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# Vision

Creating Investment Solutions  
within everyone's reach

## Mission & Core Values

To create a conducive working environment, to attract the best talent in the Asset Management Sector. ABLAMC strives to be the 'employer of choice' for young and experienced talent.

To set the highest industry standards in terms of product ranges and innovations, in order to offer products for clients of all demographics.

To adhere to the highest industry standard for integrity and quality across all the spheres of the company.

To use technology and financial structuring to serve as a "cutting-edge" compared to the competition.

To enhance Stakeholders Value.



## 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 Syed Khalid Hussain	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 Syed Khalid Hussain	Chairman Member Member
<b>Chief Executive Officer of The Management Company:</b>	Syed Khalid Hussain	
<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 BankIslamic Pakistan Limited Askari Bank Limited Bank Al- Falah Limited	
<b>Auditor:</b>	Deloitte Yousuf Adil Chartered Accountant Cavish Court, A-35, Block 7 & 8, KCHSU Shahra-e-Faisal, Karachi.	
<b>Legal Advisor:</b>	Ijaz Ahmed & Associates Suit # 7, 11th Zamzama Steet, Phase-V, DHA Karachi.	
<b>Registrar:</b>	ABL Asset Management Company Limited. 11 - B, Lalazar, M. T. Khan Road, Karachi.	

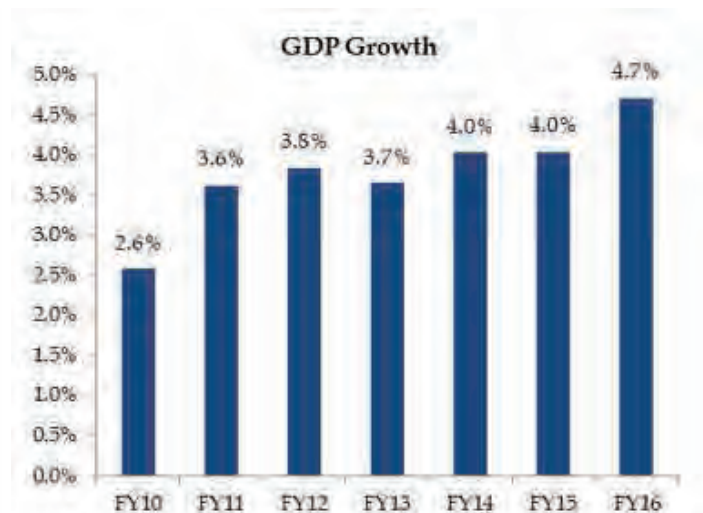
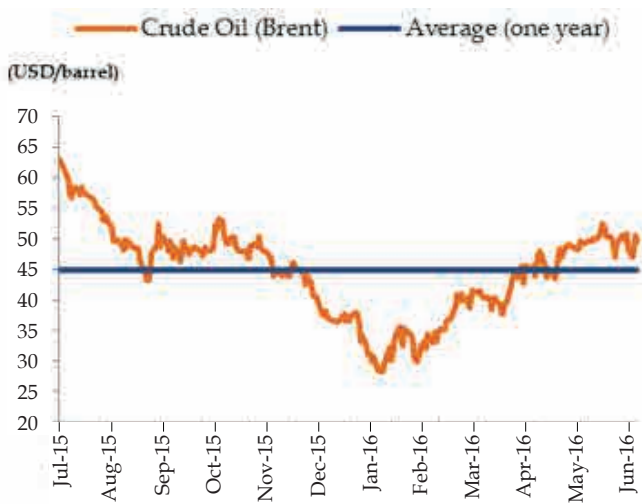


## REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

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 Audited Financial Statements of ABL Islamic Income Fund for the year ended June 30, 2016.

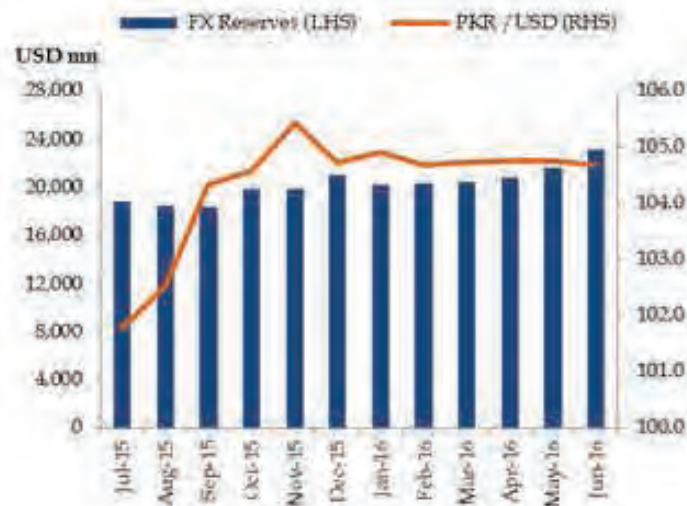
### ECONOMIC PERFORMANCE REVIEW

Pakistan's economic landscape continued to reveal gradual improvement in FY16 underpinned by constant rout in crude oil prices, with Brent closing the year at USD49.71/bbl (down by 19.7%YoY) mainly due to excess supply and weak dynamics of global demand. The gloomy oil market continues to spell relief for Pakistan's key macroeconomic indicators like CPI and CAD. Despite positive developments and favorable law & order situation, country once again missed its economic growth target of 5.7% and registered a modest growth of 4.7%, though this is the highest rate achieved since FY09. Subpar growth in GDP can be attributed to weak commodity prices and drop in major crops (cotton & rice) which dragged agricultural growth to negative territory with a -0.2%YoY growth. However, growth in industrial (6.8% in FY16 against 4.8% in FY15) and services sector (3.3% in FY16 against 3.6% in FY15) provided some impetus to economic output. Encouragingly, IMF program, albeit with some hitches, went smoothly and government, by and large, managed to meet its performance criteria in each quarter which resulted into timely disbursements of USD 6 billion (approximately 91% of total size) under EFF program.



