



*Discover the potential*

**CONDENSED INTERIM FINANCIAL INFORMATION**

For The Nine Months Ended March 31, 2015

# CONTENTS

---

Fund's Information	1
Report of the Directors of the Management Company	2
Condensed Interim Statement of Assets and Liabilities	5
Condensed Interim Income Statement (Un-audited)	6
Condensed Interim Distribution Statement (Un-audited)	7
Condensed Interim Statement of Movement in Unit Holders' Fund (Un-audited)	8
Condensed Interim Cash Flow Statement (Un-audited)	9
Notes to and forming part of the Condensed Interim Financial Information (Un-audited)	10

# ABL ISLAMIC INCOME FUND

## FUND'S INFORMATION

---

<b>Management Company:</b>	ABL Asset Management Company Limited 11 - B, Lalazar M. T. Khan Road, Karachi.	
<b>Board of Directors</b>	Sheikh Mukhtar Ahmed Mr. Mohammad Naeem Mukhtar Mr. Muhammad Waseem Mukhtar Mr. Tariq Mahmood Mr. Kamran Nishat Mr. Muhammad Kamran Shehzad Mr. Tahir Yaqoob Bhatti Mr. Farid Ahmed Khan	Chairman       CEO
<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. Tahir Yaqoob Bhatti Mr. Farid Ahmed Khan	Chairman Member Member Member
<b>Chief Executive Officer of The Management Company:</b>	Mr. Farid Ahmed Khan	
<b>Chief Financial Officer &amp; Company Secretary:</b>	Mr. Saqib Matin	
<b>Chief Internal Auditor:</b>	Mr. Mubeen Ashraf Bhimani	
<b>Trustee:</b>	Central Depository Company of Pakistan Ltd. CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi - 74400	
<b>Bankers to the Fund:</b>	Allied Bank Limited Bank Al- Falah Limited	
<b>Auditor:</b>	A.F. Ferguson & Co Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, Karachi.	
<b>Legal Advisor:</b>	Bawaney & Partners 3rd & 4th Floors, 68-C, Lane-13 Bokhari Commercial Area Phase-VI, DHA Karachi.	
<b>Registrar:</b>	ABL Asset Management Company Limited. 11 - B, Lalazar, M. T. Khan Road, Karachi.	

# ABL ISLAMIC 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 Islamic Income Fund (ABL-IIF), is pleased to present the Condensed Interim Financial Statements (un-audited) of ABL Islamic Income Fund for the nine months ended March 31, 2015.

### ECONOMIC PERFORMANCE REVIEW

The economy continued its recovery march in 3QFY15 with major macro indicators such as CPI, FX reserves and CAD etc. posting impressive improvements. Windfall gains from the drop in oil prices (Brent crude down by - 58.62%FYTD) remained the major contributor towards improvement in aforementioned indicators. IMF program, albeit with some problems on the fiscal front, also continued smoothly with clearance of 6th review of the EFF program and disbursement of USD 501mn tranche. With receipt of 1) IMF tranche, and 2) USD 717mn under CSF during the quarter, FX reserves edged up to USD 16.19bn (4.6 months import cover), up 6% from USD 15.27bn at the end of 2QFY15.

The decline in oil prices and receipt of CSF had noticeable impact on current account as the country managed to post a surplus of USD 961mn at the end of 3QFY15. The only disconcerting factor in external trade numbers is the constant decline in exports (down 4.7% QoQ) mainly on account of lower cotton and allied product prices. However, external account position by and large looks comfortable as FX reserves are expected to improve further in the short-medium term on the back of USD 764mn inflow from HBL, CSF and loans from other donor agencies.

Inflation, as measured by the CPI, continued its downwards slide with March 2015 reading clocking-in at an 11-year low of 2.49%YoY against 8.5%YoY recorded in Mar-14. CPI average during 9MFY15 now stands at a multi-year low of 5.1%YoY (8.64%YoY in 9MFY14) and is expected to close FY15 in the range of 4.2 - 4.5%. On the other hand, performance on fiscal front remained below par as govt. missed its revenue collection target and had to obtain waiver from IMF on this performance criteria. The shortfall in revenue collection numbers was due to slower GDP growth and lower than expected GST collection on POL products (courtesy steep decline in oil prices). Though GoP took corrective measures by increasing GST on POL products from 17% to 27% but it failed to meet its targets nonetheless. IMF is maintaining its fiscal deficit estimate of 4.9% for FY15 but the actual number may be around 5%, keeping in view the higher defense and interest expenses, unless the government again slices through the budgeted development expenditure.

