



ABL Income Fund

Half Yearly Report

CONDENSED INTERIM FINANCIAL INFORMATION
For The Period Ended December 31, 2015



ABL Asset Management

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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. Muhammad Kamran Shehzad Mr. Farid Ahmed Khan	Chairman CEO/Director
Audit Committee:	Mr. Kamran Nishat Mr. Muhammad Waseem Mukhtar Mr. Muhammad Kamran Shehzad	Chairman Member Member
Human Resource and Remuneration Committee	Mr. Muhammad Waseem Mukhtar Mr. Kamran Nishat Mr. Farid Ahmed Khan	Chairman Member Member
Chief Executive Officer of The Management Company:	Mr. Farid Ahmed Khan	
Chief Financial Officer & Company Secretary:	Mr. Saqib Matin	
Chief Internal Auditor:	Mr. Mubeen Ashraf Bhimani	
Trustee:	Central Depository Company of Pakistan Ltd. CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi - 74400	
Bankers to the Fund:	Allied Bank Limited Bank Al- Falah Limited United Bank Limited	
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 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 half year ended December 31, 2015.

ECONOMIC PERFORMANCE REVIEW

Pakistan's macro-economic landscape got another boost from declining crude oil prices (down another 50% in 1HFY16), with all major macro indicators turning favorable during the period. CPI based inflation averaged at 2.2% YoY during 1HFY16 as opposed to 6.1% YoY in the same period last year. The low inflation reading was primarily a consequence of the global rout in oil prices. Second round impact of falling oil prices was also visible in falling food and transportation costs, which further eased inflationary pressures. Going ahead, the outlook for inflation remains soft with average for FY16 expected to stay in the range of 3%-3.5% YoY compared to 4.6% in FY15.

The decline in oil prices also proved a boon for the external account and the current account deficit fell by 48.6% to USD 1,267mn in 1HFY16 (-0.9% of GDP) compared to USD 2,463mn (-1.8% of GDP) in the corresponding period last year. Country's trade deficit further narrowed down to USD 9.1bn compared to USD 9.9bn as total imports dropped by 10.0% YoY to USD 19.8bn primarily due to global oil slump. However, lower commodity prices had a negative impact on Pakistan's exports which declined by 11.0% YoY to USD 10.8bn. Remittances continued to show a favorable trend, rising to USD 9.7bn from USD 9.2bn, showing a growth of 6.3% YoY in 1HFY16. Improving external sector account combined with some major FX inflows (clubbed IMF tranches of USD 1.1bn) helped country's FX reserves to reach an all-time high level of USD 21.1bn (import cover of 6months). Despite these developments, PKR depreciated by 2.8% during the period to reach Rs 103.73 against the greenback.

The situation on fiscal front remained challenging. Despite showing 16.9% YoY growth in revenue collection in 1HFY16, FBR yet again failed to meet its collection targets of PKR 1.39tn and managed to net only Rs 1.37tn. The government expects to bridge the revenue short fall through expanding the tax net by introducing a new tax amnesty scheme for traders. Efforts are also underway for removal of concessionary SROs and reduction in power subsidies amid falling oil prices. Despite the paucity of time and willingness, government seems confident about restricting fiscal deficit to 4.8% of GDP for FY16 compared to 5.3% in FY15.

SBP keeping the above developments into consideration further reduced the discount rate by 50bps in Sep-15, bringing it to an all-time low level of 6.5%. Going ahead, the outlook for 2HFY16 looks promising as (1) macroeconomic indicators like CPI and CAD continue to improve, (2) IMF program is progressing without major hurdles and (3) authorities reiterate their resolve and commitment to go forward with structural reforms. Icing on the cake is initiation of work on western route of CPEC which is expected to provide impetus to overall economic activity in the country. In the backdrop of these developments, stable policy environment can be expected going forward with focus mainly on internal reforms.

MUTUAL FUND INDUSTRY REVIEW

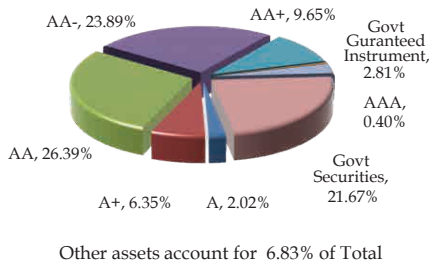
Total assets under management (AUMs) of Pakistan's open end mutual fund industry posted a decent double digit growth of 10% during 1HFY16 (from PKR 426 billion to PKR 469 billion), despite increase in taxes on corporate investors and subdued market performance. The Growth in AUMs was mainly contributed by fixed Income category which showed a jump of 43% during the period to PKR115 billion compared to PKR80 billion in June-15, as investors kept chasing PIBs gains in the last leg of monetary easing cycle. On the flip side, an outflow of PKR13 billion was reported from money market funds category which closed the period at PKR52 billion due to sharp reduction in baseline returns. On cumulative basis, the fixed income category (comprising of Income, Aggressive Income and Money Market funds) registered an increase of 15% in 1HFY16 to close at PKR178 billion in December 2015 compared to PKR154 billion in June 2015. In line with conventional fixed income, Islamic Income Category also posted a strong growth of 38% in AUMs to end the period at PKR 29 billion.