On the external front, current account deficit was narrowed by 6.8%YoY to USD2.5 billion in FY16 compared to USD2.7 billion in FY15, largely due to a decent growth of 6.4%YoY in workers' remittances to USD19.9 billion. Moreover, 18.5%YoY drop in the services deficit owing to coalition support fund's inflows helped CAD to settle at -0.9% of the GDP vs. -1.0% in FY15. On the other hand, trade deficit widened by 7.4%YoY to USD18.5 billion in FY16 compared to USD17.2 billion last year. A significant drop of 8.6%YoY in exports has swept away the benefits of low oil prices in the import bill (down by 2.0%YoY to USD40.5 billion). Weak commodity prices, subdued global demand (especially in Eurozone) and firm domestic exchange rate compared to regional currencies (REER at PKR119.2/USD) resulted drop in exports to USD22.0 billion compared to USD24.1 billion in FY15. The effect of lower CAD, steady growth in workers' remittances, inflows from IMF, euro bonds and other multilateral sources strengthened FX reserves from USD18.7 billion to USD23.1 billion in FY16. Marked improvement in FX reserves also helped the country in restricting PKR depreciation to just 3.0%YoY to close the year at PKR 104.8/USD.

State Bank of Pakistan continued its monetary easing stance amidst benign inflationary outlook and strengthening external account and slashed Discount Rate by cumulative 75bps to a 44-year low of 6.25% in order to support economic growth. Multiyear low interest rates and improved law and order situation translated into uptick in private sector credit offtake to clocked in at PKR 460.60 billion (Up ~106%YoY) during FY16. The total investment to GDP ratio dropped to 15.2% in FY16 as compared to 15.5% in FY15. The total savings to GDP ratio slightly increased to 14.6% in FY16 against 14.5% in FY15.



On the fiscal front, lower power subsidies (due to plunged oil prices) coupled with aggressive tax measures (Super Tax, higher tax on non-filers and mini budget announced in Dec-15) helped the government achieving its tax collection target of PKR 3.1 trillion in FY16. However, the fiscal deficit remained slightly higher at 4.45% of GDP against the target of 4.3% of GDP, though massive improvement from 5.3% in FY15. Pakistan economy is all-set to see a period of sustained economic growth with fast-track work on China Pakistan Economic Corridor (CPEC) which promises to bring USD46 billion into the economy. CPEC is expected to improve bilateral trade flows, power generation, infrastructure buildup, giving an impetus to the economy. Furthermore, multi-decade low interest rate, improving security situation and resolution of energy crisis through LNG, TAPI and IPI pipeline should boost overall economic activity going forward.

### ISLAMIC MONEY MARKET REVIEW

On the Islamic end, money market remained very liquid (placements were made 25-30 bps below 6 months Treasury bill) due to massive deposit growth of 19% (July15-Mar16). Moreover, market share of Islamic Banking Institutions deposits in overall banking deposits stood at 13.2% by end March 2016. Similarly, total assets of Islamic Banking in overall banking size were also increased to 11.4% in 9M16 compared to 10.4% in last year. During the period, Ijarah Sukuk worth of PKR 276.8 billion was matured. SBP also conducted 3 Ijarah Sukuk auctions and issued Ijarah Sukuks worth PKR 314.4 billion (PKR 37.5 billion excess of maturity amount) in order to help Islamic Banks to deploy their excess liquidity as they were in short in SLR eligible securities. During the year, SBP introduced first ever Fixed Rental Rate Ijarah Sukuk in February 2016 in order to provide diversified range of Shariah compliant investment avenues. High trading activity was witnessed in fixed rate GoP Ijarah Sukuk due to heavy demand from Islamic counters on account of cut in discount rate. Corporate Sukuks were also launched during the years (HASCOL & Short maturity Engro Fertilizer Sukuk) which were oversubscribed due to limited availability of Shariah compliant instruments at attractive rate.

M2 growth for the period clocked-in at 13.7% compared to 13.2% in SPLY. Increase in money supply was mainly attributed to increase of 23.12% (up by PKR 253 billion) in Net Domestic Assets (NDA) as credit to private sector has improved to PKR460.598 billion against PKR223.847 billion in SPLY. NFA posted a significant decline of 11.96% (PKR 193.43 billion) in FY16 from PKR 219.705b in SPLY due to muted foreign inflows during the year. Government borrowings from CBs currently stand at ~PKR 1.27 trillion against ~PKR 1.335 trillion in FY15 whereas a net amount of PKR 486 billion was retired from SBP.