In the backdrop of aforementioned macroeconomic developments, SBP cut its benchmark DR by a cumulative 150bps in two successive MPS in January and March 2015 and further easing is possible due to high real interest rate levels (~400bps). Moody's has also upgraded its credit outlook on Pakistan from Stable to Positive, appreciating the improving macros and citing progress on Pak-China economic corridor. These developments could result in enhanced FDI flows (stronger financial account), higher infrastructure spending and improvement in economic growth going forward.

### MUTUAL FUND INDUSTRY REVIEW

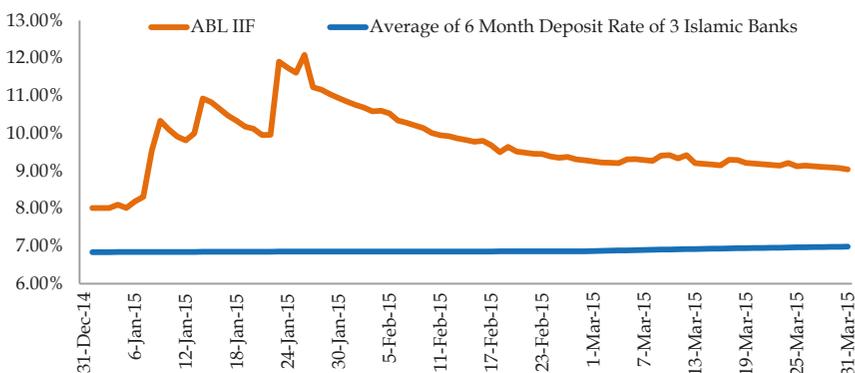
Total assets under management (AUMs) of Pakistan's open end mutual fund industry grew by 5.6% in 3QFY15 from PKR439.5 billion to PKR464.2 billion, led by fixed income fund and Islamic fund categories. The fixed income fund category remained in limelight primarily due to higher returns from gains on PIB portfolio and registered an increase of 13.7% in 3QFY15 from PKR89 billion in December 2014 to PKR 101.3 billion in March 2015. Investors continued to show their bias towards Islamic funds of funds category with addition of new funds during the period under review, which expanded the AUM size by PKR4 billion (24.8%) to PKR16.2 billion from PKR12.2 billion in December 2014. Consequently, Islamic income funds category posted an impressive growth of 19.8% in AUMs from PKR25.8 billion in December 2014 to PKR30.9 billion. A noticeable drop was witnessed in conventional money market funds which declined by 15.6% to close at PKR90.5 billion from PKR107.2 billion in December 2014. On the other hand, asset allocation and Islamic Asset allocation funds managed to post an increase of 51.6% and 14.0%, respectively. We believe investors will continue to prefer income and equity funds due to bullish outlook on those asset classes.

### FUND PERFORMANCE

During the period under review, ABL Islamic Income Fund's AUMs increased by healthy 16% to PKR 1.585 billion from PKR 1.366 billion as on December 31, 2014. Return performance remained upbeat during the quarter due to active portfolio management. In 3QFY15, ABL IF posted an annualized return of 9.04% compared to benchmark return of 6.92%, thus

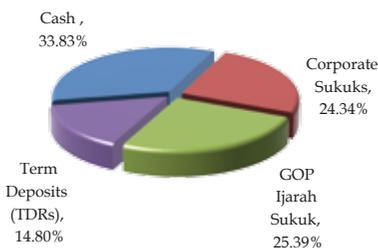
showing significant outperformance of 212 bps. On YTD basis, ABL IIF ranked as the best performing fund in its category by posting an annualized return of 9.08% against the benchmark performance of 6.68% (outperformance of 240bps). During the quarter, we maintained allocation towards KIBOR linked corporate Sukuks in order to benefit from higher accrual income. Furthermore, trading and valuation gains on GoP Ijarah and Corporate Sukuks due to 150 bps decline (cumulative) in interest rates also contributed towards returns performance.

