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ABL INCOME 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 Shahra-e-Faisal, Karachi - 74400	
Bankers to the Fund:	Allied Bank Limited Bank Al- Falah Limited Soneri Bank Limited	
Auditor:	KPMG Taseer Hadi & Co. Chartered Accountants Sheikh Sultan Trust Building No. 2 Beaumont Road Karachi, 75530 Pakistan	
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 INCOME FUND

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

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

ECONOMIC PERFORMANCE REVIEW

Economic performance in 1QFY15 remained dismal 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 USD550 million tranche was delayed. In addition the country had to delay its USD1 billion international Sukuk issue. Consequently, PKR depreciated by 3.9% during the quarter and CAD swelled to USD1.37 billion in 2MFY15, 1.37x higher than USD0.58 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 USD13.21 billion during 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 indicators still remain unaddressed. The performance on fiscal front remained slightly below par during 1QFY15 as FBR collected PKR563 billion (up 12.6% YoY) and missed its quarterly target by PKR20. Government borrowing on the other hand, continued unabated as it raised PKR20 billion and PKR104 billion from SBP and commercial banks respectively.

Looking ahead, the outlook for FY15 remains hazy in the backdrop of continued political uncertainty and inertia in the economic reform process. The expected receipt of combined IMF tranches of USD1.1 billion in December 2014 and declining international oil prices (Brent crude down 24% FY15TD) as a result of weak global oil are potential economic positives that can give much needed boost to market sentiment. However, current political turmoil will make reform implementations an uphill task for the government and could be the key factor affecting capital markets in the short term.

MUTUAL FUND INDUSTRY REVIEW

Total assets under management (AUMs) of open end mutual funds increased by 2% in 1QFY15 (from PKR415 billion to PKR423 billion), mainly on account of substantial flows in conventional fixed income funds. Fixed Income category which improved by 7.89% during the quarter to PKR71 billion compared to PKR65 billion in June-14, primarily due to launch of new funds in this category. On cumulative basis, the fixed income category (comprising of Income, Aggressive Income and Money Market funds) registered cumulative increase of 3.02% in 1QFY15 from PKR194 billion in June 2014 to PKR200 billion in September 2014. Islamic income funds however, lost their size by 13.21% during the quarter to PKR32 billion, as low returns from Islamic financial products compelled investors to shift to more rewarding categories. Despite political uncertainty and rather volatile movement of the equity market during the quarter, both conventional and Islamic equity categories posted a healthy growth of 2.68% and 5.88% respectively with AUMs clocking at PKR92 billion and PKR29 billion.

FUND PERFORMANCE

During the period under review, ABL IF's performance stood at 9.41% (annualized) versus the benchmark return of 10.18%, thus showing a slight underperformance of 77bps. The performance was largely affected by valuation adjustments on the fund's TFC portfolio as yields on PIBs are much higher than TFCs.

During the period under review, we lowered bond duration by swapping 8 years PIBs with 2 and 3 year paper in order to reduce volatility in daily returns. Consequently, exposure towards low duration bonds went up from 19.3% to 48.71% of

of total assets. We also added Askari Bank's TFCs (4.67% of total assets) into our TFC portfolio against low IRR TFCs such as SCB PPTFC and BAFL V in order to increase the weight of high yielding KIBOR-linked instruments. As a result, cash assets came down to 6.64% of total assets from 42.16% in June 2014. Investment in Government Securities (PIB, T-Bills and Govt-backed Corporate TFCs) increased to 74.53% from 33.53% in June 2014. Placement in TDRs was maintained at 8.24% of total assets. WAM of the portfolio decreased slightly to 769 days from 791 days at June end due to reallocation in bond portfolio from long to short end.

AUDITORS

M/s. KPMG Taseer Hadi & Co. (Chartered Accountants), have been appointed as auditors for the year ending June 30, 2015 for ABL Income Fund (ABL-IF).

FUND STABILITY RATING

JCR-VIS Credit Rating Company Ltd. (JCR-VIS) on October 16, 2014, reaffirmed the Fund Stability Rating of ABL Income Fund at 'A+ (f)' (Single A plus (f)).

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 to 'AM Two Minus' (AM2-) to 'AM Two' (AM2). Outlook on the assigned rating is 'Stable'.

