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# ABL ISLAMIC DEDICATED STOCK FUND

## FUND'S INFORMATION

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<b>Management Company:</b>	ABL Asset Management Company Limited 14 -MB, DHA Phase-6, Lahore.	
<b>Board of Directors</b>	Sheikh Mukhtar Ahmed Mr. Mohammad Naeem Mukhtar Mr. Muhammad Waseem Mukhtar Mr. Tahir Hasan Qureshi Mr. Kamran Nishat Mr. Muhammad Kamran Shehzad Mr. Alee Khalid Ghaznavi	Chairman      CEO/Director
<b>Audit Committee:</b>	Mr. Kamran Nishat Mr. Muhammad Waseem Mukhtar Mr. Muhammad Kamran Shehzad	Chairman Member Member
<b>Human Resource and Remuneration Committee</b>	Mr. Muhammad Waseem Mukhtar Mr. Kamran Nishat Mr. Alee Khalid Ghaznavi	Chairman Member Member
<b>Chief Executive Officer of The Management Company:</b>	Mr. Alee Khalid Ghaznavi	
<b>Chief Financial Officer &amp; Company Secretary:</b>	Mr. Saqib Matin	
<b>Chief Internal Auditor:</b>	Mr. Kamran Shahzad	
<b>Trustee:</b>	MCB Financial Services Limited 4th Floor, Perdesi House Old Queens Road Karachi - 74400	
<b>Bankers to the Fund:</b>	Allied Bank Limited Bank Islami Pakistan Limited Askari bank Limited	
<b>Auditor:</b>	M/S. A.F. Ferguson & Co. Chartered Accountants State life Building No. 1-C I.I Chundrigar Road, Karachi.	
<b>Legal Advisor:</b>	Ijaz Ahmed & Associates Advocates & Legal Consultants No. 7, 11th Zamzama Street, Phase V DHA Karachi.	
<b>Registrar:</b>	ABL Asset Management Company Limited. 11 - B, Lalazar, M. T. Khan Road, Karachi.	

# ABL ISLAMIC DEDICATED STOCK 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 Dedicated Stock Fund (ABL-IDSF), is pleased to present the Condensed Interim Financial Statements (un-audited) of ABL Islamic Dedicated Stock Fund for the half year ended on December 31, 2017.

### ECONOMIC PERFORMANCE REVIEW

Pakistan's most economic indicators remained steady during the period despite challenges on external front. Similarly, despite a slight uptrend in December CPI, average CPI for 1HFY18 remained 3.75%YoY as compared to 3.88%YoY during SPLY. December CPI has raised expectations of inflation going forward because of rising international oil prices. This will consequently put pressure on SBP to revise up the policy rate from all-time low level of 5.75% prevalent during the period. Furthermore, Standard & Poor's has maintained Pakistan's long-term credit rating 'B' during the period but lowered its expectation on external and fiscal front.

On the flip side, country's external position continued to remain fragile as Current Account Deficit (CAD) during 5MFY18 was up by a whopping 247%YoY to USD6,430 million as compared to USD2,601 million during 5MFY17. The sharp increase in CAD was caused by +40.3%YoY increase in trade deficit owing to rising imports (+23.4% YoY) and higher services deficit (+12.3%YoY) while slight support came from workers' remittances (+1.9% YoY). Similarly, foreign exchange reserves remained under pressure standing at 2.8 months of import cover in spite of USD2.5 billion financing arranged through issuance of Eurobond/Sukuk during the period. Resultantly, PKR depreciated 5.2% against USD to 110.3 during the period.

On fiscal front, FBR provisionally collected taxes worth PKR1,722 billion during 6MFY17 compared to PKR1,466 billion in SPLY showing a healthy growth of (+17.46%YoY), though falling short of the target by PKR50 billion. In order to bridge the deficit, the government has been trying to broaden the tax net and increase tax collection by offering tax amnesty schemes. Furthermore, the government is also unlikely to absorb the impact of increasing oil prices by reducing GST on petroleum products.

Going forward, increasing international oil prices, strong imports, flattish remittances and external debt servicing are key risks to the economy. However, government is focusing on 'Export Package' to give some breather to the balance of payment as exports have seen an increase of 12.02% YoY in 5MFY18. Besides, improvement in GDP growth remains on track where it is expected to grow by 5.8%YoY in FY18 from 5.3% in FY17 led by 1) recovery in agriculture sector on the back of improved crop yield assessment, further supported by increase in agricultural loans target to PKR1 trillion for FY18 from PKR700 billion in FY17, 2) robust growth in manufacturing activity (LSM growth: 9.64%YoY in 4MFY18) driven by growing consumerism and incomes, 3) growing construction activity attributable to both infrastructure development and private housing, and 4) spillover effects of these on services sector.

### MARKET OVERVIEW

Pakistan equities showed gloomy performance in 1HFY18 where benchmark KSE-100 index shed by 6,094 points (-13.1%) to become worst performing market in the world for year 2017. Similarly, the KMI-30, benchmark for Shariah compliant stocks, decline by 12.71% and ended the period at 68,612 points (-9,987points). The lackluster performance during the period under review was largely attributable to political uncertainty after disqualification of ex-PM Nawaz Sharif on 28th July, 2017. Moreover, continuous selling from foreign investors (USD155 million) post MSCI upgrade, along with growing pressure on External Accounts hampered the market which witnessed 1-year low of 37,919 on 19th December 2017. However, increasing oil prices, rising expectations of interest rate hike and year-end phenomena helped changing the theme of the year where index rallied 6.7% in last 8 trading sessions of 2017. During the period, to ease pressure on external accounts, the govt. depreciated the local currency by 5.3% and secured USD2.5 billion worth of funds from EuroBond & Sukuk issue.

Sector wise, foreign selling during the period was concentrated in Commercial Banks (USD60 million), Exploration & Production (USD49 million), and Cements (USD32 million). Conversely, foreign interest was evinced in Food and Personal Products which attracted buying worth of USD9 million. On the other hand, - opposed to Mutual Funds' selling of USD51 million - Companies, Insurance corporations and Commercial Banks tried to support the market with buying of USD72 million, USD63 million, and USD54 million worth of shares in 1HFY18. On sectoral front, Cements and Commercial Banks witnessed extreme downfall, contributing 1,996/1,887 points to the index decline. Threat of overcapacity (~27 million tons expansion announced), higher coal prices (up 19%YoY in 1HFY18), and lower retention prices caused sluggish performance of Cement sector while Commercial Banks got hit from historical low discount rates and USD225 million penalty on US

operations of HBL. On the flip side, Increasing Oil prices kept Exploration and Production sector green with positive index contribution of 1,256 points. Moreover, overall market liquidity also nosedived where average trading volume decreased by 59%YoY to 158 million shares in 1HFY18. Similarly, average daily value traded went down by 45%YoY to USD76 million during the period under review.

## MUTUAL FUND INDUSTRY REVIEW

Total assets under management (AUMs) of open end mutual fund industry posted a decline of 6.2% during 1HFY18 (from PKR 662 billion to PKR 621 billion), mainly on account of political uncertainty and economic concerns. Equity funds including Conventional and Islamic equity witnessed a substantial decline of 15.5% and 20% in AUM to close the period at PKR132.5 billion and PKR104 billion, respectively. This decline can primarily be attributed to dismal market performance due to political uncertainty driving investor sentiments negative.

## FUND PERFORMANCE

ABL Islamic Dedicated Stock Fund's AUM decreased by 31.45% to Rs. 1,876.18 million as on December 30, 2017 compared to Rs. 2,737.09 million on June 30, 2017. The fund posted a return of -16.85% against the benchmark return of -12.71%. When measured from its inception, ABL-IDSF has posted a return of -14.47% against its benchmark return of -15.00%, depicting an outperformance of 0.53%.