Islamic money market remained liquid due to massive deposit growth. Some relief has been provided by SBP during the quarter in shape of regular OMOs (mop ups) in order to provide Islamic Banks an asset class with a decent rate. Nevertheless, Islamic banks still face difficulty in placement of funds. Consequently, GoP Ijarah and Corporate Sukuks remained preferred investment instruments in the Islamic universe. At the end of the period, the fund comprised of Corporate Sukuks, GoP Ijarah Sukuks, TDRs with Islamic banks and bank deposits at 24.34%, 25.39%, 14.80% and 33.83% of total assets, respectively. WAM of the fund reduced to 303 days in March from 389 days in December due to fresh inflows.



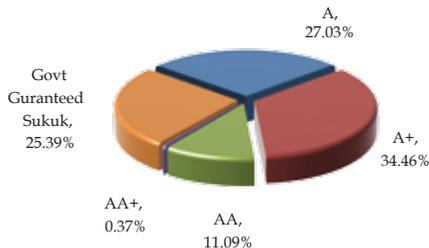
### Asset Allocation

Asset Allocation (% of Assets)



### Asset Quality

Credit Quality of Portfolio (% of Assets)



Other assets/receivables account for 1.64% of total assets.

## AUDITORS

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

## FUND STABILITY RATING

JCR-VIS Credit Rating Company LTD. (JCR-VIS) on October 16, 2013 has revised the Fund Stability of ABL Islamic Income Fund from 'A+(f)' (Single A Plus (f)) to 'A(f)' (Single A (f)).

## MANAGEMENT QUALITY RATING

On December 31, 2014, 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'.

## OUTLOOK

Looking ahead, we expect SBP to continue with the monetary easing stance till next fiscal year in the backdrop of improved macro-economic conditions and historically low inflation numbers. Moreover, we believe country's forex reserves will be in comfortable position owing to lower oil prices, dollar flows related to multilateral agencies (WB, IMF & ADB), privatization flows and healthy remittances. This will in turn provide critical space to central bank and fiscal managers to pursue growth-oriented economic policies.

ABL IIF should maintain its stable, risk-adjusted returns with a high probability of further gains on Sukuks portfolio due to continued monetary easing. We will maintain our stance of adding high quality Sukuks from the corporate sector against the upcoming maturity of K-Electric Sukuk in order to support underlying yields without enhancing the risk profile of the fund. Furthermore, placements with Islamic banks at attractive rates are likely to boost returns in short term.

## ACKNOWLEDGEMENT

We thank our valued investors who have placed their confidence in us. The Board is also thankful to Securities & Exchange Commission of Pakistan, the Trustee (Central Depository Company of Pakistan Limited) and the management of Karachi Stock Exchange Limited for their continued guidance and support. The Directors also appreciate the efforts put in by the management team.

For & on behalf of the Board

  
Farid Ahmed Khan  
Chief Executive Officer

Karachi, April 29, 2015

**ABL ISLAMIC INCOME FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT MARCH 31, 2015**

	Note	(Un-audited) March 31, 2015	(Audited) June 30, 2014
----- (Rupees in '000) -----			
<b>ASSETS</b>			
Balances with banks	4	548,333	1,076,800
Investments	5	1,046,446	202,376
Security deposit and prepayments		160	100
Profit receivable		26,446	9,460
Preliminary expenses and floatation costs		161	645
<b>Total assets</b>		<b>1,621,546</b>	<b>1,289,381</b>
<b>LIABILITIES</b>			
Payable to ABL Asset Management Company Limited - Management Company	6	6,491	4,961
Payable to Central Depository Company of Pakistan Limited - Trustee		185	164
Payable to the Securities and Exchange Commission of Pakistan		794	896
Accrued expenses and other liabilities	7	9,543	10,257
Payable against redemption of units		19,354	2,842
<b>Total liabilities</b>		<b>36,367</b>	<b>19,120</b>
<b>NET ASSETS</b>		<b>1,585,179</b>	<b>1,270,261</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>1,585,179</b>	<b>1,270,261</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	9	----- (Number of units) -----	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>148,022,705</b>	<b>126,706,000</b>
<b>NET ASSET VALUE PER UNIT</b>		<b>10.7090</b>	<b>10.0253</b>
<b>FACE VALUE PER UNIT</b>		<b>10.0000</b>	<b>10.0000</b>