FUND PERFORMANCE

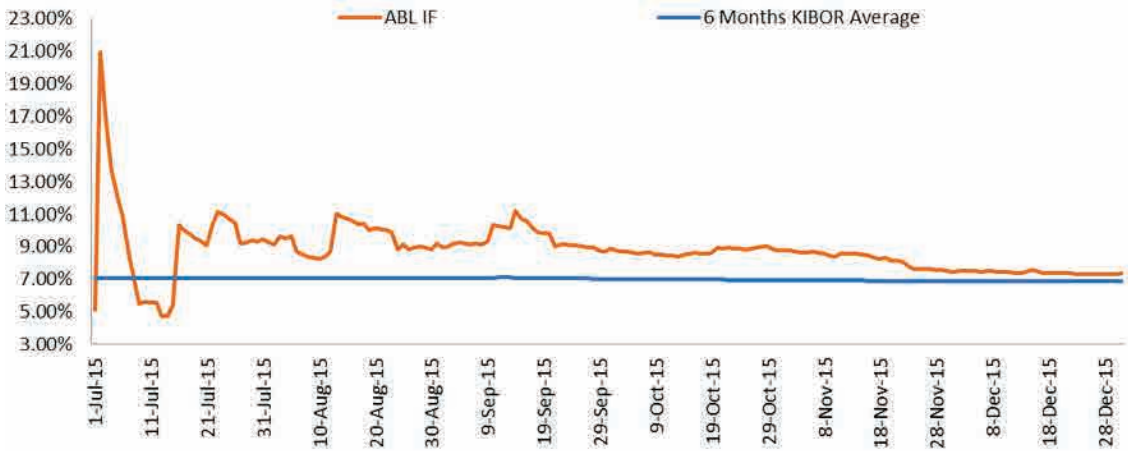
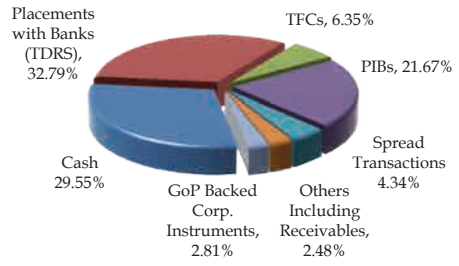
During the period under review, ABL Income Fund's AUM showed a robust growth of 146.8% to PKR 4,821 million in December 2015 from PKR 1,953 million in June 2015. During 1HFY16, ABL Income Fund posted an annualized return of 7.39% versus the benchmark (6M KIBOR) return of 6.75%, achieving an outperformance of 64 bps. The outperformance was primarily driven by valuation and trading gains on long duration portfolio, stable income from TFCs/TDRs and Spread transactions. Returns were also boosted by 50 bps reduction in DR owing to lower inflation and improving macroeconomic indicators. During the period, improved macro-economic conditions along with favorable inflationary figures paved the way for the market participants to take fresh positions in long duration instruments.

At the end of the period, the fund increased exposure in Term Deposits against excess cash as better rates were offered by the banks due to year end phenomenon. Around 32.79% of the total fund was placed in TDRs with high rated banks, 21.67% in PIBs, 29.55% in cash at bank due to high deposit rates compared to T-bills, 6.35% in TFCs, 4.34% in Spread Transaction & 2.81% in Government backed Corporate TFCs. During 1HFY16, we swapped long duration bonds with medium term in order to reduce volatility in returns and book capital gains. As a result, WAM of the fund was reduced to 424 days compared to 974 days in June 2015.

Credit Quality of Portfolio (% of Assets)



Asset Allocation of the Portfolio (% of Assets)



AUDITORS

M/s. A.F. Ferguson & Co. (Chartered Accountants), have been appointed as auditors for the year ending June 30, 2016 for ABL Income Fund (ABL-IF).

FUND STABILITY RATING

JCR-VIS Credit Rating Company Ltd. (JCR-VIS) on December 31, 2015, has revised the Fund Stability Rating of ABL Income Fund to 'A(f)' (Single A (f)).

MANAGEMENT QUALITY RATING

On December 31 2015, JCR-VIS Credit Rating Company Limited has reaffirmed the Management Quality Rating of ABL Asset Management Limited (ABL AMC) at 'AM Two' (AM2). Outlook on the assigned rating is 'Stable'.

FUTURE OUTLOOK

Lower oil prices are likely to remain the mainstay of economic recovery in the country. CPI for 1HFY16 averaged at 2.08%



compared to SBP target inflation of 3.5%-4.5% for FY16. IMF has also revised its inflation estimates downward to 3.7% compared to 4.5% owing to low oil and food prices. Real interest rate is expected to remain around +2% and with no major uptick expected in commodity prices, we believe a 50 bps cut in the discount rate cannot be ruled out in 3QFY16. Other economic indicators like current account deficit and FX reserves will continue to shine owing to sinking oil prices. However, PKR depreciation against USD will remain a threat in next six months due to global economic slowdown, strengthening dollar amid Fed's interest rate hike and pressure on regional currencies.

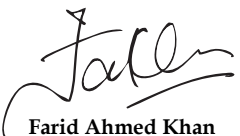
In 2HFY16, we intend to keep high WAM of the portfolio by swapping cash and cash equivalents with medium to long term bonds as we foresee sharp adjustment in the yields due to huge inflows from PIB coupons in Jan 2016 and overall improvement in economic outlook. Our long term strategy will be to book gains on timely basis and position the fund to play the yield curve actively.