## AUDITORS

M/s. A.F. Ferguson & Co. (Chartered Accountants), have been appointed as auditors for the year ending June 30, 2018 for ABL Islamic Dedicated Stock Fund (ABL-IDSF).

## MANAGEMENT QUALITY RATING

On December 29 2017, JCR-VIS Credit Rating Company Limited reaffirmed the Management Quality Rating of ABL Asset Management Limited (ABL AMC) at 'AM Two plus plus (AM2++)'. Outlook on the assigned rating is 'Stable'.

## OUTLOOK

The stock market is expected to remain range bound during short to medium term at-least till next election. Prevailing political turmoil and concerns on external account have largely been incorporated as market has dropped by ~23% from its peak during CY17. Currency is still under pressure and may drop to PKR 120 against greenback by mid-CY18. In the backdrop of currency depreciation E&P, Banks, IPPs and Textile sectors are expected to rally, going forward. However, any announcement and implementation by sitting government regarding amnesty scheme will improve the foreign reserves. Besides, successful launch of another SUKUK amounting USD 1.5-2.0bn in the international market will be an added benefit. The market is currently trading at one year forward PE multiple of 8.2x and offering an attractive discount ~42% to regional peers. In the long-run, positive stance is intact based on abundant domestic liquidity, potential foreign inflows post depreciation and attractive valuation.

## 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 (MCB Financial Services 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

Lahore, February 19, 2018

  
Alee Khalid Ghaznavi  
Chief Executive Officer

## REPORT OF THE TRUSTEE TO THE UNIT HOLDERS

### ABL ISLAMIC DEDICATED STOCK FUND

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

ABL Islamic Stock Dedicated Fund, an open-end Scheme established under a Trust Deed dated 16 November 2016 executed between ABL Asset Management Company Limited, as the Management Company and MCB Financial Services Limited, as the Trustee. The Securities & Exchange Commission of Pakistan (SECP) approved the appointment of MCB Financial Services Limited as the trustee of fund on 10<sup>th</sup> November 2016.

1. ABL Asset Management Company Limited, the Management Company of ABL Islamic Dedicated Stock Fund has, in all material respects, managed ABL Islamic Dedicated Stock Fund during the period ended 31<sup>st</sup> December 2017 in accordance with the provisions of the following:
  - (i) Investment limitations imposed on the Asset Management Company and the Trustee under the trust deed and other applicable laws;
  - (ii) the valuation or pricing is carried out in accordance with the deed and any regulatory requirement;
  - (iii) the creation and cancellation of units are carried out in accordance with the deed;
  - (iv) and any regulatory requirement



Khawaja Anwar Hussain  
Chief Executive Officer  
MCB Financial Services Limited

Karachi: February 14, 2018

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4th Floor, Perdesi House, 2/1, R-Y-16, Old Queens Road, Karachi - 74200  
Direct Nos. 021-32430485, 32415454, 32415204, 32428731 PABX No. 021-32419770, Fax No. 021-32416371  
Website: <http://www.mcbfsl.com.pk>

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

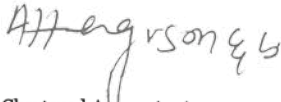
We have reviewed the accompanying condensed interim statement of assets and liabilities of **ABL Islamic Dedicated Stock Fund** (the Fund) as at December 31, 2017 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial information'), for the half year ended December 31, 2017. 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 included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarter ended December 31, 2017 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2017.

**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 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.



Chartered Accountants

Engagement Partner: **Noman Abbas Sheikh**

Dated: February 26, 2018

Karachi

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network  
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan  
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

■ KARACHI ■ LAHORE ■ ISLAMABAD


**ABL ISLAMIC DEDICATED STOCK FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED)**  
**AS AT DECEMBER 31, 2017**

		2017 December 31, (Un-Audited)	2017 June 30, (Audited)
	Note	----- Rupees in '000 -----	
<b>ASSETS</b>			
Balances with banks	4	343,151	133,895
Investments	5	1,498,114	2,599,428
Dividend and profit receivables		15,586	13,913
Security deposits		2,603	2,603
Receivable against sale of investments		30,183	-
Preliminary expenses and floatation costs		856	965
<b>Total assets</b>		<b>1,890,493</b>	<b>2,750,804</b>
<b>LIABILITIES</b>			
Payable to ABL Asset Management Company Limited - Management Company	6	6,192	9,468
Payable to the MCB Financial Services Limited - Trustee		141	195
Payable to the Securities and Exchange Commission of Pakistan		993	841
Accrued expenses and other liabilities	7	6,983	3,211
<b>Total liabilities</b>		<b>14,309</b>	<b>13,715</b>
<b>NET ASSETS</b>		<b>1,876,184</b>	<b>2,737,089</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>1,876,184</b>	<b>2,737,089</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	8		
		-----Number of units-----	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>223,729,686</b>	<b>266,098,112</b>
		-----Rupees-----	
<b>NET ASSET VALUE PER UNIT</b>		<b>8.3859</b>	<b>10.2860</b>
<b>FACE VALUE PER UNIT</b>		<b>10.0000</b>	<b>10.0000</b>

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

For ABL Asset Management Company Limited  
(Management Company)

  
SAQIB MATIN  
CHIEF FINANCIAL OFFICER

  
ALEE KHALID GHAZNAVI  
CHIEF EXECUTIVE OFFICER

  
MUHAMMAD KAMRAN SHEHZAD  
DIRECTOR

# ABL ISLAMIC DEDICATED STOCK FUND

## CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)

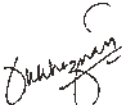
### FOR THE PERIOD ENDED DECEMBER 31, 2017

		2017 For the half year ended December 31, (Un-Audited)	2017 For the quarter ended December 31, (Audited)
	Note	----- Rupees in '000 -----	
<b>INCOME</b>			
Net realised loss on sale of investments		(197,449)	(129,422)
Dividend income		48,882	37,760
Profit on balances with bank - savings accounts		5,663	4,045
		(142,904)	(87,617)
Net unrealised diminution on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	5.3	(221,469)	(7,886)
<b>Total loss</b>		(364,373)	(95,503)
<b>EXPENSES</b>			
Remuneration of ABL Asset Management Company Limited - Management Company		20,895	9,956
Punjab sales tax on remuneration of the Management Company	6.2	3,203	1,593
Accounting and operational charges		1,045	497
Selling and marketing expense		4,184	2,002
Remuneration of MCB Financial Services Limited - Trustee		805	386
Sindh sales tax on remuneration of Trustee		105	50
Annual fee of the Securities and Exchange Commission of Pakistan		993	473
Brokerage, securities transaction costs and other charges		2,337	1,061
Auditors' remuneration		377	256
Printing charges		75	37
Shariah advisory fee		235	119
Amortisation of preliminary expenses and floatation costs		109	55
Settlement and bank charges		94	45
<b>Total expenses</b>		34,457	16,530
<b>Net loss for the period from operating activities before taxation</b>		(398,830)	(112,033)
Taxation	9	-	-
<b>Net loss for the period after taxation</b>		(398,830)	(112,033)
Loss per unit	10		
<b>Allocation of net loss for the period:</b>			
Net loss for the period after taxation		(398,830)	(112,033)
Income already paid on units redeemed		-	-
		(398,830)	(112,033)
<b>Accounting income available for distribution:</b>			
-Relating to capital gains		-	-
-Excluding capital gains		-	-
		-	-

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

For ABL Asset Management Company Limited  
(Management Company)