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

  
**FARID AHMED KHAN**  
 CEO

For ABL Asset Management Company Limited  
 (Management Company)

  
**KAMRAN NISHAT**  
 DIRECTOR

  
**ABLIF**  
 ABL Islamic Income Fund

 **ABL Asset Management**  
 Discover the potential

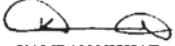
**ABL ISLAMIC INCOME FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)**  
**FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2015**

		For the Nine Months ended March 31, 2015	For the Nine Months ended March 31, 2014	For the Quarter ended March 31, 2015	For the Quarter ended March 31, 2014
------(Rupees in '000)-----					
<b>INCOME</b>					
Capital gain on sale of government securities - net		4,564	6,289	3,594	1,755
Profit on deposits with banks		49,015	38,894	8,929	18,592
Income from term deposit receipts		9,011	6,161	6,338	3,085
Income from sukus		45,761	34,717	19,415	5,650
		<b>108,351</b>	<b>86,061</b>	<b>38,276</b>	<b>29,082</b>
Unrealised appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss - net	5.3	5,204	3,434	1,092	3,392
<b>Total income</b>		<b>113,555</b>	<b>89,495</b>	<b>39,368</b>	<b>32,474</b>
<b>EXPENSES</b>					
Remuneration of ABL Asset Management Company Limited - Management Company		10,585	8,603	3,608	2,887
Sindh sales tax on remuneration of the Management Company	6.1	1,842	1,597	628	536
Federal excise duty on remuneration of the Management Company	6.2	1,694	1,376	578	462
Remuneration of Central Depository Company of Pakistan Limited - Trustee		1,538	1,369	516	455
Amortization of preliminary expenses and floatation costs		484	484	159	159
Annual fee - Securities and Exchange Commission of Pakistan		794	645	271	217
Auditors' remuneration		353	270	187	82
Bank and settlement charges		107	81	22	33
Annual rating fee		145	138	48	45
Printing charges		123	73	40	32
Brokerage and securities transaction cost		216	97	107	16
Listing fee		38	38	13	12
<b>Total operating expenses</b>		<b>17,919</b>	<b>14,771</b>	<b>6,177</b>	<b>4,936</b>
<b>Net income for the period from operating activities</b>		<b>95,636</b>	<b>74,724</b>	<b>33,191</b>	<b>27,538</b>
Element of income and capital gains included in the prices of units issued less those in units redeemed - net		7,982	804	10,467	2,103
Provision for Workers' Welfare Fund	7.1	(2,072)	(1,510)	(872)	(593)
<b>Net income for the period before taxation</b>		<b>101,546</b>	<b>74,018</b>	<b>42,786</b>	<b>29,048</b>
Taxation	8	-	-	-	-
<b>Net income for the period after taxation</b>		<b>101,546</b>	<b>74,018</b>	<b>42,786</b>	<b>29,048</b>
Other comprehensive income		-	-	-	-
<b>Total comprehensive income for the period</b>		<b>101,546</b>	<b>74,018</b>	<b>42,786</b>	<b>29,048</b>
<b>Earnings per unit</b>	10				

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

  
**FARID AHMED KHAN**  
 CEO

For ABL Asset Management Company Limited  
 (Management Company)

  
**KAMRAN NISHAT**  
 DIRECTOR



**ABL ISLAMIC INCOME FUND**  
**CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED)**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2015**