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

Karachi, February 8, 2016

For & on behalf of the Board


Farid Ahmed Khan
Chief Executive Officer

Head Office

CDC House, 99-B, Block B
S.M.C.H.S. Main Shahr-e-Faisal
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TRUSTEE REPORT TO THE UNIT HOLDERS

ABL INCOME FUND

Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We Central Depository Company of Pakistan Limited, being the Trustee of ABL Income Fund (the Fund) are of the opinion that ABL Asset Management Company Limited being the Management Company of the Fund has in all material respects managed the Fund for the period ended December 31, 2015 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


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

Karachi: February 17, 2016



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

We have reviewed the accompanying condensed interim statement of assets and liabilities of **ABL Income Fund** as at December 31, 2015 and the related condensed interim income statement, condensed interim distribution statement, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (hereinafter referred to as the 'condensed interim financial information'), for the half year ended December 31, 2015. The Management Company (ABL Asset Management Company Limited) is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim income statement for the quarters ended December 31, 2015 and December 31, 2014 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2015.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the half year ended December 31, 2015 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Other matter

The financial statements for the year ended June 30, 2015 and the condensed interim financial information for the half year ended December 31, 2014 were audited and reviewed respectively by another firm of Chartered Accountants who had expressed an unmodified opinion and conclusion on these financial statements and condensed interim financial information in their reports dated August 27, 2015 and February 6, 2015 respectively.



Chartered Accountants

Engagement Partner: **Noman Abbas Sheikh**

Dated: February 25, 2016

Karachi

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
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ABL INCOME FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2015

	Note	(Un-audited) December 31, 2015	(Audited) June 30, 2015
----- (Rupees in '000) -----			
ASSETS			
Balances with banks	4	1,532,443	1,021,457
Investments	5	3,523,836	949,470
Profit receivable		57,577	32,550
Security deposits, prepayments and other receivables		70,512	19,565
Total assets		5,184,368	2,023,042
LIABILITIES			
Payable to ABL Asset Management Company Limited - Management Company	6	20,690	12,500
Payable to the Central Depository Company of Pakistan Limited - Trustee		446	190
Payable to the Securities and Exchange Commission of Pakistan		1,161	1,262
Dividend payable		-	5
Payable against redemption of units		2,060	2,184
Payable against purchase of investments		298,461	-
Accrued expenses and other liabilities	7	40,134	53,473
Total liabilities		362,952	69,614
NET ASSETS		4,821,416	1,953,428
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		4,821,416	1,953,428
CONTINGENCIES AND COMMITMENTS			
	8	----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE		463,639,538	194,838,827
		----- (Rupees) -----	
NET ASSET VALUE PER UNIT		10.3991	10.0259
FACE VALUE PER UNIT		10.0000	10.0000

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
 Chief Executive Officer


MUHAMMAD KAMRAN SHEHZAD
 Director

ABL INCOME FUND

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2015

	For the half year ended December 31, 2015	For the half year ended December 31, 2014	For the quarter ended December 31, 2015	For the quarter ended December 31, 2014
	----- Rupees in '000 -----			
INCOME				
Capital gain on sale of investments - net	17,554	29,141	6,832	32,230
Income from government securities	47,209	59,049	24,465	24,736
Income from term deposit receipts	14,763	7,203	13,505	3,330
Income from letters of placement	-	829	-	363
Income from term finance certificates / other sukuku	16,184	12,525	8,613	7,487
Profit on deposits with bank	28,362	11,866	19,419	6,979
Dividend income	13,358	3,139	12,902	3,089
Other income	104	105	104	105
	137,534	123,857	85,840	78,319
Unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net	5.6	4,774	10,771	(6,167)
Unrealised gain on revaluation of future contracts - net		1,077	-	858
		143,385	134,628	80,531
EXPENSES				
Remuneration of ABL Asset Management Company Limited - Management Company	23,221	12,533	14,739	6,046
Sindh sales tax on the Management Company's Remuneration	3,772	2,182	2,394	1,052
Federal excise duty on remuneration of the Management Company	3,716	2,005	2,359	967
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	1,743	1,139	1,049	557
Sindh sales tax on remuneration of the Trustee	244	-	147	-
Annual fee - Securities and Exchange Commission of Pakistan Limited	1,161	627	737	303
Brokerage and other transaction costs	2,524	775	1,809	691
Bank charges	56	77	24	27
Auditors' remuneration	265	216	167	109
Legal and professional charges	274	-	97	-
Printing charges	120	91	57	54
Listing fee	25	25	12	12
Annual rating fee	143	120	82	66
Other expenses	720	204	532	126
Total operating expenses	37,984	19,994	24,205	10,010
Net income for the period from operating activities	105,401	114,634	56,326	73,442
Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed - net		67,618	(4,497)	54,221
Provision for Workers' Welfare Fund	7.1.1	-	(2,203)	-
		173,019	107,934	110,547
Net income for the period before taxation		173,019	107,934	110,547
Taxation	9	-	-	-
Net income for the period after taxation		173,019	107,934	110,547
Other comprehensive income for the period		-	-	-
Total comprehensive income for the period		173,019	107,934	110,547
Earnings per unit	10			