### MUTUAL FUND INDUSTRY REVIEW

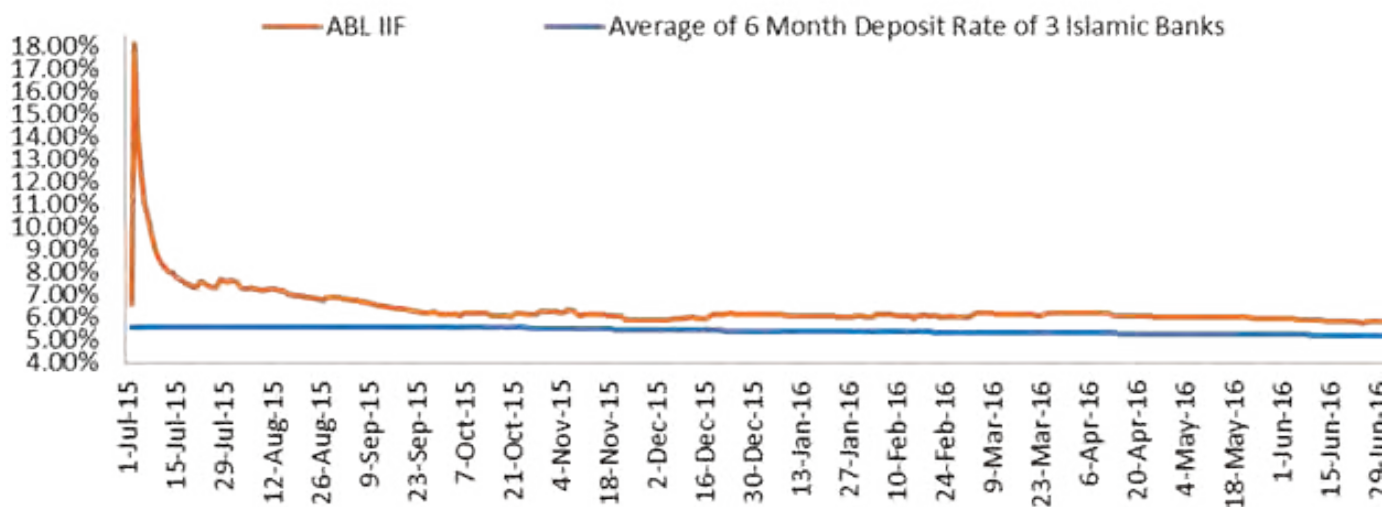
Total assets under management (AUMs) of Pakistan's open end mutual fund industry posted a steady growth of 12.1% in FY16 (from PKR422 billion to PKR473 billion). This growth was led by Income and aggressive fixed income fund categories. Income fund category remained in limelight on the back of continued monetary easing (cumulative 75bps cut in DR) by SBP amidst improvement in macro indicators and benign CPI outlook for FY16. Hence, it registered an increase of 21.8% in AUMs from PKR80 billion in June 2015 to PKR98 billion in June 2016. On the flip side, low interest rate scenario caused an outflow of PKR16 billion (down 23.8% YoY) from money market fund category to close the period at PKR50 billion. On

cumulative basis, the fixed income category (comprising of Income, Aggressive Income and Money Market funds) registered an increase of 4.8%YoY to close at PKR162 billion in June 2016 compared to PKR154 billion in June 2015. In line with conventional fixed income funds, Islamic Income Category was also up by 39.4%YoY to PKR30 billion, largely contributed by launch of new funds under the Islamic fund of funds category. Going forward, despite unfavorable taxes regime particularly for corporate, banks and insurance sectors, outlook is still encouraging as flow of funds in riskier assets is anticipated due to decade's low interest rates, attractive risk adjusted return and improved economic land scape.

## FUND PERFORMANCE

ABL Islamic Income Fund's AUM increased substantially by 78.81% to PKR3.277 billion from PKR1.832.42 billion as on June 30, 2016. ABL IIF was among the best performing fund (2/14) in Islamic income fund category in FY16 by posting an annualized return of 5.84% compared to benchmark return of 5.10%, thus showing an outperformance of 74 bps. The outperformance was largely attributed to trading & valuation gains on Government and Corporate Sukuks. Moreover, higher accrual income from KIBOR linked instruments along with timely placements at high rate (TDRs and DPAs) also helped the fund to beat industry average by 76 bps (Industry average - 5.08%).

During the year, we focused on adding high yielding corporate Sukuks in order to remain competitive. However, we did not compromise on risk and invest only in high rated instruments. Allocation in corporate Sukuks was increased to 28.20% compared to 22.89% last year. Moreover, due to dearth of investment options in Islamic universe we increased exposure in GoP Ijarah Sukuk as we expect massive demand going ahead on account of demand for SLR eligible securities in the market. At the end of the period, fund comprised of TDRs, GoP Ijarah, Corporate Sukuks and bank deposits at 6.04%, 12.81%, 28.20% and 52.3% of total assets, respectively. The tilt towards bank deposits was due to better rates offered by banks than other investment avenues.



## DIVIDENDS

The Chief Executive Officer of ABL Asset Management Company Limited (ABL AMCL) on behalf of the Board of Directors has approved and declared the aggregated interim dividend distribution of Re.0.5946 per unit (5.95% of the par value of Rs.10), for the year ended June 30, 2016.

## COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

The Board of Directors states that:

1. Financial Statements present fairly the state of affairs, the results of operations, cash flows and the changes in unit holder's fund;
2. Proper books of accounts of the Fund have been maintained.
3. Appropriate accounting policies have been consistently applied in the preparation of the financial statements and accounting estimates are based on reasonable and prudent judgments;

4. Relevant International Accounting Standards, as applicable in Pakistan, provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 & Non-Banking Finance Companies and Notified Entities Regulations, 2008, requirements of the Trust Deed and directives issued by the Securities and Exchange Commission of Pakistan, have been followed in the preparation of the financial statements;
5. The system of internal control is sound in design and has been effectively implemented and monitored;
6. There have been no significant doubts upon the Funds' ability to continue as going concern;
7. There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations;
8. Performance table of the Fund is given on page # 13 of the Annual Report;
9. There is no statutory payment on account of taxes, duties, levies and charges outstanding other than already disclosed in the financial statements;
10. The statement as to the value of investments of Provident Fund is not applicable in the case of the Fund as employees retirement benefits expenses are borne by the Management Company;
11. There have been no trades in the units of the Fund's carried out by the Directors, CEO, CFO, CIA and the Company Secretary and their spouse excepts as disclosed below and in notes to the financial statements;

S.No.	Name	Designation	Units Issued	Units Redeemed	Bonus Units	Dividend Units
1	Mr. Farid Ahmed Khan	CEO	70,026.51	984,636.34	177.93	-
2	Mr. Saqib Matin	CFO & CS	252,886.02	123,757.66	1.54	25.24
3	Mr. Mubeen Ashraf Bhimani	CIA	976,334.84	1,089,519.05	1,274.79	-

12. During the year, no director on the Board attended training as required under the Code. However, four directors have obtained certification under the 'Board Development Series' program, while one director is exempt from the Director Training Program under the Code. The directors are well conversant with the relevant laws applicable to the Fund and the Management Company, its policies and procedures and provisions of memorandum and articles of association and are aware of their duties and responsibilities.