	For the nine months ended March 31, 2015	For the nine months ended March 31, 2014
	----- (Rupees in '000) -----	
<b>Undistributed income brought forward comprising of:</b>		
- realised income	3,012	4,337
- unrealised income / (loss)	184	(3,332)
	<b>3,196</b>	<b>1,005</b>
<b>Distribution during the period</b>		
- Nil (2014 - Re 0.1868 per unit on September 27, 2013)		
Cash distribution	-	(16)
Issue of Nil bonus units (2014: 2,115,115 units)	-	(21,151)
- Nil (2014 - Re 0.2231 per unit on December 30, 2013)		
Cash distribution	-	(19)
Issue of Nil bonus units (2014: 2,379,015 units)	-	(23,790)
- Nil (2014 - Re 0.2290 per unit on March 27, 2014)		
Cash distribution	-	(19)
Issue of Nil bonus units (2014: 2,866,574 units)	-	(28,666)
	-	(73,661)
Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed - net	539	(33)
Net income for the period after taxation	<b>101,546</b>	<b>74,018</b>
Undistributed income carried forward	<b>105,281</b>	<b>1,329</b>
<b>Undistributed income carried forward comprising of:</b>		
- realised income / (loss)	100,077	(2,105)
- unrealised income	5,204	3,434
	<b>105,281</b>	<b>1,329</b>

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

  
**FARID AHMED KHAN**  
 CEO

For ABL Asset Management Company Limited  
 (Management Company)

  
**KAMRAN NISHAT**  
 DIRECTOR

  
**ABLIF**  
 ABL Islamic Income Fund

 **ABL Asset Management**  
 Discover the potential

# ABL ISLAMIC INCOME FUND

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2015

	For the nine months ended March 31, 2015	For the nine months ended March 31, 2014
	----- (Rupees in '000) -----	
<b>Net assets at the beginning of the period</b>	1,270,261	1,172,065
Issue of 140,837,564 units (2014:78,249,969 units)	1,460,715	791,217
Redemption of 119,520,859 units (2014:75,080,232 units)	(1,239,361)	(758,744)
	221,354	32,473
Issue of Nil bonus units (2014:7,360,704 units)	-	73,607
Net element of (income) / loss and capital (gains) / losses included in the prices of units issued less those in units redeemed		
- amount representing income and capital gains transferred to income statement	(7,982)	(804)
- amount representing (income) / loss and capital (gains) / losses transferred to distribution statement	(539)	33
	(8,521)	(771)
Capital gain on sale of government securities - net	4,564	6,289
Unrealised appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss - net	5,204	3,434
Other net income	91,778	64,294
	101,546	74,017
<b>Distribution during the period</b>		
- Nil (2014 - Re 0.1868 per unit on September 27, 2013)		
Cash distribution	-	(16)
Issue of Nil bonus units (2014: 2,115,115 units)	-	(21,151)
- Nil (2014 - Re 0.2231 per unit on December 30, 2013)		
Cash distribution	-	(19)
Issue of Nil bonus units (2014: 2,379,015 units)	-	(23,790)
- Nil (2014 - Re 0.2290 per unit on March 27, 2014)		
Cash distribution	-	(19)
Issue of Nil bonus units (2014: 2,866,574 units)	-	(28,666)
	-	(73,661)
Net element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed transferred to distribution statement	539	(33)
<b>Net assets as at the end of the period</b>	<b>1,585,179</b>	<b>1,277,697</b>

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

  
FARID AHMED KHAN  
CEO

For ABL Asset Management Company Limited  
(Management Company)

  
KAMRAN NISHAT  
DIRECTOR

**ABL ISLAMIC INCOME FUND**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2015**

Note	For the nine months ended March 31, 2015	For the nine months ended March 31, 2014
	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	101,546	74,018
<b>Adjustments for non-cash and other items:</b>		
Unrealised appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss - net	(5,204)	(3,434)
Element of income and capital gains included in prices of units issued less those in units redeemed - net	(7,982)	(804)
Amortization of preliminary expenses and floatation cost	484	484
Provision for Workers' Welfare Fund	2,072	1,511
Federal Excise Duty on Management Company's Remuneration	1,694	1,376
	(8,936)	(867)
<b>(Increase) / decrease in assets</b>		
Profit receivable	(16,986)	(158)
Security deposits and prepayments	(60)	11,587
Investments	(598,866)	454,079
	(615,912)	465,508
<b>Increase / (decrease) in liabilities</b>		
Payable to ABL Asset Management Company Limited - Management Company	1,530	1,287
Payable to Central Depository Company of Pakistan Limited - Trustee	21	16
Payable to Securities and Exchange Commission of Pakistan	(102)	(292)
Accrued expenses and other liabilities	(4,480)	4,562
	(3,031)	5,573
<b>Net cash (used in) / generated from operating activities</b>	(526,333)	544,232
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash distribution paid	-	(50)
Receipts against issuance of units - net	237,866	35,839
<b>Net cash generated from financing activities</b>	237,866	35,789
<b>Net (decrease) / increase in cash and cash equivalents</b>	(288,467)	580,021
Cash and cash equivalents at the beginning of the period	1,076,800	417,536
<b>Cash and cash equivalents at the end of the period</b>	4.3 788,333	997,557