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
Chief Executive Officer


MUHAMMAD KAMRAN SHEHZAD
Director

ABL INCOME FUND
CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2015

	For the half year ended December 31, 2015	For the half year ended December 31, 2014
	----- (Rupees in '000) -----	
Undistributed income brought forward comprising of:		
- Realised income	14,187	6,782
- Unrealised (loss) / income	(7,876)	916
	<u>6,311</u>	<u>7,698</u>
Net income for the period	173,019	107,934
Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed - net	6,962	(605)
Undistributed income carried forward	<u>186,292</u>	<u>115,027</u>
Undistributed income carried forward comprising of:		
- Realised income	180,441	104,256
- Unrealised income	5,851	10,771
	<u>186,292</u>	<u>115,027</u>

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
 Chief Executive Officer


MUHAMMAD KAMRAN SHEHZAD
 Director

ABL INCOME FUND

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2015

	For the half year ended December 31, 2015	For the half year ended December 31, 2014
	----- (Rupees in '000) -----	
Net assets at the beginning of the period	1,953,428	1,682,107
Issue of 382,795,150 (2014: 45,772,535) units	3,937,161	477,054
Redemption of 113,994,439 (2014: 61,569,599) units	(1,174,574)	(640,554)
	2,762,587	(163,500)
Element of (income) / loss and capital (gains) / losses included in the prices of units issued less those in units redeemed transferred to income statement - net	(67,618)	4,497
Element of (income) / loss and capital (gains) / losses included in the prices of units issued less those in units redeemed transferred to distribution statement - net	(6,962)	605
	(74,580)	5,102
Capital gain on sale of equity investments - net	17,554	29,141
Unrealised appreciation on re-measurement of investments at fair value through profit or loss - net	4,774	10,771
Unrealised gain on revaluation of future contracts - net	1,077	-
Other net income for the period	149,614	68,022
Total comprehensive income for the period	173,019	107,934
Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed transferred to distribution statement - net	6,962	(605)
Net assets as at the end of the period	4,821,416	1,631,038

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

For ABL Asset Management Company Limited
(Management Company)



FARID AHMED KHAN
Chief Executive Officer


MUHAMMAD KAMRAN SHEHZAD
Director

ABL INCOME FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2015

	Note	For the half year ended December 31, 2015	For the half year ended December 31, 2014
----- (Rupees in '000) -----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period before taxation		173,019	107,934
Adjustments for non cash and other items:			
Unrealised appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss - net		(4,774)	(10,771)
Unrealised gain on revaluation of future contracts		(1,077)	-
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net		(67,618)	4,497
Provision for Workers' Welfare Fund		-	2,203
Federal excise duty on remuneration of the Management Company		3,716	2,005
		103,266	105,868
(Increase) / decrease in assets			
Profit receivable		(25,027)	(8,971)
Investments		(1,069,592)	(119,383)
Receivable against sale of investments		-	74,606
Security deposits, prepayments and other receivables		(49,870)	7,886
		(1,144,489)	(45,862)
Increase / (decrease) in liabilities			
Payable to ABL Asset Management Company Limited - Management Company		4,474	288
Payable to the Central Depository Company of Pakistan Limited - Trustee		256	5
Payable to the Securities and Exchange Commission of Pakistan		(101)	(734)
Payable against redemption of units		(124)	-
Payable against purchase of investments		298,461	167,333
Dividend payable		(5)	-
Accrued expenses and other liabilities		(13,339)	340
		289,622	167,232
Net cash (used in) / generated from operating activities		(751,601)	227,238
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts from issuance of units		3,937,161	477,054
Payments on redemption of units		(1,174,574)	(640,604)
Net cash generated from / (used in) financing activities		2,762,587	(163,550)
Net Increase in cash and cash equivalents during the period		2,010,986	63,688
Cash and cash equivalents at the beginning of the period		1,021,457	878,927
Cash and cash equivalents at the end of the period	4.1	3,032,443	942,615

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.


FARID AHMED KHAN
 Chief Executive Officer

For ABL Asset Management Company Limited
 (Management Company)


MUHAMMAD KAMRAN SHEHZAD
 Director

ABL INCOME FUND

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2015

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 (Establishment and Regulations) Rules, 2003 (NBFC Rules). The Securities and Exchange Commission of Pakistan (SECP) approved the revised / amended Trust Deed of the Fund on June 6, 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. Title to the assets of the Fund is held in the name of the Central Depository Company of Pakistan Limited as the trustee of the Fund.

The Fund is an open ended mutual fund and is listed on the Karachi Stock Exchange Limited (now merged into Pakistan Stock Exchange Limited). The units of the Fund are offered to public for subscription on a continuous basis.

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, CFS, certificate of investments, clean placements, spread transactions, derivatives and other absolute return instruments.

JCR-VIS Credit Rating Company Limited has assigned Management Quality Rating of AM2 (June 30, 2015: AM2) (stable outlook) to the Management Company as at December 31, 2015 and Fund Stability Rating of A(f) (June 30, 2015: A+f) to the Fund as at December 31, 2015.

2 BASIS OF PREPARATION

2.1 Statement of compliance

2.1.1 This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. The approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of the IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

2.1.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2015.

2.1.3 In compliance with schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at December 31, 2015.

3 SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ESTIMATES, JUDGMENTS AND CHANGES THEREIN

3.1 The accounting policies applied for the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual published audited financial statements of the Fund for the year ended June 30, 2015.

3.2 The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise the judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on historical 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 significant estimates, judgments and assumptions made by the management in applying the accounting policies and the key sources of estimation of uncertainty were the same as those that applied to the audited annual financial statements as at and for the year ended June 30, 2015.