13. Meeting of the Board of Directors of the Management Company are held at least once in every quarter. During the year five meeting were held. The 43rd, 44th, 45th, 46th and 47th Board of Directors meetings were held on August 27, 2015, October 30, 2015, December 16, 2015, February 08, 2016 and April 27, 2016 respectively. Information in respect of attendance by the directors and other persons in the meetings is given below:

S.No.	Name	Number of meetings		Leave granted	Meetings not attended
		Held	Attended		
1	Sheikh Mukhtar Ahmed	5	4	1	46th
2	Mohammad Naeem Mukhtar	5	4	1	45th,
3	Muhammad Waseem Mukhtar	5	4	1	46th
4	Tariq Mahmood	5	4	1	43rd,
5	Kamran Nishat	5	3	2	46th, 47th
6	Muhammad Kamran Shehzad	5	5	-	-
7	Farid Ahmed Khan	5	5	-	-

14. Meeting of the Board's Human Resource and Remuneration of the Management Company needs to be held at least three times in year. During the year one meeting were held. The 18th meetings of the Board's Human Resource and Remuneration Committee were held on March 10, 2016. Information in respect of attendance by directors in the meetings is given below:

S.No.	Name	Number of meetings		Leave granted	Meetings not attended
		Held	Attended		
1	Mr. Muhammad Waseem Mukhtar	1	1	-	-
2	Mr. Kamran Nishat	1	1	-	-
3	Mr. Farid Ahmed Khan	1	1	-	-

15. Meeting of the Board's Audit Committee of the Management Company are held at least once in every quarter. During the year four meeting were held. The 33rd, 34th, 35th and 36th meetings of the Board's Audit Committee were held on August 27, 2015, October 30, 2015, February 03, 2016 and April 27, 2016 respectively. Information in respect of attendance by directors in the meetings is given below:

S.No.	Name	Number of meetings		Leave granted	Meetings not attended
		Held	Attended		
1	Mr. Kamran Nishat	4	3	1	36th
2	Mr. Muhammad Waseem Mukhtar	4	3	1	35th
3	Mr. M. Kamran Shehzad	4	4	-	31st

16. The details as required by the Code of Corporate Governance regarding the pattern of holding in ABL Islamic Income Fund, is given hereunder:

S.No.	Particulars	Units Held on June 30, 2016
1	<b>Associated Companies, undertakings and related parties</b>	
	• Muller & Phipps Pakistan (Pvt) Ltd. Staff Provident Fund	3,325,597.94
	• Muller & Phipps Pakistan (Pvt) Ltd. Officers Gratuity Fund	3,733,282.95
	• ABL AMCL Staff Provident Fund	655,745.07
2	<b>Mutual Funds</b>	-
	• MCBFSL Trustee ABL Islamic Financial Planning Fund-Strategic Allocation Plan	64,513,194.94
	• MCBFSL Trustee ABL Islamic Financial Planning Fund-Active Allocation Plan	34,772,677.54
	• MCBFSL Trustee ABL Islamic Financial Planning Fund-Conservative Allocation Plan	30,403,360.76
	• MCBFSL Trustee ABL Islamic Financial Planning Fund-Aggressive Allocation Plan	4,557,515.36
3	<b>Directors and their spouse(s) and minor children</b>	-
4	<b>Executives</b>	
	• Mr. Farid Ahmed Khan	60,710.32
	• Mr. Mubeen Ashraf	424,246.93
	• Mr. Saqib Matin	129,654.30
5	<b>Public Sector Companies and corporations</b>	13,543,472.87
6	<b>Others Corporates</b>	12,106,808.09
7	<b>Bank, DFIs, NBFCs, Insurance Companies, Takaful, Modaraba and Pension Fund</b>	34,908,505.03
8	<b>Shareholders holding five percent or more voting rights in the listed company</b>	-



## AUDITORS

M/s. Deloitte Yousuf Adil (Chartered Accountants), on the recommendation of the Audit Committee of the Board of Directors being eligible for re-appointment have been appointed as auditors for the year ending June 30, 2017 for ABL Islamic Income Fund (ABL-IIF).

## FUND STABILITY RATING

JCR-VIS Credit Rating Company LTD. (JCR-VIS) on December 31, 2015 has reaffirmed the Fund Stability of ABL Islamic Income Fund at 'A(f)' (Single A (f)).

## MANAGEMENT QUALITY RATING

On May 04, 2016, JCR-VIS Credit Rating Company Limited has harmonized its notations for the Management Quality Rating of ABL Asset Management Limited (ABL AMC) at 'AM Two Plus' (AM2+). Outlook on the assigned rating is 'Stable'.

## OUTLOOK AND STRATEGY

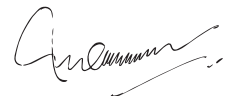
Economic growth is set to increase further during FY17 as government is largely on track with its economic agenda to resolve energy crises in the country and increasing developmental spending under CPEC. Inflation outlook for the next year remains benign owing to weak commodity prices in the global markets. However, some risks which could hamper the growth momentum such as continuous decline in exports, fiscal slippages post completion of IMF program, weak outlook of remittances due to global economic slowdown and abrupt recovery of international commodity prices cannot be ruled out.

Based on the above assumptions, we believe SBP will maintain a stable rate policy in FY17 on the back of healthy FX reserves, soft inflation outlook & improving macros. Hence, we will remain invested in high yielding corporate and GoP Sukuks to post stable returns with a high probability of capital gains on overall Sukuk portfolio due to heavy demand for Shariah compliant instruments. Moreover, we will continue to add high quality Corporate Sukuks against cash in order to provide best risk adjusted returns in the industry.

## ACKNOWLEDGEMENT

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

For & on behalf of the Board



**Syed Khalid Hussain**  
Chief Executive Officer

**Karachi, August 17, 2016**



## FUND MANAGER REPORT

### OBJECTIVE

To provide investors, with an opportunity to earn higher income over medium to long-term by investing in a diversified portfolio consisting of different Money market and debt instruments permissible under the Shariah principles.