  
SAQIB MATIN  
CHIEF FINANCIAL OFFICER

  
ALEE KHALID GHAZNAVI  
CHIEF EXECUTIVE OFFICER

  
MUHAMMAD KAMRAN SHEHZAD  
DIRECTOR

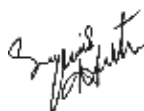


**ABL ISLAMIC DEDICATED STOCK FUND  
STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE PERIOD ENDED DECEMBER 31, 2017**


	For the half year ended December 31, (Un-Audited)	For the quarter ended December 31, (Audited)
	----- Rupees in '000 -----	
Net loss for the period after taxation	(398,830)	(112,033)
Other comprehensive income for the period	-	-
<b>Total comprehensive loss for the period</b>	<b>(398,830)</b>	<b>(112,033)</b>

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

For ABL Asset Management Company Limited  
(Management Company)



SAQIB MATIN  
CHIEF FINANCIAL OFFICER



ALEE KHALID GHAZNAVI  
CHIEF EXECUTIVE OFFICER



MUHAMMAD KAMRAN SHEHZAD  
DIRECTOR

**ABL ISLAMIC DEDICATED STOCK FUND  
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)  
FOR THE PERIOD ENDED DECEMBER 31, 2017**

For the half year ended December 31, 2017

	Capital Value	Undistributed income / (loss)	Unrealised appreciation / (diminution) available for sale investment	Total
----- (Rupees in '000) -----				
<b>Net assets at beginning of the period</b>	2,660,981	76,108	-	2,737,089
Issue of 48,327,511 units during the current period representing:				
- Capital value (at net asset value per unit at the beginning of the period)	497,097	-	-	497,097
- Element of loss	(68,342)	-	-	(68,342)
<b>Total proceeds on issuance of units</b>	428,755	-	-	428,755
Redemption of 90,695,937 units during the current period representing:				
- Capital value (at net asset value per unit at the beginning of the period)	932,900	-	-	932,900
- Amount paid out of element of income	-	-	-	-
- Refund / adjustment on units as element of income	(86,562)	-	-	(86,562)
<b>Total payments on redemption of units</b>	846,338	-	-	846,338
<b>Total comprehensive loss for the period</b>	-	(398,830)	-	(398,830)
Distribution during the period				
- Re 0.2048 per unit on August 07, 2017	-	(44,492)	-	(44,492)
Cash distribution	-	(443,322)	-	(443,322)
Net loss for the period less distribution	-	(443,322)	-	(443,322)
<b>Net assets at end of the period</b>	<b>2,243,398</b>	<b>(367,214)</b>	<b>-</b>	<b>1,876,184</b>
<b>Distribution for the period</b>				
Undistributed income / (loss) brought forward				
- Realised		247,684		
- Unrealised		(171,576)		
		76,108		
Distribution during the period				
- Re 0.2048 per unit on August 07, 2017		(44,492)		
<b>Accounting income available for distribution:</b>				
- Relating to capital gains		-		
- Excluding capital gains		-		
Net loss for the period after taxation		(398,830)		
Undistributed loss carried forward		(367,214)		
- Realised		(145,745)		
- Unrealised		(221,469)		
		(367,214)		
				(Rupees)
<b>Net assets value per unit at beginning of the period</b>				10.2860
<b>Net assets value per unit at end of the period</b>				8.3859

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

For ABL Asset Management Company Limited  
(Management Company)

  
SAQIB MATIN  
CHIEF FINANCIAL OFFICER

  
ALEE KHALID GHAZNAVI  
CHIEF EXECUTIVE OFFICER

  
MUHAMMAD KAMRAN SHEHZAD  
DIRECTOR

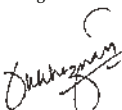
# ABL ISLAMIC DEDICATED STOCK FUND CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE PERIOD ENDED DECEMBER 31, 2017

	Note	For the half year ended December 31, 2017 (Rupees in '000)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss for the period before taxation		(398,830)
<b>Adjustments for:</b>		
Dividend income		(48,882)
Profit on balances with bank - savings accounts		(5,663)
Net unrealised diminution on remeasurement of investments classified as financial assets at fair value through profit or loss - net		221,469
Amortisation of preliminary expenses and floatation costs		109
		(231,797)
<b>Increase/ (decrease) in liabilities</b>		
Payable to ABL Asset Management Company Limited - Management Company		(3,276)
Payable to the MCB Financial Services Limited - Trustee		(54)
Payable to the Securities and Exchange Commission of Pakistan		152
Accrued expenses and other liabilities		3,772
		594
Net amount received on purchase and sale of investments		849,662
Dividend and profit received		52,872
<b>Net cash flow generated from operating activities</b>		671,331
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>Cash distribution paid</b>		(44,492)
Amount received on issuance of units		428,755
Amount paid on redemption of units		(846,338)
<b>Net cash flow used in from financing activities</b>		(462,075)
Net increase in cash and cash equivalents during the period		209,256
Cash and cash equivalents at the beginning of the period		133,895
<b>Cash and cash equivalents at the end of the period</b>		343,151

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

For ABL Asset Management Company Limited  
(Management Company)

  
SAQIB MATIN  
CHIEF FINANCIAL OFFICER

  
ALEE KHALID GHAZNAVI  
CHIEF EXECUTIVE OFFICER

  
MUHAMMAD KAMRAN SHEHZAD  
DIRECTOR

# ABL ISLAMIC DEDICATED STOCK FUND

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

### FOR THE PERIOD ENDED DECEMBER 31, 2017

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#### 1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 ABL Islamic Dedicated Stock Fund (the Fund) was established under a Trust Deed executed on November 17, 2016 between ABL Asset Management Company Limited (ABL AMCL) as the Management Company and MCB Financial Services Limited (MCBFSL) 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 December 19, 2017.

1.2 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 Security Exchange Commission of Pakistan on December 07, 2016. The registered office of the Management Company is located at Plot No. 14, Main Boulevard, DHA Phase 6, Lahore.

The Fund is an open-end Shariah Compliant Equity Scheme. The units of the fund are transferable and can be redeemed by surrendering them to the Fund.

The objective of the fund is to provide higher risk adjusted returns over the long term by investing in a diversified Islamic portfolio of equity instruments offering capital gain and dividends.

1.3 JCR-VIS Credit Rating Company Limited has assigned Management Quality Rating of 'AM2++' (stable outlook) to the Management Company as at December 29, 2017.

1.4 The asset of the fund are held the name of the MCB Financial Service limited as the trustee of the fund.

#### 2 BASIS OF PREPARATION

2.1 Securities and Exchange Commission of Pakistan vide its letter no. SCD/AMCW/ABLISDF/365/2016 dated December 30, 2016 had granted a one-time exemption to ABL Asset Management Company Limited from preparing and publishing the financial statements of ABL Islamic Dedicated Stock Fund for the period from December 19, 2016 to December 31, 2016 subject to the condition that the first financial statements of ABL Islamic Dedicated Stock Fund be prepared for the period from December 19, 2016 to June 30, 2017. Accordingly, the management had not prepared condensed interim financial information for the period ended December 31, 2016. As such for this reason, the comparative figures have not been included in the Condensed Interim Income Statement, Condensed Interim Statement of Comprehensive Income, Condensed Interim Statement of Movement in Unit Holders' Fund and Condensed Interim Cash Flow Statement.

#### 2.2 Statement of compliance

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 NBFC Rules, 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 IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information do 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, 2017.

This condensed interim financial information is unaudited. However, a limited scope review has been performed by the statutory auditors in accordance with the requirements of the Code of Corporate Governance. In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company declare that this condensed interim financial information give a true and fair view of the state of affairs of the Fund as at December 31, 2017.