3.3 The financial risk management objectives and policies are consistent with those disclosed in the audited annual financial statements of the Fund for the year ended June 30, 2015.

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

3.4.1 The following standard and amendments to published standards are mandatory for the financial year beginning on or after January 1, 2015 and is relevant to the Fund:

IFRS 13 'Fair Value Measurement' - effective for annual periods beginning on or after January 1, 2015. The standard establishes a single framework for measuring fair value and making disclosures about fair value measurements when such measurements are required or permitted by other IFRSs. It unifies the definition of fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It replaces and expands the disclosure requirements about fair value measurements in other IFRSs, including IFRS 7 'Financial Instruments: Disclosures'. As a result the Fund has included additional disclosures in this regard in note 12 to the condensed interim financial information. Notwithstanding the above, the change had no significant impacts on the measurements of the Fund's assets and liabilities.

3.4.2 There are certain other amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 1, 2015. None of those amendments have a significant effect on this condensed interim financial information.

	Note	(Un-audited) December 31, 2015	(Audited) June 30, 2015
----- (Rupees in '000) -----			
4	BALANCES WITH BANKS		
	Saving accounts	4.2	1,532,443
			1,021,457
		<u>1,532,443</u>	<u>1,021,457</u>

4.1 CASH AND CASH EQUIVALENTS

Balances with banks		1,532,443	1,021,457
Term deposit receipts - having original maturity of 3 months or less	5.7	1,500,000	-
		<u>3,032,443</u>	<u>1,021,457</u>

4.2 These saving accounts carry mark-up at rates ranging from 3.25% to 7.75% (June 30, 2015: 5% to 7.5%) per annum. Deposits in saving accounts include Rs. 1,287 thousand (June 30, 2015: Rs. 2,398 thousand) maintained with Allied Bank Limited, a related party of the Fund.

	Note	(Un-audited) December 31, 2015	(Audited) June 30, 2015
----- (Rupees in '000) -----			

5 INVESTMENTS

Financial assets 'at fair value through profit or loss' - net

- Market treasury bills	5.1	-	35,460
- Pakistan investment bonds	5.2	1,123,677	560,747
- Term finance certificates	5.3	376,988	227,878
- Sukuk certificates	5.4	98,008	95,385
- Advance against subscription of TFCs		-	30,000
- Equity investments	5.5	225,163	-
		<u>1,823,836</u>	<u>949,470</u>
Loans and receivables			
- Term deposit receipts	5.7	1,700,000	-
		<u>3,523,836</u>	<u>949,470</u>

5.1 Government securities - market treasury bills

Issue date	Tenor	Face Value				Balance as at December 31, 2015			Market value as a percentage of net assets	Market value as a percentage of total market value of investment
		As at July 1, 2015	Purchased during the period	Disposed of / matured during the period	As at December 31, 2015	Carrying value	Market value	Appreciation/ (diminution)		
----- Rupees in '000 -----										
May 14, 2015	12 Months	37,600	-	37,600	-	-	-	-	-	-
March 19, 2015	12 Months	-	17,000	17,000	-	-	-	-	-	-
August 6, 2015	12 Months	-	1,858,000	1,858,000	-	-	-	-	-	-
August 20, 2015	12 Months	-	1,000,000	1,000,000	-	-	-	-	-	-
February 19, 2015	06 Months	-	325,000	325,000	-	-	-	-	-	-
July 23, 2015	06 Months	-	441,000	441,000	-	-	-	-	-	-
July 9, 2015	03 Months	-	301,000	301,000	-	-	-	-	-	-
July 23, 2015	03 Months	-	123,000	123,000	-	-	-	-	-	-
June 25, 2015	03 Months	-	650,000	650,000	-	-	-	-	-	-
Total		<u>37,600</u>	<u>4,715,000</u>	<u>4,752,600</u>	-	-	-	-	-	-

5.2 Government securities - Pakistan investment bonds

Issue date	Tenor	Face Value				Balance as at December 31, 2015			Market value as a percentage of net assets	Market value as a percentage of total market value of investment
		As at July 1, 2015	Purchased during the period	Disposed of / matured during the period	As at December 31, 2015	Carrying value	Market value	Appreciation / (diminution)		
----- Rupees in '000 -----										
July 18, 2013	3 Years	-	3,046,000	2,846,000	200,000	204,887	205,034	147	4.25%	5.82%
March 26, 2015	3 Years	150,000	2,912,500	2,237,500	825,000	853,943	855,864	1,921	17.75%	24.29%
July 17, 2014	5 Years	100,000	550,000	650,000	-	-	-	-	-	-
March 26, 2015	5 Years	150,000	1,125,000	1,215,000	60,000	61,804	62,779	975	1.30%	1.78%
July 19, 2012	10 Years	130,000	-	130,000	-	-	-	-	-	-
March 26, 2015	10 Years	-	37,500	37,500	-	-	-	-	-	-
Total		530,000	7,671,000	7,116,000	1,085,000	1,120,634	1,123,677	3,043	23.30%	31.89%

5.2.1 Pakistan investment bonds carry effective interest rates ranging from 6.52% to 8.51% (June 30, 2015: 7.75% to 9.5%).