### ISLAMIC MONEY MARKET REVIEW

On the Islamic end, money market remained very liquid (placements were made 25-30 bps below 6 months Treasury bill) due to massive deposit growth of 19% (July15-Mar16). Moreover, market share of Islamic Banking Institutions deposits in overall banking deposits stood at 13.2% by end March 2016. Similarly, total assets of Islamic Banking in overall banking size were also increased to 11.4% in 9M16 compared to 10.4% in last year. During the period, Ijarah Sukuk worth of PKR 276.8 billion was matured. SBP also conducted 3 Ijarah Sukuk auctions and issued Ijarah Sukuks worth PKR 314.4 billion (PKR 37.5 billion excess of maturity amount) in order to help Islamic Banks to deploy their excess liquidity as they were in short in SLR eligible securities. During the year, SBP introduced first ever Fixed Rental Rate Ijarah Sukuk in February 2016 in order to provide diversified range of Shariah compliant investment avenues. High trading activity was witnessed in fixed rate GoP Ijarah Sukuk due to heavy demand from Islamic counters on account of cut in discount rate. Corporate Sukuks were also launched during the years (HASCOL & Short maturity Engro Fertilizer Sukuk) which were oversubscribed due to limited availability of Shariah compliant instruments at attractive rate.

M2 growth for the period clocked-in at 13.7% compared to 13.2% in SPLY. Increase in money supply was mainly attributed to increase of 23.12% (up by PKR 253 billion) in Net Domestic Assets (NDA) as credit to private sector has improved to PKR460.598 billion against PKR223.847 billion in SPLY. NFA posted a significant decline of 11.96% (PKR 193.43 billion) in FY16 from PKR 219.705b in SPLY due to muted foreign inflows during the year. Government borrowings from CBs currently stand at ~PKR 1.27 trillion against ~PKR 1.335 trillion in FY15 whereas a net amount of PKR 486 billion was retired from SBP.

### FUND PERFORMANCE

Year 2016 turned out to be another successful year for ABL Islamic Income Fund (ABL IIF) in terms of both return performance and AUMs. The Fund performed exceptionally well and ranked among the best performing fund in Islamic Income Fund category (2/14). On YTD basis, ABL IIF posted an annualized return of 5.84% against the benchmark (Average of 6 Month Deposit Rate of 3 Islamic Banks) performance of 5.10%, outperformed the benchmark by 74 bps owing to active portfolio management & trading gains on Corporate and Government Sukuks. Moreover, higher accruals from bank deposits also helped the fund to beat the peer average (5.08%) by 76 bps. As on June 30, 2015 assets under management of ABL IIF were increased by 78.81% to PKR 3.276 billion.

During the period under review, SBP introduced Fixed Rental Rate Ijarah Sukuk against the huge maturities of PKR 276 billion (Ijarah Sukuk 9 to 14) in order to counter shortage of SLR eligible securities in the market. However, despite 3 Ijarah auctions (1 Floating rate and 2 Fixed Rate Sukuks) worth PKR 314.3 billion demand for Sukuks remained on the higher side owing to exceptional deposit growth of Islamic Banks. Money market was also fairly liquid and deal initiated under Bai Muajjal transactions were executed 25-30 bps below 6 months T-Bill rate.

Before the year end, we offloaded GoP Ijarah Sukuk 16 and 17 to book capital gains and placed the cash in bank deposits in order to take advantage of higher rates offered by banks on account of year end. Asset allocation as % of total assets comprised of Cash at Bank, Corporate Sukuks, GoP Ijarah Sukuks and TDRs at 52.30%, 28.20%, 12.81% and 6.04%, respectively. WAM of the portfolio also reduced to 341 days from 423 days in SPLY.

The Scheme has maintained the provisional asset against Workers' welfare Fund's Liability to the tune of Rs. 9.812 million, Had the same not been made, the NAV per unit of the scheme would have been higher by Rs. 0.0300 per unit

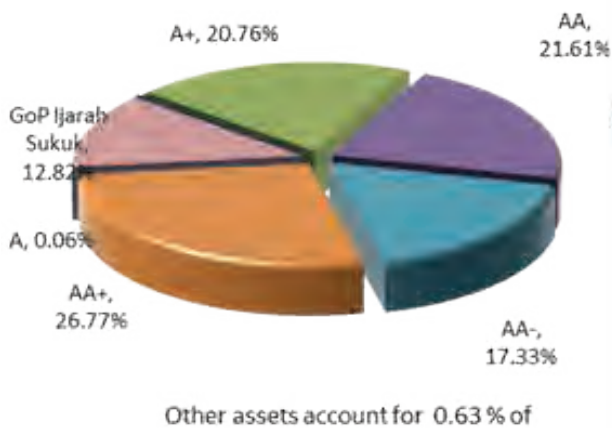
## FUTURE OUTLOOK AND STRATEGY

Economic growth is set to increase further during FY17 as government is largely on track with its economic agenda to resolve energy crises in the country and increasing developmental spending under CPEC. Inflation outlook for the next year remains benign owing to weak commodity prices in the global markets. However, some risks which could hamper the growth momentum such as continuous decline in exports, fiscal slippages post completion of IMF program, weak outlook of remittances due to global economic slowdown and abrupt recovery of international commodity prices cannot be ruled out.