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

  
**FARID AHMED KHAN**  
 CEO

For ABL Asset Management Company Limited  
 (Management Company)

  
**KAMRAN NISHAT**  
 DIRECTOR

  
**ABLIF**  
 ABL Islamic Income Fund

 **ABL Asset Management**  
 Discover the potential

# ABL ISLAMIC INCOME FUND

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2015

### 1 LEGAL STATUS AND NATURE OF BUSINESS

ABL Islamic Income Fund (the Fund) was established under a Trust Deed executed between ABL Asset Management Company Limited (ABL AMCL) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on June 11, 2010 in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

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

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

The Fund has been categorised as an open-end shariah compliant (Islamic) income scheme as per the criteria laid down by the SECP for categorisation of Collective Investment Schemes (CIS).

The objective of the Fund is to invest in liquid shariah compliant instruments like shariah compliant government securities and cash and near cash instruments.

JCR-VIS Credit Rating Company has assigned management quality rating of AM2 (stable outlook) to the Management Company as at December 31, 2014 and a fund stability rating of A(f) to the Fund as at October 16, 2014.

The assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as trustee of the Fund.

### 2 BASIS OF PREPARATION

#### 2.1 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. 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.

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, 2014.

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

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, 2014.

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 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, 2014.

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, 2014.

Certain amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 1, 2014. None of these amendments have a significant effect on this condensed interim financial information.

	Note	(Un-audited) March 31, 2015	(Audited) June 30, 2014
----- (Rupees in '000) -----			
<b>4 BALANCES WITH BANKS</b>			
Current account	4.1	4,201	1,074,197
Savings accounts	4.2	544,132	2,603
		<u>548,333</u>	<u>1,076,800</u>
<b>4.1</b>	The Balance is maintained with Allied Bank Limited, a related party of the fund.		
<b>4.2</b>	These saving accounts carrying profit at rates ranging from 6.50% to 8.60% per annum (June 30, 2014: 6.00% to 9.25%).		
<b>4.3 Cash and cash equivalents</b>			
Balances with banks		548,333	1,076,800
Term deposit receipts	5.2	240,000	-
		<u>788,333</u>	<u>1,076,800</u>

(Un-audited) (Audited)  
March 31, June 30,  
2015 2014  
------(Rupees in '000)-----

## 5 INVESTMENTS

### Financial assets at fair value through profit or loss

- GoP Ijarah sukuku	5.1	411,731	-
- Other sukuku	5.1	394,715	202,376
		<b>806,446</b>	<b>202,376</b>
<b>Loans and receivables</b>			
- Term deposit receipts	5.2	240,000	-
		<b>1,046,446</b>	<b>202,376</b>

### 5.1 a) GoP Ijarah sukuku:

Issue date	Coupon rate in % / tenor	Face Value				Balance as at March 31, 2015			Market value as a percentage of total net assets	Market value as a percentage of total market value of investments
		As at July 01, 2014	Purchased during the period	Disposed of / matured during the period	As at March 31, 2015	Carrying Value	Market value	Appreciation / (diminution)		
Rupees in '000										
December 26, 2011	9.49 / 4 Years	-	1,789,700	1,396,000	393,700	396,588	397,204	616	24.50%	37.96%
June 28, 2012	9.47 / 4 Years	-	14,400	-	14,400	14,494	14,527	33	0.90%	1.39%
		-	1,804,100	1,396,000	408,100	411,082	411,731	649	25.39%	39.35%