### 3 SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ESTIMATES, JUDGEMENTS AND CHANGES THEREIN

3.1 The accounting policies adopted and the methods of computation of balances in the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2017 except for the change in accounting policy as explained in note 3.2.

3.2 The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated August 3, 2017 has made certain amendments in the NBFC Regulations. The notification includes a definition and explanation relating to "element of income" and excludes the element of income from the determination of "accounting income" as described in regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. Furthermore, the revised regulations also require certain additional disclosures with respect to 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', whereas the requirement for presentation of 'Distribution Statement' as a part of the financial statements has been deleted in the revised regulation.

Previously, an equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' was created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption. The net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during the accounting period which pertained to unrealised appreciation / (diminution) held in the Unit Holder's Fund was recorded in a separate account and any amount remaining in this reserve account at the end of the accounting period (whether gain or loss) was included in the amount available for distribution to the unitholders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period was recognised in the Income Statement.

As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management Company has applied the above changes in accounting policy, including the additional disclosures requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', prospectively from July 1, 2017 as required by SECP vide its email dated Feb 08, 2018. Accordingly, corresponding figures have not been restated. The 'Distribution Statement' for the comparative period has not been presented as it has been deleted as a result of the amendments made in the NBFC Regulations the aforementioned SRO issued by the SECP.

Had the element of income been recognised as per the previous accounting policy, the income / loss of the Fund would have been higher / lower by Rs \_\_\_\_ million. However, the change in accounting policy does not have any impact on the 'Cash flow Statement', the 'net assets attributable to the unit holders' and 'net asset value per unit' as shown in the 'Statement of Assets and Liabilities' and 'Statement of Movement in Unit Holders' Fund'. The change has resulted in inclusion of certain additional disclosures / new presentation requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund which have been incorporated in these statements.

3.3 The preparation of the condensed interim financial information in conformity with the approved accounting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision. In preparing the condensed interim financial information, the significant judgements made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the period ended June 30, 2017. The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the period ended June 30, 2017.

#### 3.4 Amendments to published approved accounting standards that are effective in the current period

There are certain amendments to the approved accounting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2017. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in this condensed interim financial information.

### 3.5 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

During the current period the SECP has adopted IFRS 9: 'Financial Instruments' and IFRS 15: 'Revenue from Customers', which are applicable with effect from July 1, 2018. The management is currently assessing the impacts of these standards on the Fund's future financial statements. There are certain other new standards, interpretations and amendments to the approved accounting standards that are mandatory for the Fund's annual accounting periods beginning on or after July 1, 2018. However, these are not expected to have any significant impacts on the Fund's operations and are, therefore, not detailed in this condensed interim financial information.

	2017 December 31, (Un-Audited)	2017 June 30, (Audited)
Note	----- Rupees in '000 -----	----- Rupees in '000 -----

### 4 BALANCES WITH BANKS

Savings accounts	4.1	<b>343,151</b>	133,895
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4.1 These savings accounts carry mark-up at rates ranging between 3.75% to 5.8% (June 30, 2017: 2.87% to 5.6%) per annum. Savings accounts include balance of Rs. 145.409 million (June 30, 2017: Rs. 0.0051 million) maintained with Allied Bank Limited, a related party, which carry mark up at rate of 5.8% (June 30, 2017: 5.55%) per annum.

	2017 December 31, (Un-Audited)	2017 June 30, (Audited)
Note	----- Rupees in '000 -----	----- Rupees in '000 -----

### 5 INVESTMENTS

Financial assets at fair value through profit or loss - Listed equity securities	5.1	<b>1,498,114</b>	2,599,428
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#### 5.1 Listed equity securities

Shares of listed companies - fully paid ordinary shares with a face value of Rs 10 each except for the shares of K-Electric Limited and Thal Limited which have face value of Rs. 3.5 and Rs. 5 respectively.

Name of investee company	Number of Shares					Balance as at December 31, 2017			Market Value as a percentage of		Holding as a percentage of Paid-up capital of investee company
	As at July 01, 2017	Purchased during the period	Bonus / Right shares received during the period	Sold during the period	As at December 31, 2017	Carrying value	Market value	Appreciation/ (diminution)	Net assets of the fund	Total market value of investments	
----- Rupees in '000 -----											
<b>OIL AND GAS MARKETING COMPANIES</b>											
Pakistan State Oil Company Limited	378,000	97,000	70,800	196,000	349,800	117,592	102,530	(15,062)	5.46%	6.84%	1.29%
Sui Northern Gas Pipelines Limited.	931,500	530,000	-	1,461,500	-	-	-	-	0.00%	0.00%	0.00%
						117,592	102,530	(15,062)	5.46%	6.84%	
<b>OIL AND GAS EXPLORATION COMPANIES</b>											
Oil and Gas Development Company Limited	809,000	469,700	-	469,600	809,100	116,055	131,713	15,658	7.02%	8.79%	0.19%
Pakistan Oilfields Limited	60,000	184,950	-	94,800	150,150	84,478	89,228	4,750	4.76%	5.96%	0.63%
Pakistan Petroleum Limited	730,100	191,000	-	490,000	431,100	71,532	88,768	17,236	4.73%	5.93%	0.22%
Mari petroleum Company Limited	110,400	-	-	9,040	101,360	159,707	147,060	(12,647)	7.84%	9.82%	0.92%
						431,772	456,769	24,997	24.35%	30.49%	
<b>REFINERY</b>											
Attock Refinery Limited	-	55,000	-	55,000	-	-	-	-	0.00%	0.00%	0.00%
National Refinery Limited	-	35,500	-	-	35,500	23,429	15,296	(8,133)	0.82%	1.02%	0.44%
						23,429	15,296	(8,133)	0.82%	1.02%	
<b>FERTILIZERS</b>											
Engro Corporation Limited	267,000	129,500	-	200,000	196,500	55,174	53,988	(1,186)	2.88%	3.60%	0.38%
Fauji Fertilizer Company Limited	-	130,000	-	70,000	60,000	4,936	4,747	(189)	0.25%	0.32%	0.04%
Engro Fertilizer Limited	1,330,000	605,500	-	933,500	1,002,000	60,311	67,855	7,544	3.62%	4.53%	0.75%
						120,421	126,590	6,169	6.75%	8.45%	
<b>ENGINEERING</b>											
International Steels Limited	675,000	115,000	-	210,000	580,000	72,370	61,695	(10,675)	3.29%	4.12%	1.33%
Amreli Steel Limited	365,000	165,000	-	25,000	505,000	58,949	46,793	(12,156)	2.49%	3.12%	1.70%
						131,319	108,488	(22,831)	5.78%	7.24%	