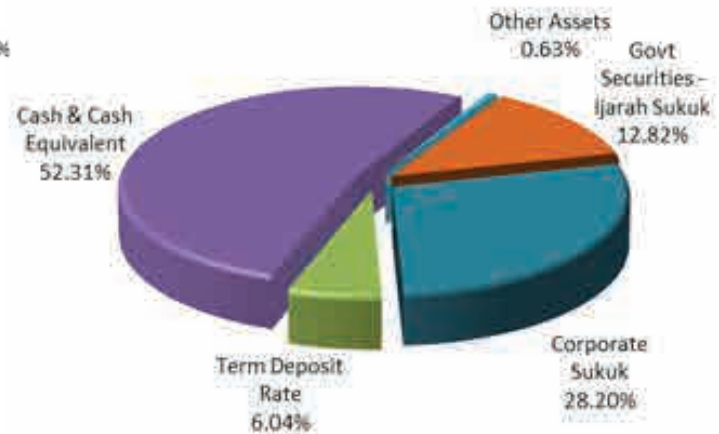
Based on the above assumptions, we believe SBP will maintain a stable rate policy in FY17 on the back of healthy FX reserves, soft inflation outlook & improving macros. Hence, we will remain invested in high yielding corporate and GoP Sukuks to post stable returns with a high probability of capital gains on overall Sukuk portfolio due to heavy demand for Shariah compliant instruments. Moreover, we will continue to add high quality Corporate Sukuks against cash in order to provide best risk adjusted returns in the industry.

ABL Islamic Income Fund Performance		FY-2016
Return		5.84%
Benchmark (Average of 6 Month Deposit Rate of 3 Islamic Banks)		5.10%
Weighted Average Time to Maturity of Net Assets		341 days
Asset under management as at June 30, 2016 (PKR million)		3,276.63
Closing NAV per unit as on June 30,2016 (PKR)(Ex-Dividend)		10.0175

Credit Quality of Portfolio (% of Assets)



Asset Allocation of Portfolio (% of Total Assets)



# PERFORMANCE TABLE

	June 2016	June 2015	June 2014	June 2013	June 2012	June 2011
	( Rupees in '000 )					
Net Assets	3,276,636	1,832,477	1,270,261	1,172,065	1,059,763	816,606
Net Income	54,160	140,976	102,044	108,078	81,995	47,735
	( Rupees per Unit )					
Net Assets value	10.0175	10.0282	10.0253	10.0086	10.0245	10.0163
Interim distribution *	0.5946	-	0.7997	0.7246	0.8040	0.6311
Final distribution	-	0.8662	0.0426	0.1835	0.2458	0.2546
Final distribution date	-	June 12, 2015	June 23, 2014	June 28, 2013	June 25, 2012	June 29, 2011
Closing offer price	10.1678	10.1786	10.1757	10.0086	10.0245	10.0163
Closing repurchase price	10.0175	10.0282	10.0253	10.0086	10.0245	10.0163
Highest offer price	10.7545	11.0292	10.3824	10.2789	10.2674	10.2607
Lowest offer price	10.1657	10.1513	10.1518	9.9985	10.0027	10.0027
Highest repurchase price per unit	10.5956	10.8662	10.2290	10.2789	10.2674	10.2607
Lowest repurchase price per unit	10.0155	10.0013	10.0018	9.9985	10.0027	10.0027
Total return of the fund						
- capital growth	-0.13%	0.03%	0.46%	0.14%	0.48%	1.34%
- income distribution	5.95%	8.66%	8.42%	9.08%	10.50%	8.86%
Average return of the fund						
First Year	5.82%	8.69%	8.88%	9.22%	10.98%	10.20%
Second Year	7.51%	9.17%	9.46%	10.61%	11.13%	
Third Year	8.41%	9.75%	10.65%	11.14%		
Fourth Year	9.19%	10.86%	11.30%			
Fifth Year	10.36%	11.56%				
Sixth Year /Since Inception	11.15%					
Weighted average Portfolio duration in days	341	36	9	38	710	30

\*Interim distribution

2016		2014		2013	
Date	Rate Per Unit	Date	Rate Per Unit	Date	Rate Per Unit
June 21, 2016	Re 0.0345	September 27, 2013	Re 0.1868	September 24, 2012	Re 0.2788
		December 30, 2013	Re 0.2231	December 27, 2012	Re 0.2789
June 24, 2016	Re 0.5601	March 27, 2014	Re 0.2290	March 22, 2013	Re 0.1669
		May 30, 2014	Re 0.1608		

2012		2011	
Date	Rate Per Unit	Date	Rate Per Unit
September 27, 2011	Re 0.2733	September 29, 2010	Re 0.1418
December 26, 2011	Re 0.2665	December 30, 2010	Re 0.2326
March 26, 2012	Re 0.2642	March 30, 2011	Re 0.2567

## Disclaimer

Past performance is not necessarily indicative of future performance and unit prices and investment returns may go down, as well as up.

**CENTRAL DEPOSITORY COMPANY  
OF PAKISTAN LIMITED**

**Head Office:**

CDC House, 99-B, Block 'B',  
S.M.C.H.S. Main Shakra-e-Faisal,  
Karachi - 74400, Pakistan.  
Tel: (92-21) 111-111-500  
Fax: (92-21) 34326020 - 23  
URL: www.cdcpakistan.com  
Email: info@cdcpak.com



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**ABL ISLAMIC INCOME FUND**

**Report of the Trustee pursuant to Regulation 41(h) and clause 9 of Schedule V of  
the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We Central Depository Company of Pakistan Limited, being the Trustee of ABL Islamic Income Fund (the Fund) are of the opinion that ABL Asset Management Company Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2016 in accordance with the provisions of the following:

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

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

Karachi: September 15, 2016



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ



Aug 15, 2016

The purpose of this report is to provide an opinion on the Shariah Compliance of the Fund's investment and operational activities with respect to Shariah guidelines provided.


It is the core responsibility of the Management Company to operate the Fund and invest the amount of money in such a manner which is in compliance with the Shariah principles as laid out in the Shariah guidelines. In the capacity of the Shariah Advisor, our responsibility lies in providing Shariah guidelines and ensuring compliance with the same by review of activities of the fund. We express our opinion based on the review of the information, provided by the management company, to an extent where compliance with the Shariah guidelines can be objectively verified.