Issue date	Coupon rate in % / tenor	Face Value				Balance as at March 31, 2015			Market value as a percentage of total net assets	Market value as a percentage of total market value of investments
		As at July 01, 2014	Purchased during the period	Disposed of / matured during the period	As at March 31, 2015	Carrying Value	Market value	Appreciation / (diminution)		
Rupees in '000										
WAPDA	-	-	92,500	92,500	-	-	-	-	-	-
K-Electric	9.37 / 13 Months	95,000	5,000	17,500	82,500	81,925	82,456	531	5.20%	7.88%
K-Electric	10.47 / 3 Years	105,000	-	11,000	94,000	96,774	96,749	(25)	6.10%	9.25%
Engro Fertilizer	11.01 / 5 Years	-	194,200	25,000	169,200	165,641	169,725	4,084	10.71%	16.22%
Engro Fertilizer	11.01 / 8 Years	-	5,000	-	5,000	2,520	2,491	(29)	0.16%	0.24%
Engro Rupaya	13 / 3 years	-	65,000	25,000	40,000	43,300	43,294	(6)	2.73%	4.14%
		200,000	361,700	171,000	390,700	390,160	394,715	4,555	24.90%	37.72%

5.2 Term Deposit Receipts carry mark-up at rates ranging from 8.45% to 10.00% per annum and maturities ranging from April 24, 2015 to June 5, 2015.

(Un-audited) (Audited)  
March 31, June 30,  
2015 2014  
------(Rupees in '000)-----

### 5.3 Net unrealised appreciation in the value of investments classified as 'at fair value through profit or loss'

Fair value of investment	806,446	202,376
Less: Carrying value of investment	(801,242)	(202,192)
Net unrealised appreciation in the value of investments 'at fair value through profit or loss'	<b>5,204</b>	<b>184</b>

	(Un-audited) March 31, 2015	(Audited) June 30, 2014
Note	------(Rupees in '000)-----	

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

Remuneration of the Management Company		1,322	1,103
Sindh sales tax payable on remuneration of the Management Company	6.1	772	496
Federal excise duty on the remuneration of the Management Company	6.2	3,692	1,998
Preliminary expenses and floatation costs		645	1,290
Sales load		60	74
		<u>6,491</u>	<u>4,961</u>

**6.1** The Provincial Government of Sindh has levied Sindh sales tax at the rate of 15% (June 30, 2014: 16%) on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.

**6.2** 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 Honorable 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 effective June 13, 2013 aggregating to Rs 3.692 million (including Rs 1.694 million for the current period). Had the provision not been made the net asset value per unit of the Fund as at March 31, 2015 would have been higher by Re 0.0249 per unit.

	(Un-audited) March 31, 2015	(Audited) June 30, 2014
Note	------(Rupees in '000)-----	

**7 ACCRUED EXPENSES AND OTHER LIABILITIES**

Auditors' remuneration		185	263
Printing charges		96	95
Provision for Workers' Welfare Fund	7.1	9,008	6,936
Withholding tax payable		108	13
Advance against issuance of units		-	2,950
Brokerage payable		146	-
		<u>9,543</u>	<u>10,257</u>

## 7.1 Provision For Workers' Welfare Fund

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

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

During the year ended June 30, 2012, the Honourable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006 and the Finance Act, 2008, had declared the said amendments as unlawful and unconstitutional. In March 2013, a larger bench of the Honourable Sindh High Court (SHC) passed an order declaring that the amendments introduced in the WWF Ordinance, 1971 through the Finance Act, 2006 and the Finance Act, 2008 do not suffer from any constitutional or legal infirmity. However, the Honorable High Court of Sindh has not addressed the other amendments made in the WWF Ordinance 1971 about applicability of WWF to the CISs which is still pending before the Court. In a recent judgment, the Peshawar High Court (PHC) has also held these amendment to be ultra vires as they lacked the essential mandate to be introduced and passed through the Money Bill under the constitution. Without prejudice to the above, the Management Company, as a matter of abundant caution, has decided to retain the provision for WWF amounting to Rs 9.008 million (including Rs 2.072 million for the current period) in this condensed interim financial information. Had the same not been made the net asset value per unit of the Fund as at March 31, 2015 would have been higher by Re 0.0609 per unit.