OUTLOOK

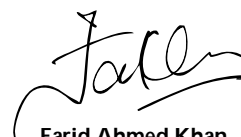
The government was dilly dallying on the reform process even in the best of times. With the on-going political noise, its willingness to address the key issues of governance, revenue generation and development spending are now even more doubtful. Hence financial markets will seek direction from economic data rather than policies and actions from Islamabad. We expect inflation to remain under control due to high base effect, subdued money supply growth and sharp decline in international commodity prices. On the other hand, rupee is expected to come under pressure owing to delay in OGDC privatization and IMF tranches. However, realization of USD1 billion Sukuk in international market will bring much needed support to foreign reserves. Successful disbursement of IMF tranche, improvements in external account position and controlled inflation will set the tone of monetary policy going forward.

In short term, we believe SBP will take a cautious stance on discount rate and maintain the status quo at least in 1HFY15. In this scenario, we intend to actively play the yield curve and alter our portfolio allocation by anticipating the macro datapoints. We will maintain current duration in ABL-IF and actively trade bonds for capital gains. We will also maintain our stance of selecting quality debt instruments from the corporate sector to support the base line yields without compromising the risk profile of the fund.

ACKNOWLEDGEMENT

We thank our valued investors who have placed their confidence in us. The Board is also thankful to Securities & Exchange Commission of Pakistan, the Trustee (Central Depository Company of Pakistan Limited) and the management of Karachi Stock Exchange 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 INCOME FUND

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT SEPTEMBER 30, 2014

		(Un-Audited) September 30, 2014	(Audited) June 30, 2014
ASSETS	Note	-----Rupees in '000-----	
Bank Balances	4	120,792	728,927
Investments	5	1,661,658	869,638
Profit receivable		28,754	33,021
Security deposits and other receivables		9,406	20,672
Receivable against sale and maturity of investments		-	74,606
Prepayments		37	-
Total assets		1,820,648	1,726,864
LIABILITIES			
Payable to ABL Asset Management Company Limited - Management Company	6	9,102	7,642
Payable to the Central Depository Company of Pakistan Limited - Trustee		194	178
Payable to the Securities and Exchange Commission of Pakistan		324	1,361
Payable against redemption of units		110	50
Accrued expenses and other liabilities	7	36,533	35,526
Total liabilities		46,263	44,757
NET ASSETS		1,774,385	1,682,107
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		1,774,385	1,682,107
CONTINGENCIES AND COMMITMENTS	8	-	-
		----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE		172,620,350	167,525,357
		----- (Rupees) -----	
NET ASSET VALUE PER UNIT		10.2791	10.0409
FACE VALUE PER UNIT		10.0000	10.0000

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.


FARID AHMED KHAN
 CEO

For ABL Asset Management Company Limited
 (Management Company)


SHAKFB MURAD
 DIRECTOR

ABL INCOME FUND

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2014

1 LEGAL STATUS AND NATURE OF BUSINESS

ABL Income Fund (the Fund) was established under a Trust Deed executed on June 16, 2008 between ABL Asset Management Company Limited (ABL AMCL) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008. The Fund commenced its operations on September 20, 2008.

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate issued by the SECP on December 7, 2007. The registered office of the Management Company is situated at 11-B, Lalazar, M.T Khan Road, Karachi.

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

The Fund has been categorised as an open-end income scheme as per the criteria laid down by the Securities and Exchange Commission of Pakistan for categorisation of Collective Investment Schemes (CISs).

The objective of the Fund is to earn superior risk adjusted rate of return by investing in a blend of short, medium and long-term instruments, both within and outside Pakistan. The Fund, in line with its investment objectives, invests primarily in money and debt markets, certificate of investments, clean placements, spread transactions and other absolute return instruments.

JCR-VIS Credit Rating Company Limited has assigned Management Quality Rating of AM2 (stable outlook) to the Management Company as at June 21, 2013 and Fund Stability Rating of A+(f) to the Fund as at January 17, 2013.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These Condensed Interim financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. The approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), the Non-Banking Finance and Notified Entities Regulations, 2008 (the NBFC Regulations) and the directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

3 ACCOUNTING POLICIES

The accounting policies applied for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the Fund for the period ended