Name of investee company	Number of Shares					Balance as at December 31, 2017			Market Value as a percentage of		Holding as a percentage of Paid-up capital of investee company
	As at July 01, 2017	Purchased during the period	Bonus / Right shares received during the period	Sold during the period	As at December 31, 2017	Carrying value	Market value	Appreciation/ (diminution)	Net assets of the fund	Total market value of investments	
Rupees in '000											
<b>CEMENT</b>											
Pioneer Cement Limited	355,000	115,000	-	50,000	420,000	48,411	26,510	(21,901)	1.41%	1.77%	1.85%
D.G. Khan Cement Company Limited	524,000	550,000	-	440,200	633,800	98,517	84,752	(13,765)	4.52%	5.66%	1.45%
Kohat Cement Company Limited	-	125,000	-	20,000	105,000	21,000	14,906	(6,094)	0.79%	0.99%	0.01
Lucky Cement Limited	143,900	2,500	-	84,000	62,400	52,128	32,286	(19,842)	1.72%	2.16%	0.19%
						<u>220,056</u>	<u>158,454</u>	<u>(61,602)</u>	<u>8.45%</u>	<u>10.58%</u>	
<b>PAPER &amp; BOARD</b>											
Packages Limited	204,150	-	-	46,200	157,950	109,867	80,528	(29,339)	4.29%	5.38%	1.77%
<b>AUTOMOBILE ASSEMBLER</b>											
Ghandhara Industries Limited	7,700	-	-	-	7,700	5,006	4,251	(755)	0.23%	0.28%	0.36%
Pakistan Suzuki Motor Company Limited	88,650	65,950	-	69,000	85,600	55,146	42,609	(12,537)	2.27%	2.84%	1.04%
Milfat Tractors Limited	60,000	-	-	26,000	34,000	46,731	39,835	(6,896)	2.12%	2.66%	0.77%
Honda Atlas Cars (Pakistan) Limited	77,000	-	-	77,000	-	-	-	-	0.00%	0.00%	0.00%
						<u>106,883</u>	<u>86,695</u>	<u>(20,188)</u>	<u>4.62%</u>	<u>5.79%</u>	
<b>SUGAR &amp; ALLIED INDUSTRIES</b>											
Faran Sugar Mills Limited	25,000	-	-	-	25,000	2,007	1,625	(382)	0.09%	0.11%	1.00%
<b>TEXTILE COMPOSITE</b>											
Nishat Mills Limited	926,500	87,700	-	510,000	504,200	78,667	75,378	(3,289)	4.02%	5.03%	1.43%
<b>AUTOMOBILE PARTS &amp; ACCESSORIES</b>											
Thal Limited	314,700	5,500	-	258,500	61,700	37,325	31,523	(5,802)	1.68%	2.10%	0.38%
General Tyre & Rubber Company of Pakistan	325,500	-	-	217,100	108,400	32,899	20,412	(12,487)	1.09%	1.36%	1.81%
						<u>70,224</u>	<u>51,935</u>	<u>(18,289)</u>	<u>2.77%</u>	<u>3.47%</u>	
<b>PHARMACEUTICALS</b>											
The Searle Company Limited (note 5.4)	134,600	-	22,810	29,300	128,110	54,658	40,337	(14,321)	2.15%	2.69%	0.83%
<b>POWER GENERATION &amp; DISTRIBUTION</b>											
The Hub Power Company Limited	1,302,200	-	-	865,700	436,500	51,258	39,722	(11,536)	2.12%	2.65%	0.38%
K-Electric Limited	-	2,000,000	-	2,000,000	-	-	-	-	0.00%	0.00%	-
						<u>51,258</u>	<u>39,722</u>	<u>(11,536)</u>	<u>2.12%</u>	<u>2.65%</u>	
<b>COMMERCIAL BANKS</b>											
Meezan Bank Limited	928,000	55,680	-	-	983,680	76,096	66,005	(10,091)	3.52%	4.41%	0.98%
<b>LEATHER &amp; TANNERIES</b>											
Service Industries Limited	800	-	-	-	800	1,103	600	(503)	0.03%	0.04%	0.07%
<b>CABLE &amp; ELECTRICAL GOODS</b>											
PAK Electron Limited	875,000	140,000	-	1,015,000	-	-	-	-	0.00%	0.00%	0.00%
<b>CHEMICAL</b>											
I.C.I. Pakistan Limited	113,500	-	-	-	113,500	124,231	87,162	(37,069)	4.65%	5.82%	1.23%
<b>Total - December 31, 2017</b>						<u>1,719,584</u>	<u>1,498,114</u>	<u>(221,470)</u>	<u>79.85%</u>	<u>100.00%</u>	

5.2 The above investments include shares having a market value (in aggregate) amounting to Rs 235.006 million (June 30, 2017: Rs 276.608 million) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the Securities & Exchange Commission of Pakistan. The details of shares which have been pledged are as follows:

	December 31, 2017	June 30, 2017	December 31, 2017	June 30, 2017
	Number of shares		Rupees in '000'	
Engro Fertilizer Limited	396,500	500,000	26,851	27,620
Meezan Bank Limited	-	500,000	-	39,500
Nishat Mills Limited	300,000	300,000	44,850	47,604
Oil and Gas Development Company Limited	600,000	600,000	97,674	84,414
Pakistan State Oil Company Limited	200,000	200,000	58,622	77,470
	<u>1,496,500</u>	<u>2,100,000</u>	<u>227,997</u>	<u>276,608</u>

5.3 **Unrealised diminution on re-measurement of investments classified as financial asset at fair value through profit or loss - net**

Market value of securities  
Less: carrying value of securities

	(Un-Audited) December 31, 2017	(Audited) June 30, 2017
	<u>1,498,114</u>	<u>2,599,428</u>
	<u>1,719,583</u>	<u>(2,771,004)</u>
	<u>(221,469)</u>	<u>(171,576)</u>

- 5.4 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001. As a result of these amendments, companies are liable to withheld bonus shares at the rate of 5 percent. In accordance with the requirement of the Ordinance these shares shall only be released if the fund deposit tax equivalent to 5% of the value of the bonus shares issued. The value of tax is computed on the basis of day-end price on the first day of book closure.

In this regard, a constitution petition has been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs, which is pending adjudication. The petition is based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should not be applicable on bonus shares received by CISs. A stay order has been granted by the High Court of Sindh in favour of CISs.

As at December 31, 2017, the following bonus shares of the Fund were withheld by certain companies at the time of bonus declaration. The Fund has included these shares in its portfolio, as the management believes that the decision of the constitutional petition will be in favour of the CISs.

Name of the company	December 31, 2017		June 30, 2017	
	Bonus Shares		Bonus Shares	
	Number	Market Value	Number	Market Value
	Shares	Rupees in '000	Shares	Rupees in '000
The Searle Company Limited	1,474	464	280	143
Pakistan State Oil Company Limited	3,540	1,038	-	-
		1,502		143

(Un-Audited)                      (Audited)  
December 31,                      June 30,  
2017                                      2017  
----- Rupees in '000 -----

**6 PAYABLE TO ABL ASSET MANAGEMENT COMPANY LIMITED - MANAGEMENT COMPANY**

Remuneration of Management Company	6.1	3,192	4,685
Punjab / Sindh sales tax on remuneration of the Management Company	6.2	511	750
Preliminary expenses and floatation costs		-	-
Accounting and operational charges	6.3	498	567
Preliminary expenses and floatation costs		-	1,080
Selling and marketing payable	6.4	1,991	2,268
Other payable		-	118
		<b>6,192</b>	<b>9,468</b>

- 6.1 The Management company has charged remuneration at the rate of 2% (June 30, 2017: 2%) per annum based on the daily net assets of the Fund. The amount of remuneration is being paid monthly in arrears.
- 6.2 Consequent to change in registered office of the management company, the Fund has completed its registration process with the Punjab Revenue Authority in July 2017 and, moving forward, the services obtained by the Fund will be subject to the Punjab sales tax at a rate specified in the Punjab Sales Tax on Services Act, 2012. During the period, Punjab Sales tax has been charged at the rate of 16% (2017: Sindh Sales tax at the rate of 13%).
- 6.3 During the period, the Fund was charged 0.1% of the average annual net assets as allocated expenses by the Management Company according to regulation 60 of the NBFC Regulations.