## 8 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.

## 9 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2015 and as at June 30, 2014.

## 10 EARNINGS PER UNIT

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



## 11 TRANSACTIONS WITH CONNECTED PERSONS

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 Central Depository Company being the Trustee of the Fund and the directors and officers of the Management Company.

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

### 11.1 Details of transactions with connected persons / related parties during the period are as follows:

	------(Un-audited)-----	
	For the Nine Months ended March 31, 2015	For the Nine Months ended March 31, 2014
	------(Rupees in '000)-----	
<b>ABL Asset Management Company Limited - Management Company</b>		
Bonus of Nil units (2014: 436,929 units)	-	4,369
Redemption of 7,278,218 units (2014: Nil units)	73,746	-
Preliminary expenses and floatation costs paid during the period	645	-
Remuneration for the period	10,585	8,603
Sindh sales tax on remuneration of the Management Company	1,842	1,597
Federal excise duty on remuneration of the Management Company	1,694	1,376
<b>ABL Asset Management Company Limited -Staff Provident Fund</b>		
Issue of Nil Units( 2014: 127,863 units)	-	1,300
Bonus of Nil units (2014: 4,992 units)	-	50
Redemption of 3,986,064 units (2014: 37,287 units)	-	380
<b>Allied Bank Limited - Holding Company of the Management Company</b>		
Bank charges	17	19
Redemption of 3,986,064 units (2014: Nil units)	40,143	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration for the period	1,538	1,369
CDS Charges	21	6
<b>DIRECTOR OF THE MANAGEMENT COMPANY</b>		
<b>M. Shakeb Murad *</b>		
Bonus of Nil Units (2014: 3,128 units)	-	31
Redemption of 49,928 units (2014: 3,132 units)	514	32

	----- (Un-audited) -----	
	For the Nine Months ended March 31, 2015	For the Nine Months ended March 31, 2014
	----- (Rupees in '000) -----	
<b>KEY MANAGEMENT PERSONNEL</b>		
<b>Chief Executive Officer</b>		
Bonus of Nil units (2014: 7,237 units)	-	72
<b>Executives</b>		
Issue of 317,196 units (2014: 521,927 units)	3,082	5,270
Bonus of Nil units (2014: 22,761 units)	-	228
Redemption of 95,743 units (2013: 661,907 units)	984	6,643

**11.2 Amounts outstanding with connected persons / related parties as at the period end:**

	(Un-audited) March 31, 2015	(Audited) June 30, 2014
	----- (Rupees in '000) -----	
<b>ABL Asset Management Company Limited - Management Company</b>		
Outstanding Nil Units (June 30, 2014: 7,278,218 units)	-	72,966
Preliminary expenses and floatation costs payable	645	1,290
Remuneration payable to the Management Company	1,322	1,103
Sindh Sales tax on the Management Company's remuneration	772	496
Federal excise duty on remuneration of the Management Company	3,692	1,998
Sales load	60	74
<b>ABL Asset Management Company Limited - Staff Provident Fund</b>		
Outstanding 600,040 units (June 30, 2014: 600,040 units)	6,426	6,016
<b>Allied Bank Limited - Holding Company of the Management Company</b>		
Balances in current accounts	4,201	2,603
Outstanding Nil units (June 30, 2014: 3,986,064)	-	39,961
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable	185	164
Security deposit receivable	100	-
<b>DIRECTOR OF THE MANAGEMENT COMPANY</b>		
<b>M. Shakeb Murad *</b>		
Outstanding Nil units (June 30, 2014: 49,928 units)	-	501
<b>KEY MANAGEMENT PERSONNEL</b>		
<b>Chief Executive Officer</b>		
Outstanding 320,589 Units (June 30, 2014: 320,589 units)	3,433	3,214
<b>Executives</b>		
Outstanding 240,763 units (June 30, 2014: 19,311 units)	2,578	194

\* M. Shakeb Murad has retired as director of the Management Company as on March 31, 2015.

12 GENERAL

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

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

13 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on **April 29, 2015**.

  
FARID AHMED KHAN  
CEO

For ABL Asset Management Company Limited  
(Management Company)

  
KAMRAN NISHAT  
DIRECTOR