5.3 Term Finance Certificates

Name of the investee company	Profit / Markup rate	Number of Certificates				Balance as at December 31, 2015			Market value as a percentage of net assets	Market value as a percentage of total market value of investments
		As at July 1, 2015	Purchased during the period	Disposed of / matured during the period	As at December 31, 2015	Carrying value	Market value	Appreciation / (diminution)		
----- Rupees in '000 -----										
Listed										
Askari Bank Limited - V	6 months KIBOR plus 1.20%	15,000	-	-	15,000	74,829	74,806	(23)	1.55%	2.12%
Bank Al falah Limited - V	6 months KIBOR plus 1.25%	3,984	3,000	-	6,984	35,012	35,522	510	0.74%	1.01%
Sub - total		18,984	3,000	-	21,984	109,841	110,328	487	2.29%	3.13%
Un-Listed										
Standard Chartered Bank (Pakistan)										
Limited - PPTFC 6	6 months KIBOR plus 0.75%	4,000	-	-	4,000	19,775	20,031	256	0.42%	0.57%
Askari Bank Limited - IV	6 months KIBOR plus 1.75%	71*	-	-	71	71,524	71,524	-	1.48%	2.03%
Sonerii Bank Limited - II	6 months KIBOR plus 1.75%	-	6,000	-	6,000	30,000	29,391	(609)	0.61%	0.83%
WAPDA	6 months KIBOR plus 1.00%	9,000	25,000	-	34,000	145,500	145,714	214	3.02%	4.14%
Sub - total		13,000	31,000	-	44,071	266,799	266,660	(139)	5.53%	7.57%
TOTAL		31,984	34,000	-	66,055	376,640	376,988	348	7.82%	10.70%

* Face value of Rs 1 million / Term finance certificate

5.4 Sukuks

5.4.1 Federal Government Securities

Ijara 16	5.89%	-	30,000	30,000	-	-	-	-	-	-
Ijara 15	7.49%	-	27,460	27,460	-	-	-	-	-	-
Ijara 9	6.94%	-	100,000	100,000	-	-	-	-	-	-
		-	157,460	157,460	-	-	-	-	-	-

5.4.2 Sukuk Certificate

K-Electric	3 months KIBOR plus 1.00%	19,077	-	-	19,077	95,385	98,008	2,623	2.03%	2.78%
Total		19,077	-	-	19,077	95,385	98,008	2,623	2.03%	2.78%

5.4 Shares of listed companies

Name of the investee company	Number of shares				Market value			Market value as a percentage of net assets	Market value as a percentage of total market value of investments	Percentage of paid-up capital of investee company
	As at 1 July 2015	Purchased during the period	Sold during the period	As at 31 December 2015	Carrying value	Market value	Appreciation / (diminution)			

(Rupees in '000)

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

Textile Composite

Nishat Mills Limited	-	1,266,000	1,207,000	59,000	5,584	5,597	13	0.12%	0.16%	0.02%
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Personal Goods

Nishat Chunian Limited	-	293,000	283,000	10,000	339	340	1	0.01%	0.01%	-
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Cement

D.G.Khan Cement Company Limited	-	1,779,000	1,776,500	2,500	360	369	9	0.01%	0.01%	-
Pioneer Cement Limited	-	379,000	379,000	-	-	-	-	-	-	-
Cherat Cement Company Limited	-	358,500	357,000	1,500	133	135	2	-	-	-
Fauji Cement Company Limited	-	1,183,500	1,077,500	106,000	3,837	3,903	66	0.08%	0.11%	0.01%
Lucky Cement Company Limited	-	11,000	8,500	2,500	1,239	1,238	(1)	0.03%	0.04%	-
Maple Leaf Cement Factory Limited	-	500	-	500	36	37	1	-	-	-
	-	3,711,500	3,598,500	113,000	5,605	5,682	77	0.12%	0.16%	0.01%

Chemicals

Engro Corporation Limited	-	1,323,500	1,138,500	185,000	51,388	51,687	299	1.07%	1.47%	0.04%
Engro Fertilizer Limited	-	908,500	492,000	416,500	35,024	35,040	16	0.73%	0.99%	0.03%
Fauji Fertilizer Bin Qasim Limited	-	834,000	360,500	473,500	25,808	24,944	(864)	0.52%	0.71%	0.05%
Fauji Fertilizer Company Limited	-	91,500	22,500	69,000	7,756	8,141	385	0.17%	0.23%	0.01%
	-	3,157,500	2,013,500	1,144,000	119,976	119,812	(164)	2.49%	3.40%	0.13%

Oil and Gas Marketing Companies

Pakistan State Oil Company Limited	-	159,500	144,000	15,500	5,123	5,049	(74)	0.10%	0.14%	0.01%
Sui Southern Gas Pipelines Limited	-	5,500	5,500	-	-	-	-	-	0.00%	-
	-	165,000	149,500	15,500	5,123	5,049	(74)	0.10%	0.14%	0.01%

Oil and Gas Exploration Companies

Pakistan Petroleum Limited	-	352,100	239,100	113,000	13,576	13,765	189	0.29%	0.39%	0.01%
Oil and Gas Development Company Limited	-	627,500	391,000	236,500	27,301	27,751	450	0.58%	0.79%	0.01%
	-	979,600	630,100	349,500	40,877	41,516	639	0.87%	1.18%	0.02%

Oil and Gas Companies

Attock Refinery Limited	-	55,500	-	55,500	11,513	11,759	246	0.24%	0.33%	-
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Commercial Banks