ABL INCOME FUND

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2014

		For the quarter ended September 30, 2014	For the quarter ended September 30, 2013
	Note	-----Rupees in '000-----	
INCOME			
Capital (loss) /gain on sale of investments - net		(3,089)	(11,722)
Income from government securities		34,313	27,504
Income from term deposit receipts		3,873	5,374
Income from letters of placement		466	211
Income from term finance certificates / other sukuks		5,038	10,398
Profit on deposits with bank		4,887	10,652
Dividend income		50	1,660
		45,538	44,077
Unrealised appreciation / (diminution) on re-measurement of investments classified as financial assets at fair value through profit or loss - net	5.5	5,638	(9,405)
Unrealised gain / (loss) on revaluation of future contracts		-	4,557
		51,176	39,229
EXPENSES			
Remuneration of ABL Asset Management Company Limited - Management Company		6,487	8,795
Sindh sales tax on remuneration of Management Company	6.1	1,130	1,407
Federal excise duty on remuneration of Management Company	6.2	1,038	1,407
Remuneration of Central Depository Company of Pakistan Limited - Trustee		582	713
Annual fee - Securities and Exchange Commission of Pakistan		324	440
Brokerage and securities transaction costs		84	524
Bank charges		50	79
Auditors' remuneration		107	108
Amortisation of preliminary expenses and floatation costs		-	224
Printing charges		37	38
Listing fee		13	13
Annual rating fee		54	54
Other expenses		78	414
Total operating expenses		9,984	14,216
Net income from operating activities		41,192	25,013
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net		1,416	(3,731)
Provision for Workers' Welfare Fund	7.1	(852)	(426)
Net income before taxation		41,756	20,856
Taxation	9	-	-
Net income for the period after taxation		41,756	20,856
Other comprehensive income	10	-	-
Total comprehensive income		41,756	20,856
Earnings per unit			

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.


FARID AHMED KHAN
CEO

For ABL Asset Management Company Limited
(Management Company)


SHAKFB MURAD
DIRECTOR



ABL INCOME FUND
CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2014

	For the quarter ended September 30, 2014	For the quarter ended September 30, 2013
-----Rupees in '000-----		
Undistributed income brought forward comprising of:		
- Realised income	6,782	1,924
- Unrealised income / (loss)	916	511
	7,698	2,435
Distribution during the year:		
- Nil (2013: Re 0.1211 per unit on September 27, 2013)		
Issue of nil bonus units (2013: 2,483,577 units)	-	(24,836)
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net	-	-
	-	(24,836)
Net income after taxation	41,756	20,856
Undistributed income carried forward	49,454	(26,381)
Undistributed income carried forward comprising of:		
- Realised income	43,816	3,303
- Unrealised income / (loss)	5,638	(4,848)
	49,454	(1,545)

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.


FARID AHMED KHAN
 CEO

For ABL Asset Management Company Limited
 (Management Company)


SHAKFB MURAD
 DIRECTOR

ABL INCOME FUND

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2014

	For the quarter ended September 30, 2014	For the quarter ended September 30, 2013
-----Rupees in '000-----		
Net assets at the beginning of the year	1,682,107	2,476,973
Issue of 16,231,099 (2013: 22,798,003) units	167,414	229,161
Redemption of 11,377,715 (2013: 66,151,110) units	(115,476)	(666,424)
	51,938	(437,263)
Issue of nil bonus units (2013: 2,483,577 units)	-	24,836
Net element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - transferred to income statement	(1,416)	3,731
Capital (loss) on sale of investments - net	(3,089)	(11,722)
Unrealised appreciation / diminution on re-measurement of investments classified as financial assets at fair value through profit or loss - net	5,638	(9,405)
Unrealised gain / loss on revaluation of future contracts	-	4,557
Other net income	39,207	37,426
	41,756	20,856
Distribution during the year:		
- Nil - (Re 0.1211 per unit on September 27, 2013)	-	-
Issue of nil bonus units (2013: 24,836 units)	-	(24,836)
Net assets at the end of the year	1,774,385	2,064,297

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.