- 6.4 SECP vide a circular no.40 SCD/PRDD/ Circular/361/2016 dated December 30, 2016 (later amended vide circular no. 05 of 2017 dated February 13, 2017), allowed the Asset Management Companies to charge selling and marketing expenses to open end equity, asset allocation and index funds, initially for three years (from January 1, 2017 till December 31, 2019). Maximum cap of selling and marketing expense shall be 0.4% per annum of net assets of the fund or actual expenses whichever is lower. Accordingly, such expenses have been charged effective from February 2017 at the rate of 0.4% of net assets of the Fund, being lower than the actual expenses incurred.

	(Un-Audited) December 31, 2017	(Audited) June 30, 2017
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----- Rupees in '000 -----

## 7 ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors' remuneration	242	320
Brokerage and other charges	227	1,205
Provision for Sindh Workers' Welfare Fund	1,553	1,553
Printing and stationery	71	70
Shariah advisory fee payable	38	41
Other payables	4,852	22
	<b>6,983</b>	<b>3,211</b>

- 7.1 The registered office of the Management Company of the Fund (as mentioned in note 6.2 to this condensed interim financial information) has been relocated from the Province of Sindh to the Province of Punjab. Accordingly, the Fund has not recorded provision in respect of SWWF during the current period. However, as a matter of abundant caution the provision for SWWF made for the period from December 19, 2016 till June 30, 2017 amounting to Rs 1.553 million (June 30, 2017: Rs 1.553 million) is being retained in this condensed interim financial information of the Fund till the final decision in respect of SWWF.

Had the provision for SWWF not been recorded in this condensed interim financial information of the Fund for the period from December 19, 2016 to June 30, 2017, the net asset value of the Fund as at December 31, 2017 would have been higher by Re 0.0069 per unit.

## 8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2017 and as at June 30, 2017.

## 9 TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unitholders. Furthermore, as per regulation 63 of the NBFC Regulations, the Fund is required to distribute 90 percent of the net accounting income other than capital gains to the unitholders. The Fund has not recorded any tax liability as the Fund has incurred a net loss during the period.

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 LOSS PER UNIT

Loss per unit have not been disclosed as in the opinion of management the determination of cumulative weighted average number of outstanding units for calculating loss per unit is not practicable.

## 11 TOTAL EXPENSE RATIO

The total expense ratio (TER) of the Fund as at December 31, 2017 is 3.2929% which includes 0.4364% representing government levies on the Fund such as sales taxes, annual fee payable to the SCEP, etc. This ratio is within the maximum limit of 4% prescribed under the NBFC Regulation.

## 12 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected person / related parties include the Management Company, its parent and the related subsidiaries of the parent, associated companies / undertakings of the Management Company, 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 MCB Financial Services 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.

- 12.1 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.
- 12.2 Remuneration to the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 12.3 Remuneration to the Trustee is determined in accordance with the provisions of the Trust Deed.
- 12.4 **Details of transactions with connected persons / related parties during the period are as follows:**

	2017 December 31, (Un-Audited) Rupees in '000
<b>ABL Asset Management Company Limited - Management Company</b>	
Remuneration for the period	20,895
Punjab sales tax on remuneration of Management Company	3,203
Allocation of accounting and operational charges of the Management Company	1,045
Selling and marketing expense	4,184
Preliminary expenses and floatation costs paid	1,080
<b>MCB Financial Services Limited - Trustee</b>	
Remuneration	805
Sindh sales tax on remuneration of Trustee	105
<b>ABL Islamic Financial Planning Fund-Active Allocation Plan</b>	
Issue of 13,094,093 units	116,934
Redemption of 37,763,386 Units	344,998
<b>ABL Islamic Financial Planning Fund-Conservative Allocation Plan</b>	
Issue of 686,899 units	6,164
Redemption of 2,971,270 Units	26,186
<b>ABL Islamic Financial Planning Fund-Aggressive Allocation Plan</b>	
Issue of 8,788,480 units	77,469
Redemption of 7,400,142 Units	63,772
<b>ABL Islamic Financial Planning Fund Strategic Allocation Plan</b>	
Issue of 2,974,778 units	26,836
Redemption of 14,434,887 Units	143,831
<b>ABL Islamic Financial Planning Fund Strategic Allocation Plan - II</b>	
Issue of 4,142,480 units	36,973
Redemption of 17,615,937 Units	166,895
<b>ABL Islamic Financial Planning Fund Strategic Allocation Plan - III</b>	
Issue of 4,841,173 units	42,298
Redemption of 10,510,316 Units	100,658
<b>ABL Islamic Financial Planning Fund Strategic Allocation Plan - IV</b>	
Issue of 13,799,609 units	122,081

	2017 December 31, (Un-Audited)	2017 June 30, (Audited)
Note	----- Rupees in '000 -----	

### 12.5 Amounts outstanding with connected persons/ related parties as at the period end:

<b>ABL Asset Management Company Limited - Management Company</b>		
Remuneration payable	3,192	4,685
Preliminary expenses and floatation costs payable	-	-
Punjab / Sindh sales tax payable on remuneration	511	750
Accounting and operational charges	498	567
Formation cost payable	-	1,080
Selling and marketing payable	1,991	2,268
Other payable	-	118
<b>Allied Bank Limited</b>		
Balances held in savings account	145,409	5
<b>MCB Financial Services Limited - Trustee</b>		
Remuneration payable	125	173
Sindh sales tax on remuneration of Trustee	16	22
<b>ABL Islamic Financial Planning Fund-Active Allocation Plan</b>		
Outstanding 103,675,983 units (2017: 128,345,276)	869,416	1,320,160
<b>ABL Islamic Financial Planning Fund-Conservative Allocation Plan</b>		
Outstanding 2,947,071 units (2017: 5,231,442 units)	24,714	53,811
<b>ABL Islamic Financial Planning Fund-Aggressive Allocation Plan</b>		
Outstanding 17,500,505 units (2017: 16,112,167 units)	146,757	165,730
<b>ABL Islamic Financial Planning Fund Strategic Allocation Plan</b>		
Outstanding 33,593,334 units (2017: 45,053,443 units)	281,710	463,420
<b>ABL Islamic Financial Planning Fund Strategic Allocation Plan - II</b>		
Outstanding 36,227,286 units (2017: 49,700,743 units)	303,798	511,224
<b>ABL Islamic Financial Planning Fund Strategic Allocation Plan - III</b>		
Outstanding 15,985,898 units (2017: 21,655,041 units)	134,056	222,744
<b>ABL Islamic Financial Planning Fund Strategic Allocation Plan - IV</b>		
Outstanding 13,799,609 units (2017: Nil)	115,722	-

### 13 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.

Financial assets which are traded in an open market are revalued at the market prices prevailing on the reporting date. Investments of the Fund in equity securities are revalued on the basis of closing quoted market prices available at the stock exchange.

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.
- 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.

### 13.1 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:

Level 1: Fair value measurements using quoted price (unadjusted) in an active market for identical assets or liabilities.

Level 2: 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).

Level 3: 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, 2017, the Fund held the following financial instruments measured at fair value:

	As at December 31, 2017			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
<b>ASSETS</b>				
Investment - financial assets 'at fair value through profit or loss' - Listed equity securities	1,498,114	-	-	1,498,114

	As at June 30, 2017			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
<b>ASSETS</b>				
Investment - financial assets 'at fair value through profit or loss' - Listed equity securities	2,599,428	-	-	2,599,428

## 14 GENERAL

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


14.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation and disclosure.

## 15 DATE FOR AUTHORISATION FOR ISSUE

These condensed interim financial information were authorised for issue on February 19, 2018 by the Board of Directors of the Management Company.