Bank Al Falah Limited	-	69,500	69,500	-	-	-	-	-	-	-
National Bank of Pakistan	-	52,500	36,000	16,500	882	892	10	0.02%	0.03%	-
United Bank Limited	-	84,000	83,500	500	81	77	(4)	-	-	-
	-	206,000	189,000	17,000	963	969	6	0.02%	0.03%	0.00%

Fixed Line communication

Pakistan Telecommunication Limited	-	541,000	530,000	11,000	180	181	1	-	0.01%	0.29%
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Food Producers

Engro Foods Limited	-	431,000	419,500	11,500	1,679	1,686	7	0.03%	0.05%	-
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Multitiilities (Gas and Water)

Sui Southern Gas Company Limited	-	144,500	144,500	-	-	-	-	-	-	-
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House Hold Goods

Pak Elektron Limited	-	468,500	-	468,500	31,275	29,300	(1,975)	0.61%	0.83%	0.12%
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Power Generations & Distribution

Hub Power Company Limited	-	6,000	-	6,000	608	616	8	0.01%	0.02%	-
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Non Life Insurance

Adamjee Insurance Company Limited	-	768,500	721,500	47,000	2,681	2,656	(25)	0.06%	1.18%	0.01%
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Pharmaceuticals

SEARLE Limited	-	96,000	96,000	-	-	-	-	-	-	-
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Total	-	12,289,600	9,982,100	2,307,500	226,403	225,163	(1,240)	4.68%	7.50%	0.61%
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	Note	(Un-audited) December 31, 2015	(Audited) June 30, 2015
----- (Rupees in '000) -----			
5.6 Unrealised appreciation / (diminution) on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - net			
Market value of securities		1,823,836	949,470
Less: carrying value of securities		1,819,062	957,346
		<u>4,774</u>	<u>(7,876)</u>

5.7 Loans and receivables

Term Deposit Receipts - having original maturity of 3 months or less	5.7.1	1,500,000	-
Term Deposit Receipts - having original maturity exceeding 3 months	5.7.1	200,000	-
		<u>1,700,000</u>	<u>-</u>

5.7.1 Term deposit receipts carry mark-up rates ranging from 6.95% to 7.38% per annum and maturities from January 15, 2016 to May 19, 2016. These also include term deposit receipts maintained with Allied Bank Limited - A related party of the Fund amounting to Rs 400 million (June 30, 2015: Nil). The rate of return on these term deposit receipts is 7.15% per annum (June 30, 2015: Nil).

	Note	(Un-audited) December 31, 2015	(Audited) June 30, 2015
----- (Rupees in '000) -----			
6 PAYABLE TO ABL ASSET MANAGEMENT COMPANY LIMITED - MANAGEMENT COMPANY			
Management fee	6.1	5,634	2,110
Sindh sales tax on remuneration of the Management Company	6.2	2,658	1,664
Federal Excise duty on remuneration of the Management Company	6.3	12,390	8,675
Sales load		8	51
		<u>20,690</u>	<u>12,500</u>

6.1 The Management Company has charged remuneration at the rate of 1.5% per annum based on the daily net assets of the Fund after deducting the investment made in the CIS managed by the Management Company during the half year ended December 31, 2015. The amount of remuneration is paid monthly in arrears.

6.2 The Provincial Government of Sindh levied Sindh Sales Tax at the rate of 14% (June 2015: 15%) on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.

6.3 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 6.2, 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 amounting to Rs 12.390 million. Had the provision

not been made the net asset value per unit of the Fund as at December 31, 2015 would have been higher by Re 0.0267 per unit (June 30, 2015: Re. 0.0738 per unit)

	Note	(Un-audited) December 31, 2015	(Audited) June 30, 2015
----- (Rupees in '000) -----			
7	ACCRUED EXPENSES AND OTHER LIABILITIES		
Auditors' remuneration		197	260
Brokerage		1,271	117
Printing and other charges		126	200
Provision for Workers' Welfare Fund	7.1	37,575	37,575
Advance against issuance of units		-	5,423
Withholding taxes		941	6,821
Other payable		24	3,077
		40,134	53,473

- 7.1 The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 ("WWF Ordinance"). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds ("CISs") whose income exceeds Rs. 0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the 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, 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 May 2014, the Peshawar High Court (PHC) has also held these amendments 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 Management Company, as a matter of abundant caution, has decided to retain the provision for WWF amounting to Rs 35.75 million in this condensed interim financial information. Had the same not been made the net asset value per unit of the Fund as at December 31, 2015 would have been higher by Re 0.0810 per unit.

- 7.1.1 The Finance Act, 2015 has excluded Mutual Funds and Collective Investment Schemes from the definition of 'Industrial establishment' subject to WWF under the WWF Ordinance, 1971. Accordingly, no further provision of WWF has been made from July 1, 2015. However, provision made till June 30, 2015 has not been reversed as the above law suit is still pending in SHC.

8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2015 and June 30, 2015.

9 TAXATION

The income of the Fund is exempt from income tax as per clause 99 of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 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 management

intends to distribute atleast 90% of the Fund's net accounting income earned by the year end to the unit holders. Accordingly, no provision in respect of taxation has been made in this condensed interim financial information.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

10 EARNINGS PER UNIT (EPU)

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

11 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTY

Connected persons / related parties include the Management Company, its parent and the related subsidiaries of the parent, associated companies / undertakings of the Management Company, its parents and the related subsidiaries, other funds managed by the Management Company, post employment benefit funds of the Management Company, employment funds of the parent, subsidiaries and its associated undertakings. It also includes the Central Depository Company of Pakistan Limited being the Trustee of the Fund, the directors and officers of the Management Company and any person or Company beneficially owning directly or indirectly 10% or more of the units in issue / net assets of the Fund.