FARID AHMED KHAN
CEO

For ABL Asset Management Company Limited
(Management Company)


SHAKFB MURAD
DIRECTOR


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CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2014

	For the quarter ended September 30, 2014	For the quarter ended September 30, 2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income before taxation	41,756	20,856
Adjustments for non-cash charges and other items		
Amortisation of preliminary expenses and floatation costs	-	224
Unrealised (appreciation) / diminution on re-measurement of investments classified as financial assets at fair value through profit or loss - net	(5,638)	9,405
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net	(1,416)	3,731
Provision for Workers' Welfare Fund	852	426
Federal excise duty on remuneration of Management Company	1,038	1,407
	36,592	36,049
(Increase) / decrease in assets		
Profit receivable	4,267	(4,438)
Investments	(786,382)	264,438
Receivable against sale and maturity of investments	74,606	147,844
Prepayments	(37)	-
Security deposits and other receivables	11,266	(10,092)
	(696,280)	397,752
Increase / (decrease) in liabilities		
Payable to ABL Asset Management Company Limited - Management Company	422	1,275
Payable to the Central Depository Company of Pakistan Limited - Trustee	16	(11)
Payable to the Securities and Exchange Commission of Pakistan	(1,037)	(1,703)
Payable against purchase of investment	-	62,786
Payable against redemption of units	60	-
Accrued expenses and other liabilities	154	(986)
	(385)	61,361
Net cash (used) / generated from operating activities	(660,073)	495,162
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	167,414	229,161
Payments on redemption of units	(115,476)	(668,292)
Net cash (used) / generated in financing activities	51,938	(439,131)
Net increase / (decrease) in cash and cash equivalents	(608,135)	56,031
Cash and cash equivalents at the beginning of the year	878,927	1,200,682
Cash and cash equivalents at the end of the year	270,792	1,256,713

Note -----Rupees in '000-----

4.2

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.


FARID AHMED KHAN
CEO

For ABL Asset Management Company Limited
(Management Company)


SHAKFB MURAD
DIRECTOR

June 30, 2014.

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

The significant judgments made by management in applying the accounting policies and the key sources of estimation of uncertainty were the same as those that applied to the financial statements as at and for the period ended June 30, 2014.

The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the period ended June 30, 2014.

		(Unaudited) September 30, 2014	(Audited) June 30, 2014
	Note	-----Rupees in '000-----	
4	BALANCES WITH BANKS		
	Savings accounts	4.1 <u>120,792</u>	<u>728,927</u>
4.1	These savings accounts carry mark-up at rates ranging from 6.50% to 9.45% (June 30, 2014: 6.50% to 10.75%) per annum. Deposits in savings accounts include Rs. 2,848 thousand (June 30, 2014: Rs. 3,359 thousand) maintained with Allied Bank Limited, a related party.		
4.2	Cash and cash equivalents		
	Balances with banks	<u>120,792</u>	728,927
	Term deposit receipts - having original maturity of 3 months or less	5.6 <u>150,000</u>	<u>150,000</u>
		<u>270,792</u>	<u>878,927</u>
5	INVESTMENTS		
	Financial assets at fair value through profit or loss		
	Government securities		
	- Market treasury bills	5.1 <u>399,485</u>	-
	- Pakistan investment bonds	5.2 <u>886,818</u>	507,798
	- Term finance certificates / other Sukuks	5.3 <u>140,355</u>	211,840
	- Advance against Pre IPO Investment	5.4 <u>85,000</u>	-
		<u>1,511,658</u>	719,638
	Loans and receivables	5.6 <u>150,000</u>	<u>150,000</u>
		<u>1,661,658</u>	<u>869,638</u>

5.1 Government securities - market treasury bills

Issue date	Tenor	Face Value				Balance as at September 30, 2014			Market value as a percentage of net assets	Market value as a percentage of total market value of investments
		As at July 1, 2014	Purchased during the period	Disposed of / matured during the period	As at September 30, 2014	Carrying value	Market value	Appreciation / (diminution)		
----- Rupees in '000 -----										
September 4, 2014	3 Months	-	75,000	-	75,000	73,860	73,844	(16)	4%	18%
July 12, 2013	3 Months	-	348,410	348,410	-	-	-	-	-	-
August 7, 2013	3 Months	-	460,000	133,000	327,000	325,692	325,640	(52)	18%	82%
		-	883,410	481,410	402,000	399,552	399,484	(68)	23%	100%
Total		-	883,410	481,410	402,000	399,552	399,484	(68)	23%	100%