For ABL Asset Management Company Limited  
(Management Company)

  
SAQIB MATIN  
CHIEF FINANCIAL OFFICER

  
ALEE KHALID GHAZNAVI  
CHIEF EXECUTIVE OFFICER

  
MUHAMMAD KAMRAN SHEHZAD  
DIRECTOR

## آڈیٹرز

سال ختم 30 جون، 2018 کے لیے ABL اسٹاک ڈیڈیکٹڈ اسٹاک فنڈ (ABL-IDSF) کے لیے بطور آڈیٹر تقرری کے حوالے سے میسرز A.F.Fergusons & Co. (چارٹرڈ اکاؤنٹنٹس) کا تقرر کیا گیا ہے۔

## انتظامی معیار کی درجہ بندی

29 دسمبر، 2017 کو JCR-VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ نے ABL اسٹاک فونڈ لمیٹڈ (ABL AMC) کی "AM Two Plus Plus" (AM2++) کی بینجمنٹ کو ایڑی ریٹنگ کی دوبارہ توثیق (اعادہ) کیا ہے۔ مختص شدہ ریٹنگ کی پوزیشن مستحکم ہے۔

## نقطہ نظر پر پیش بینی

کم از کم آئندہ انتخابات تک اسٹاک مارکیٹ قلیل سے درمیانی مدت کے دوران یہی حد کو برقرار رکھتی ہوئی توقع کی جاتی ہے۔ موجودہ سیاسی الجھل اور بیرونی اکاؤنٹ پر تحفظات کے نتیجے میں CY2017 کے دوران مارکیٹ میں اپنی بلند ترین سطح سے 23% تک کی تنزیل ہوئی۔ کرنسی اس وقت تک دباؤ کا شکار رہے اور CY2018 کے وسط تک ڈالر کے مقابلے میں 120 پاکستانی روپے تک گر سکتی ہے۔ کرنسی کے نرخ میں کمی پر E&P، بینک، IPPs اور نیٹو اسٹاک کے شعبہ جات کا ایک ساتھ آگے بڑھنے کی توقع کی جاتی ہے۔ ہر چند یہ کہ موجودہ حکومت کی جانب سے ایم سی ڈی اسکیم کے حوالے سے کسی قسم کا اعلان اور اس پر عمل درآمد غیر ملکی سرمایہ کاری میں اضافہ کر دے گا۔ اس کے علاوہ بین الاقوامی مارکیٹ میں 1.5 سے 2.0 بلین امریکی ڈالر کی رقم کے دیگر صلحوں کا کامیاب آغاز اضافی طور پر فائدہ مند ہوگا۔ اس وقت مارکیٹ 8.2x PE ملٹیپل پر کاروبار کرتے ہوئے علاقائی ہم عصروں کو 42% کی پرکشش رعایت کی پیشکش کر رہی ہے۔ کثیر مقامی سیالیت، متنوع غیر ملکی سرمایہ کی آمد، بعد از انحطاط اور پرکشش تشخیص و تخمینہ کی بنیاد پر طویل مدت تک یہ مثبت رویہ جاری رہنے کی توقع کی جاتی ہے۔

## اظہار تشکر

ہم اپنے معزز سرمایہ کاروں کا اُن کے ہم پر اعتماد کا شکر یہ ادا کرتے ہیں۔ بورڈ سیکریٹریز اینڈ ایگزیکٹو کمیشن آف پاکستان، بٹسٹی (ایم سی ڈی فنانشل سروسز لمیٹڈ) اور بینجمنٹ آف پاکستان اسٹاک ایکسچینج لمیٹڈ کا بھی، ان کی راہنمائی اور معاونت پر تہنہ دل سے مشکور ہے۔ ڈائریکٹرز نے انتظامی ٹیم کی جانب سے کی جانے والے کوششوں کو بھی سراہا ہے۔

برائے و مخائب بورڈ

علی خالد غزنوی  
چیف ایگزیکٹو آفیسر

لاہور، 19 فروری، 2018

## مارکیٹ کا جائزہ

سال 2017 میں دنیا کی بدترین کارکردگی کا مظاہرہ کرتے ہوئے پاکستان ایکویٹی نے 1HY18 میں خراب ترین کارکردگی کا مظاہرہ کیا جس میں KSE-100 انڈیکس کا ہدف 6,094 پوائنٹس (13.1%) تک گر گیا۔ اسی طرح شریعہ کمپلائنس اسٹاکس KML-30 کا ہدف، مدت کے اختتام پر 68,612 (7=9,989- پوائنٹس) کی سطح پر رہتے ہوئے 12.71% تک گر گیا۔ زیر بحث مدت کے دوران اس مایوس کن کارکردگی بڑی حد تک 28 جولائی، 2017 کو سابق وزیر اعظم نواز شریف کی نااہلیت کے بعد غیر یقینی سیاسی صورتحال سے منسوب رہی۔ علاوہ ازیں غیر ملکی سرمایہ کاروں کی جانب سے مسلسل فروختی (155 ملین امریکی ڈالر) کے رجحان MSCI کو اپ گریڈ کیا اور ساتھ ہی بیرونی اکاؤنٹس پر بڑھتے ہوئے دباؤ نے مارکیٹ کو متاثر کیا، جو 19 دسمبر، 2017 کو 37,919 کی ایک سالہ کم سطح پر دیکھی گئی۔ ہر چند یہ کہ تیل کی بڑھتی ہوئی قیمت، شرح سود میں بڑھوتی کی توقعات اور سال کے اختتام پر پیش آنے والے واقعات نے سال کے جاری رویے کو تبدیل کرنے میں مدد دی جس سے سال 2017 کے آخری 8 تجارتی سیشنز میں انڈیکس میں 6.7% کا اضافہ دیکھنے میں آیا۔ اس مدت میں بیرونی اکاؤنٹس پر دباؤ کو کم کرنے کی غرض سے حکومت نے مقامی کرنسی کو 5.3% تک گرا دیا اور یورو بونڈ اور وکلوک کے اجراء کے ذریعے 2.5 ملین مالیت کے فنڈ کو محفوظ کر لیا۔

دوران مدت شعبہ جاتی سطح پر غیر ملکی فروخت کارکنان زیادہ رہا، جو کہ تجارتی بینکوں (60 ملین امریکی ڈالر)، ایکسپلوریشن اینڈ پروڈکشن (49 ملین امریکی ڈالر) اور سیمینٹس (32 ملین امریکی ڈالر) تھا۔ اس کے برعکس فوڈ اور پرسنل پراڈکٹس میں غیر ملکی دلچسپی دیکھنے میں آئی، جس سے 9 ملین امریکی ڈالر کی مالیت کی خریداری ہوئی۔ دوسری طرف، 1HFY18 میں میوچل فنڈز کی 51 ملین امریکی ڈالر کی فروخت کے برخلاف، کمپنیز، انشورنس کارپوریشن اور کمرشل بینکوں نے 72 ملین امریکی ڈالر، 63 ملین امریکی ڈالر اور 54 ملین امریکی ڈالر مالیت کے حصص کی خرید کے ساتھ مارکیٹ کی مدد کرنے کی کوشش کی۔ شعبہ جاتی سطح پر سیمینٹس اور تجارتی بینکوں نے 1996/1887 پوائنٹس کی شدید مندی کے ساتھ انڈیکس کی متزلی میں کردار ادا کیا۔