Our review of Fund's activities is limited to enquiries of the personnel of Management Company and various documents prepared and provided by the management company.

Keeping in view the above; we certify that:

We have reviewed all the investment and operational activities of the fund including all transaction and found them to comply with the Shariah guidelines. On the basis of information provided by the management company, all operations of the fund for the year ended June 30, 2016 comply with the provided Shariah guidelines. Therefore, it is resolved that investments in ABL Islamic Income Fund (ABL-IIF) are halal and in accordance with Shariah principles.

May Allah (SWT) bless us and forgive our mistakes and accept our sincere efforts in accomplishment of cherished tasks and keep us away from sinful acts.

  
Mufti Irshad Ahmad Aijaz  
Shariah Advisor



  
Faraz Younus Bandukda  
Chief Executive

**Al-Hilal Shariah Advisors (Pvt) Limited**  
(Formerly Fortune Islamic Services (Pvt) Limited)

3rd Floor, Razi Tower, BC-13, Block No. 9, KDA Scheme No. 5, Clifton, Karachi.  
Tel: +92.21.3530.9119, Fax: +92.21.3530.9156, Web: www.alhilalsa.com

## **INDEPENDENT ASSURANCE REPORT TO THE UNIT HOLDERS ON THE STATEMENT OF COMPLIANCE WITH THE SHARIAH PRINCIPLES**

We have performed an independent assurance engagement of **ABL Islamic Income Fund** (the Fund), to express an opinion on the annexed Statement of Compliance with the Shariah Principles (the Statement) for the year ended June 30, 2016. Our engagement was carried out as required under clause 3A.3 of the Trust Deed of the Fund.

### **Management Company's responsibility**

The Management Company of the Fund is responsible for the preparation of the annexed statement (the subject matter) and for compliance with the Shariah Principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor. This responsibility includes designing, implementing and maintaining internal control to ensure that operations of the Fund and the investments made by the Fund are in compliance with the Shariah Principles.

### **Responsibility of an independent assurance provider**

Our responsibility is to express our conclusion on the Statement based on our independent assurance engagement, performed in accordance with the International Standards on Assurance Engagement (ISAE 3000) 'Assurance Engagements other than Audits or Reviews of Historical Financial Information'. This standard requires that we comply with ethical requirements and plan and perform the engagement to obtain reasonable assurance whether the annexed statement reflects the status of the Fund's compliance with the Shariah Principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor (criteria).

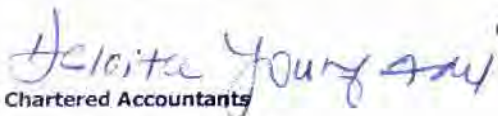
The procedures selected depend on our judgment, including the assessment of the risks of material non-compliances with the Shariah Principles.

In making those risk assessments, we have considered internal controls relevant to the Fund's compliance with the principles in order to design procedures that are appropriate in the circumstances, for gathering sufficient appropriate evidence to determine that the Fund was not materially non-compliant with the principles. Our engagement was not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Amongst others, our scope included procedures to:

- Check compliance of specific guidelines for making investments of the Fund; and
- Check that the Shariah Advisor has certified that the operations of the Fund and investments made by the Fund during the year ended June 30, 2016 are in compliance with the Shariah Principles.

### **Conclusion**

In our opinion, the annexed statement, in all material respects, presents fairly the status of the Fund's compliance with the Shariah principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor for the year ended June 30, 2016.

  
**Chartered Accountants**

**Dated:** August 17, 2016

**Place:** Karachi

Member of  
**Deloitte Touche Tohmatsu Limited**

## REVIEW REPORT TO THE UNIT HOLDERS ON THE STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF THE CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance (the Statement) with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors (the Board) of ABL Asset Management Company Limited, the Management Company of **ABL Islamic Income Fund (the Fund)** for the year ended June 30, 2016 to comply with Regulation No. 5.19 of the Rule Book of the Pakistan Stock Exchange Limited, where the Fund is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Management Company of the Fund. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement reflects the status of the Fund's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Management Company's personnel and review of various documents prepared by the Management Company to comply with the Code.

As part of our audit of financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's statement on internal control covers all risk and controls, or to form an opinion on the effectiveness of such internal controls, the Management Company's corporate governance procedures and risks.

The Code requires the Management Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board for their review and approval the Fund's related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length prices recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of approval of the related party transactions by the Board upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length prices or not.

Based on our review, nothing has come to our attention, which causes us to believe that the Statement does not appropriately reflect the Fund's compliance, in all material respects, with the best practices contained in the Code as applicable to the Fund for the year ended June 30, 2016.

  
Chartered Accountants

**Dated:** August 17, 2016  
**Place:** Karachi





## STATEMENT OF COMPLIANCE BY ABL ISLAMIC INCOME FUND WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2016

This statement is being presented to comply with the Code of Corporate Governance (“the Code”) contained in Regulation No. 5.19 of the listing regulations of the Pakistan Stock Exchange Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of Corporate Governance.

The Board of Directors (“the Board”) of ABL Asset Management Company Limited (“the Management Company”), an un-listed public company, manages the affairs of ABL Islamic Income Fund (“the Fund”). The Fund, being a unit trust open ended scheme, does not have its own Board of Directors. The Management Company has applied the principles contained in the Code to the Fund, whose units are listed as a security on the Pakistan Stock Exchange, in the following manner:

1. The Management Company encourages representation of independent, non-executive directors. At June 30, 2016 the Board includes:

Category	Name
Independent Directors	Mr. Kamran Nishat Mr. Muhammad Kamran Shehzad
Non-Executive Directors	Sheikh Mukhtar Ahmed Mr. Mohammad Naeem Mukhtar Mr. Muhammad Waseem Mukhtar Mr. Tariq Mahmood
Executive Director	Mr. Farid Ahmed Khan *

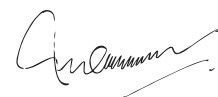
\*Mr. Farid Ahmed Khan, Chief Executive Officer (CEO) / Director, has tendered his resignation on May 18, 2016. He has resigned effective from July 15, 2016. Mr. Syed Khalid Hussain has been appointed as the CEO of the company with effect from July 16, 2016.