5.2 Government securities - Pakistan investment bonds

Issue date	Tenor	Face Value				Balance as at September 30, 2014			Market value as a percentage of net assets	Market value as a percentage of total market value of investment
		As at July 1, 2014	Purchased during the period	Disposed of / matured during the period	As at September 30, 2014	Carrying value	Market value	Appreciation / (diminution)		
----- Rupees in '000 -----										
July 19, 2012	10 Years	175,000	-	175,000	-	-	-	-	-	-
July 18, 2013	3 Years	345,500	330,000	-	675,500	666,631	672,579	5,675	38%	76%
August 18, 2011	3 Years	-	330,000	330,000	-	-	-	-	-	-
July 17, 2014	3 Years	-	320,000	100,000	220,000	213,351	214,239	888	12%	24%
Total		520,500	980,000	605,000	895,500	879,982	886,818	6,563	50%	100%

5.3 Term Finance Certificates

Name of the investee company	Profit / Markup rate	Number of Certificates				Balance as at September 30, 2014			Market value as a percentage of net assets
		As at July 1, 2014	Purchased during the period	Disposed of / matured during the period	As at September 30, 2014	Carrying value	Market value	Appreciation / (diminution)	
----- Rupees in '000 -----									
Listed									
Bank Al Falah-V	6 months KIBOR plus 1.25%	9,000	-	9,000	-	-	-	-	-
NIB Bank Limited TFC II	6 months KIBOR plus 1.15%	10,000	-	-	10,000	50,000	50,000	-	2.82%
Total		19,000	-	9,000	10,000	50,000	50,000	-	2.82%
Un-Listed									
Standard Chartered Bank (Pakistan) Limited - PPTFC 6	6 months KIBOR plus 0.75%	9,000	-	5,000	4,000	20,040	19,789	(251)	1.12%
WAPDA	6 months KIBOR plus 1.00%	14,000	-	-	14,000	71,173	70,567	(606)	3.98%
Total		23,000	-	5,000	18,000	91,213	90,356	(857)	5.09%
Grand total of Term Finance Certificates / Other Sukuks		42,000	-	14,000	28,000	141,213	140,356	(857)	7.91%

5.4 Advance against Pre-IPO Investment of TFCs

Name of the investee company	Profit / Markup Rate	Number of Certificates				Balance as at September 30, 2014			Market value as a percentage of net assets
		As at July 1, 2014	Purchased during the period	Disposed of / matured during the period	As at September 30, 2014	Carrying value	Market value	Appreciation / (diminution)	
----- Rupees in '000 -----									
Askari Bank Limited - PPTFCV	6 months KIBOR plus 1.2%	-	17,000	-	17,000	85,000	85,000	-	4.79%
Total		-	17,000	-	17,000	85,000	85,000	-	4.79%

		(Unaudited) September 30, 2014	(Audited) June 30, 2014
5.5 Unrealised appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss - net	Note	-----Rupees in '000-----	
Market value of securities		1,511,658	719,638
Less: carrying value of securities		1,421,020	718,722
		90,638	916
5.6 Loans and receivables			
Term deposit receipts - having original maturity of 3 months or less		150,000	150,000

5.6.1 Term deposit receipts carry mark-up at 11.00% (June 30, 2014: 10.95%) per annum and maturity on December 12, 2014 (June 30, 2014: September 11, 2014).

6 PAYABLE TO ABL ASSET MANAGEMENT COMPANY LIMITED - MANAGEMENT COMPANY

Management fee		2,190	1,901
Sindh sales tax on remuneration of Management Company	6.1	1,226	1,046
Federal Excise duty on remuneration of Management Company	6.2	5,673	4,635
Sales load		13	60
		9,102	7,642

6.1 The Provincial Government of Sindh levied Sindh Sales Tax at the rate of 15% (June 2014: 16%) on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.

6.2 As per the requirement of the Finance Act 2013, the 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 the FED may result in double taxation, which does not appear to be the spirit of the law. The matter has been taken up collectively by the Mutual Fund Association of Pakistan where various options are being considered. As a matter of abundant caution, the Management company has made a provision with effect from June 13, 2013, aggregating to Rs. 5,673 thousand.

7 ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors' remuneration		401	293
Brokerage		65	108
Printing and others charges		85	48
Rating Fee		54	-
Payable to Workers' Welfare Fund	7.1	35,860	35,008
Withholding taxes		52	54
Other payable		16	15
		36,533	35,526

7.1 Provision for Workers' Welfare Fund

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

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 December 14, 2010, the Ministry filed its response against the constitutional petition requesting the Court to dismiss the petition. According to the legal counsel who is handling the case there is a contradiction between the aforementioned clarification issued by the Ministry and the response filed by the Ministry in 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. Without prejudice to the above, the Management Company, as a matter of abundant caution, has decided to retain the provision for WWF amounting to Rs 35.86 million (including Rs 0.85 million for the current year) in these financial statements. Had the same not been made the net asset value per unit of the Fund as at September 30, 2014 would have been higher by Rs 0.2077 per unit.

