122	24,374
Issue of 300,000 units in Each Sub-Fund	30,000,000	30,000,000	30,000,000	90,000,000

Central Depository Company of Pakistan Limited - Trustee

Remuneration	11,142	11,315	11,241	33,698
Security Deposit	100,000	100,000	-	200,000

Allied Bank Limited

Bank Charges	1,112	773	773	2,658
Profit Accrued	150,074	157,049	156,704	463,827

Key Management Personnel of Pension Fund Manager

Chief Executive Officer

- Issue of 2,007 units
- Issue of 5,016 units
- Issue of 3,009 units

2014			
Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
-----Rupees-----			
201,000	-	-	201,000
-	502,500	-	502,500
-	-	301,500	301,500

- 14.2 Details of balances with related parties / connected persons as at period end are as follows:

2014				
Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
-----Rupees-----				
ABL Asset Management Company Limited - Pension Fund Manager				
Remuneration Payable	50,714	50,860	50,762	152,336
Sindh Sales Tax on Remuneration of Pension Fund Manager	8,824	8,850	8,833	26,507
Federal Excise Duty on Remuneration of Pension Fund Manager	8,114	8,138	8,122	24,374
Preliminary Expenses and Floatation Costs	150,000	150,000	150,000	450,000
Others	125,000	125,000	25,000	275,000
Number of Units held: 300,000 units in each Sub-Fund	29,969,520	30,134,760	30,136,110	90,240,390
Central Depository Company of Pakistan Limited - Trustee				
Remuneration Payable	11,142	11,315	11,241	33,698
Security Deposit	100,000	100,000	-	200,000
Allied Bank Limited				
Balances in profit and loss accounts	4,429,342	576,158	376,078	5,381,578
Profit Receivable	91,389	98,365	98,019	287,773
Key Management Personnel of Pension Fund Manager				
Chief Executive Officer				
Number of Units held:				
- 2,007 units	200,501	-	-	200,501
- 5,016 units	-	503,813	-	503,813
- 3,009 units	-	-	302,291	302,291

15. **GENERAL**

Figures have been rounded off to the nearest rupee.

16. **DATE OF AUTHORISATION FOR ISSUE**

These condensed interim financial statements were authorised for issue on October 28, 2014 by the Board of Directors of the Pension Fund Manager.


FARID AHMED KHAN
CEO

For ABL Asset Management Company Limited
(Pension Fund Manager)


SHAKIB MURAD
DIRECTOR