اضافی گنجائش کے خطرات (27 ملین ٹن کی توسیع کا اعلان)، کوئلے کے بلند ترین نرخ (1HFY18 میں 19% YoY تک) اور کم ترین برقرار نرخوں کے باعث سیمینٹس کے شعبے کی کارکردگی سست روی کا شکار رہی جبکہ تاریخی کم ترین شرح رعایت اور HBL کے US آپریشنز پر 225 ملین امریکی ڈالر کے جرمانے سے تجارتی بینکوں کو ضرب لگی۔ تیل کی قیمتوں میں اضافے سے ایکسپلوریشن اور پروڈکشن کا شعبہ 1,256 پوائنٹس کے ساتھ مثبت و توانا رہا۔ مزید برآں مارکیٹ کی مجموعی سیالیت بھی 1HFY18 میں اوسط تجارتی حجم میں 59% YoY تک متزلی کے ساتھ 158 ملین حصص رہی۔ اسی طرح زیر بحث مدت کے دوران روزانہ اوسط تجارتی ہدف 45% تک گر کر 76 ملین امریکی ڈالر ہو گیا۔

## میوچل فنڈ انڈسٹری کا جائزہ

اوپن اینڈ میوچل فنڈ انڈسٹری کے مجموعی ایسٹس انڈر مینجمنٹ (AUMs) بالخصوص غیر یقینی سیاسی صورتحال اور معاشی معاملات کی وجہ سے 1HFY18 کے دوران 6.2% کی کمی (662 ملین پاکستانی روپے سے 621 ملین پاکستانی روپے) کے ساتھ درج کئے گئے۔ ایکویٹی فنڈز بشمول روایتی (کنوینشنل) اور اسلاک ایکویٹی کے AUM میں مدت کے اختتام پر 132.5 بلین پاکستانی روپے اور 104 بلین پاکستانی روپے کیساتھ بالترتیب 15.5% اور 20% کی شدید مندی دیکھنے میں آئی۔ اس مندی کو جو کہ مارکیٹ کی مایوس کن صورتحال کے طور پر ابھری، ابتدائی طور پر غیر یقینی سیاسی صورتحال کے پیش نظر سرمایہ کاروں میں پیدا ہونے والے منفی رجحانات سے منسوب کیا جاسکتا ہے۔

## مئجمنٹ کمپنی کے ڈائریکٹرز کی رپورٹ

ABL ایسٹس مئجمنٹ کمپنی لمیٹڈ، ABL اسلامک ڈیڈیکٹڈ اسٹاک فنڈ (ABL-IDSF) کی مئجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز 31 دسمبر، 2017 کو ختم شدہ ششماہی کے حوالے سے ABL اسلامک ڈیڈیکٹڈ اسٹاک فنڈ کے مہمدموری مالی گوشواروں (غیر آڈٹ شدہ) کا فخریہ اعلان کرتے ہیں۔

### اقتصادی کارکردگی کا جائزہ

اس مدت کے دوران بیرونی سطح پر درپیش چیلنجز کے باوجود پاکستان کے زیادہ تر اقتصادی عوامل مستحکم رہے۔ اسی طرح، دسمبر میں CPI کی معمولی بڑھوتری کے رجحان کے باوجود 1HFY18 کے لیے اوسط CPI، YoY 3.75% رہا، جو کہ SPLY کے دوران کے 3.88% تھا۔ دسمبر CPI نے بین الاقوامی مارکیٹ میں تیل کے نرخوں میں اضافے کی وجہ سے افراط زر کی توقعات کو بڑھا دیا ہے۔ دوران مدت اس کی وجہ سے SBP پر پالیسی کی 5.75% کی کم ترین شرح پر نظر ثانی کرنے کے لیے مستقل دباؤ رہا۔ مزید برآں اسٹینڈرڈ اور Poor نے پاکستان کی طویل المدت کریڈٹ ریٹنگ بی "کو برقرار رکھا تاہم بیرونی اور مالی سطح پر اس کی توقعات کم ہوئی۔

دوسری جانب، 5MFY18 کے دوران کرنٹ اکاؤنٹ ڈیفیسٹ (CAD) کے 6,430 ملین امریکی ڈالر کے ساتھ YoY 247% بڑھوتری سے ملک کی بیرونی صورتحال مسلسل خراب رہی، جو کہ 5MFY17 کے دوران 2,601 ملین امریکی ڈالر تھی۔ CAD میں تیزی سے اس اضافے کی وجہ بڑھتی ہوئی درآمدات (+23.4% YoY) کے باعث تجارتی خسارے میں + 40.3% YoY تک اضافہ اور سروسز کے بلند خسارے (YoY +12.3%) کی وجہ سے تھا، جبکہ ملازمین کے ریٹیننس سے معمولی سپورٹ (YoY 1.9% میسر آئی۔ اسی طرح دوران مدت زرمبادلہ کے ذخائر، یورو بانڈ/اسٹوک کے اجراء کے ذریعے 2.5 بلین امریکی ڈالر کی سرمایہ کاری کے باوجود ڈیپورٹ کور کے 2.8 ماہ کی سطح پر رہتے ہوئے دباؤ کا شکار رہے۔ جس کے نتیجے میں دوران مدت پاکستانی روپے کی قدر 5.2% کمی کے ساتھ 110.3 پر آگئی۔

مالیاتی سطح پر، FBR نے 6MFY17 کے دوران 1,722 بلین پاکستانی روپے مالیت کے محصولات وصول کئے، جو کہ SPLY میں 1,466 بلین پاکستانی روپے تھے، جس سے 50 بلین پاکستانی روپے کے ہدف کی کمی کے باوجود (+17.46% YoY) کی صحت مندانہ سرگرمی ظاہر ہوئی۔ اس خسارے کو پورا کرنے کے لیے حکومت نے محصولات کے حلقے کو وسیع کرنے اور ٹیکس ایمنٹی اسکیمز کی پیشکش کے ذریعے ٹیکس میں اضافے کی کوشش کی ہے۔ مزید برآں، حکومت پٹرولیم کی مصنوعات پر GST کو کم کر کے تیل کے بڑھتے ہوئے نرخوں کے اثرات کو ختم کرنے پر بھی شکوک و شبہات کا شکار ہے۔








اس پیش قدمی کے ساتھ، بین الاقوامی سطح پر تیل کے بڑھتے ہوئے نرخوں، مستحکم درآمدات، سطحی ریٹیننسز اور بیرونی قرضوں کی سروسنگ معیشت کے لیے اہم خدشات کا باعث ہیں۔ ہر چند یہ کہ حکومت ادائیگی کو متوازن رکھنے اور آسانی کی غرض سے ایک سپورٹ پیکیج "پر توجہ دے رہی ہے، کیوں کہ 5MFY18 میں برآمدات (ایک سپورٹ) میں YoY 12.02% کا اضافہ مشاہدے میں آیا ہے۔ اس کے علاوہ، GDP میں بڑھوتری FY18 میں متوقع YoY 5.8% کی سطح پر قرار ہے جو کہ FY17 میں 5.3% تھی، جس کی بنیادی وجوہات میں (1 فصل کے بہتر نفع جاتی تجزیہ کی مدد سے زرعی شعبے سے وصولی ہے جسے بعد ازاں FY18 میں 1 ٹریلین پاکستانی روپے کے امدانی زرعی قرضہ جات میں اضافے کے ذریعے مدد دی گئی، جو کہ FY17 میں 700 بلین پاکستانی روپے تھے۔ (2 صارفین کی تعداد اور آمدن میں اضافے کے ذریعے مینوفیکچرنگ کی سرگرمیوں میں مستحکم انداز میں اضافہ LSM بڑھوتری: 4MFY18 میں 9.64%)۔ (3) انفراسٹرکچر کے ترقیاتی کاموں اور نجی ہاؤسنگ کے کاموں کے فروغ کے ذریعے تعمیراتی سرگرمی میں اضافہ (4) سروسز سیکٹر پر ان کے پھیلنے ہوئے اثرات، شامل ہیں۔



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