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

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

	(Un-audited) Half Year ended December 31, 2015	(Un-audited) Half Year ended December 31, 2014
	----- (Rupees in '000) -----	
11.1 Details of transactions with connected persons during the period are as follows:		
ABL Asset Management Company Limited - Management Company		
Issue of 24,202,888 units (Dec 2014: Nil units)	248,859	-
Redemption of 7,700,082 units (Dec 2014: Nil units)	80,000	-
Remuneration for the period	23,221	12,533
Sindh sales tax on remuneration of the Management Company	3,772	2,182
Federal excise duty on remuneration of the Management Company	3,716	2,005
Allied Bank Limited - Holding Company of The Management Company		
Markup received on bank deposits	444	782
Markup income on term deposit receipts	2,194	-
Bank charges	12	27
Central Depository Company of Pakistan Limited - Trustee		
Remuneration for the period	1,743	1,139
Sindh sales tax on remuneration of the Trustee fee	244	
Connection fee and CDS charges	141	41

(Un-audited) (Un-audited)
Half Year ended Half Year ended
December 31, December 31,
2015 2014
----- (Rupees in '000) -----

DIRECTORS OF THE MANAGEMENT COMPANY

Muhammad Waseem Mukhtar

Issue of 7,661 units (Dec 2014: Nil units)

77 6,240

(Un-audited) (Audited)
December 31, June 30,
2015 2015
----- (Rupees in '000) -----

Note

11.2 Details of amounts outstanding as at period/year end

ABL Asset Management Company Limited - Management Company

Outstanding 16,502,806 units (June 2015: Nil units)

171,614 -

Remuneration payable

5,634 2,110

Sindh sales tax payable on remuneration of the Management Company

2,658 1,664

Federal excise duty payable on remuneration of the Management Company

12,390 8,675

Sales load payable

8 51

Allied Bank Limited - Holding Company of The Management Company

Balances held in saving accounts

1,287 2,398

Markup accrued on deposits

99 166

Term deposit receipt

400,000 -

Markup receivable on term deposit receipt

2,194 -

Central Depository Company of Pakistan Limited - Trustee

Remuneration payable

391 190

Sindh sales tax payable on remuneration

55 -

Security deposits receivable

100 100

DIRECTORS OF THE MANAGEMENT COMPANY

Muhammad Waseem Mukhtar

Outstanding 630,098 units (June 2015: 622,437 units)

6,552 6,240

KEY MANAGEMENT PERSONNEL

Chief Executive Officer

Outstanding 226,546 units (June 2015: 226,546 units)

2,356 2,271

12 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or liability can be settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Fair value of investments is determined as follows:

- Fair value of listed equity securities is determined on the basis of closing market prices quoted on the respective stock exchange.
- Investments in government securities are valued on the basis of average rates of brokers as announced by the Financial Markets Association of Pakistan.
- Listed and unlisted debt securities, other than government securities, are valued on the basis of prices announced by the Mutual Funds Association of Pakistan (MUFAP), as per the method of valuation agreed with the Trustees of the Fund under the Rules. The MUFAP calculates these prices in accordance with the SECP's Circular 1 of 2009. The said circular prescribes a valuation methodology which in case of currently traded securities, is based on weighted average prices during the 15 days preceding the valuation date and in case of thinly or non-traded securities, on the basis of discount coupon method which takes into consideration credit risk and maturities of the instruments.
- Fair value of future contracts are determined on the basis of closing market prices quoted on the respective stock exchange.
- The fair value of all other financial assets and financial liabilities of the Fund approximate their carrying amounts due to short term maturities of these instruments.

12.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Fair value measurements using quoted price (unadjusted) in an active market for identical assets or liabilities.
- Fair value measurements using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Fair value measurement using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at December 31, 2015, the Fund held the following financial instruments measured at fair value:

	-----As at December 31, 2015 -----			
	Level 1	Level 2	Level 3	Total
ASSETS				
Investment - financial assets 'at fair value through profit or loss'				
- Listed equity securities	225,163	1,123,677	-	1,348,840
- Government securities - market treasury bills and Pakistan investment bonds	-	-	-	-
- Term finance certificates	-	376,988	-	376,988
- Sukuk certificate	-	98,008	-	98,008
	<u>225,163</u>	<u>1,598,673</u>	-	<u>1,823,836</u>

	-----As at June 30, 2015 -----			
	Level 1	Level 2	Level 3	Total
ASSETS				
Investment - financial assets 'at fair value through profit or loss'				
- Listed equity securities	-	-	-	-
- Government securities - market treasury bills and Pakistan investment bonds	-	596,207	-	596,207
- Term finance certificates	-	227,878	-	227,878
- Sukuk certificate	-	95,385	-	95,385
- Others	-	30,000	-	30,000
	<u>-</u>	<u>949,470</u>	-	<u>949,470</u>

13 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on February 8, 2016 by the Board of Directors of the Management Company.

14 GENERAL

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

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

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
Chief Executive Officer


MUHAMMAD KAMRAN SHEHZAD
Director



ABL Asset Management

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