8 CONTINGENCIES AND COMMITMENTS

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

9 TAXATION

The income of the Fund is exempt from income tax under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders. The Fund has not recorded provision for taxation as the Management Company has distributed more than ninety percent of the Fund's accounting income to its unit holders.

10 EARNINGS PER UNIT

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

(Unaudited) (Unaudited)

September 30, 2014 September 30, 2013

-----Rupees in '000-----

11.1 Details of transactions during the period

ABL Asset Management Company Limited - Management Company

Bonus of nil units (Sep 2013: 313,932 units)	20,366	3,139
Remuneration	6,487	8,795
Sindh sales tax on remuneration of the Management Company	1,130	1,407
FED On Management Fee	1,038	1,407

Allied Bank Limited - Holding Company Of The Management Company

Mark-up income on bank deposits	369	978
Markup on TDR	-	2,584
Bank charges	24	38

Habib Metropolitan Bank Limited

Bonus of nil units (Sep 2013: 250,896 units)	-	2,509
Redemption of nil units (Sep 2013: 7,043,830 units)	-	71,000
Mark-up income on bank deposits	14	11

CFA Association of Pakistan

Bonus of nil units (Sep 2013: 2,523 units)	-	23
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Gull Ahmed Energy Limited

Issue of 12,187,243 units (Sep 2013: nil units)	124,000	-
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TRUSTEE**Central Depository Company of Pakistan Limited**

Remuneration	582	713
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CHAIRMAN OF THE MANAGEMENT COMPANY**Sheikh Mukhtar Ahmad**

Bonus of nil units (Sep 2013: 198 units)	-	2
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DIRECTORS OF THE MANAGEMENT COMPANY**Muhammad Javaid Iqbal**

Bonus of nil units (Sep 2013: 1,408 units)	-	14
Redemption of 69,659 units (2013: 29,955 units)	700	300

Tariq Mehmood

Bonus of nil units (Sep 2013: 2,709 units)	-	27
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KEY MANAGEMENT PERSONNEL**Chief Executive Officer**

Bonus of nil units (Sep 2013: 15,637 units)	-	156
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September 30, 2014 June 30, 2014

11.2 Details of amounts outstanding as at period end

-----Rupees in '000-----
(Unaudited) (Audited)

ABL Asset Management Company Limited - Management Company

Outstanding 27,959,967 units (June 2014: 27,959,967 units)	287,403	280,743
Remuneration payable	2,190	1,901
Sindh sales tax on remuneration of the Management Company	1,226	1,046
FED On Management Fee	5,673	4,635
Sales load	13	60

Allied Bank Limited - Holding Company Of The Management Company

Balances held in savings accounts	2,848	3,359
Mark - up accrued on deposits	87	35

CFA Association Of Pakistan

Outstanding 200,698 units (June 2014: 200,698 units)	2,063	2,015
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Gull Ahmed Energy Limited

Outstanding 21,395,869 units (June 2014: 9,208,626 units)	219,930	92,463
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Central Depository Company of Pakistan Limited - Trustee

Remuneration and CDC connection fee payable	194	178
Security deposits receivable	100	100

CHAIRMAN OF THE MANAGEMENT COMPANY

Sheikh Mukhtar Ahmad

Outstanding 17,679 units (June 2014: 17,679 units)	182	178
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DIRECTORS OF THE MANAGEMENT COMPANY

Muhammad Javaid Iqbal

Outstanding 55,716 units (June 2014: 125,376 units)	573	1,259
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Tariq Mehmood

Outstanding 241,312 units (June 2014: 241,312 units)	2,481	2,423
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KEY MANAGEMENT PERSONNEL

Chief Executive Officer

Outstanding 200,602 units (June 2014: 200,602 units)	2,062	2,014
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12 GENERAL

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

13 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 Management Company.


FARID AHMED KHAN
CEO

For ABL Asset Management Company Limited
(Management Company)


SHAKEB MURAD
DIRECTOR