The independent directors meets the criteria of independence under clause 5.19.1. (b) of the Code.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including the Management Company.
3. All the resident directors of the Management Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a broker of a stock exchange, has been declared as a defaulter by that stock exchange.
4. During the year no casual vacancy occurred on the Board. Subsequent to year end, Mr Farid Ahmed Khan, Chief Executive Officer tendered his resignation effective from July 15, 2016. Mr Syed Khalid Hussain has been appointed as the CEO of the Company with effect from July 16, 2016.
5. The Management Company has prepared a ‘Code of Conduct’ and has ensured that appropriate steps have been taken to disseminate it throughout the Management Company along with its supporting policies and procedures.
6. The Board of Directors of the Management Company has developed a vision / mission statement, overall corporate strategy and significant policies of the Fund. A complete record of particulars of significant policies along with the dates on which these were approved or amended has been maintained.

7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman except for the meeting held on February 08, 2016, which was presided by Mr. Mohammad Naeem Mukhtar and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. As at June 30, 2016, four directors have obtained certification under the 'Board Development Series' while one director is exempt from the Director Training Program under the Code. The Management Company will arrange training program for the remaining directors by June 30, 2018. The directors are well conversant with the relevant laws applicable to the Fund and the Management Company, its policies and procedures and provisions of memorandum and articles of association and are aware of their duties and responsibilities.
10. The Chief Financial Officer (CFO), the Company Secretary and the Head of Internal Audit continued their services and no change in these positions were made during this financial year.
11. The Directors' Report of the Fund for the year ended June 30, 2016 has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
12. The financial statements of the Fund were duly endorsed by the CEO and CFO of the Management Company before approval of the Board.
13. The directors, CEO and executives do not hold any interest in the units of the Fund other than those disclosed in the Directors' Report, pattern of unit holding and notes to the financial statements.
14. The Management Company has complied with all the applicable corporate and financial reporting requirements of the Code.
15. The Board has formed an Audit Committee. It comprises of three members, all of whom are non-executive directors of the Management Company, including the Chairman of the Committee who is an independent director.
16. The meetings of the Audit Committee were held once in every quarter and prior to the approval of interim and final results of the Fund as required by the Code. The terms of reference of the Audit Committee have been approved in the meeting of the Board and the Committee has been advised to ensure compliance with those terms of reference.
17. The Board has formed Human Resource and Remuneration Committee. It comprises three members, of whom two are non-executive directors and the chairman of the Committee is a non-executive director.
18. The Board has set up an effective internal audit function within the Management Company.
19. The statutory auditors of the Fund have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partner of the firm, their spouse and minor children do not hold units of the Fund and that the firm and all its partners are in compliance with the International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The "closed period", prior to the announcement of interim / final results, and business decisions, which may materially affect the NAV of the Fund's units, was determined and intimated to directors, employees and the Stock Exchange.
22. Material / price sensitive information has been disseminated among all market participants at once through the Stock Exchange.
23. As per the Code, a mechanism was required to be put in place for an annual evaluation of the Board within two years of coming into effect of the Code i.e., April 2014. The mechanism is in place and annual evaluation of the Board has been done accordingly.
24. We confirm that all other material principles enshrined in the Code have been complied with.

For & on behalf of the Board



**Syed Khalid Hussain**  
Chief Executive Officer

**Karachi, August 17, 2016**

## INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

### Report on the Financial Statements

We have audited the accompanying financial statements of **ABL Islamic Income Fund** (the Fund), which comprise the statement of assets and liabilities as at June 30, 2016, and the related income statement, distribution statement, statement of movement in unit holders' fund and cash flow statement for the year ended June 30, 2016, and a summary of significant accounting policies and other explanatory notes.

### Management Company's Responsibility for the Financial Statements

ABL Asset Management Company Limited (the Management Company) is responsible for the preparation and fair presentation of these financial statements in accordance with approved accounting standards as applicable in Pakistan, and for such internal control as the Management Company determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management Company, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

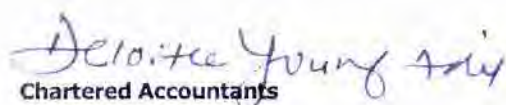
In our opinion, the financial statements give a true and fair view of the financial position of the Fund as at June 30, 2016, and of its financial performance, cash flows and transactions for the year then ended in accordance with approved accounting standards as applicable in Pakistan.

## Report On Other Legal and Regulatory Requirements

In our opinion, the financial statements have been prepared, in all material respects, in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008.

### Other Matter

The annual financial statements of the Fund for the year ended June 30, 2015 were audited by another firm of Chartered Accountants whose report dated September 19, 2015 expressed an unqualified opinion thereon.

  
Chartered Accountants

**Engagement Partner**  
Nadeem Yousuf Adil

**Date:** August 17, 2016  
**Place:** Karachi

Member of  
Deloitte Touche Tohmatsu Limited

**ABL ISLAMIC INCOME FUND**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT JUNE 30, 2016**

	Note	June 30, 2016	June 30, 2015
----- Rupees in '000 -----			
<b>ASSETS</b>			
Balances with banks	4	1,756,813	1,201,777
Investments	5	1,573,477	808,496
Security deposit	6	100	100
Profit receivable	7	14,357	18,128
Preliminary expenses and floatation costs	8	-	-
<b>Total assets</b>		<b>3,344,747</b>	<b>2,028,501</b>
<b>LIABILITIES</b>			
Payable to ABL Asset Management Company Limited - Management Company	9	13,320	7,637
Payable to Central Depository Company of Pakistan Limited - Trustee	10	323	202
Payable to Securities and Exchange Commission of Pakistan	11	1,860	1,125
Dividend payable		32	11,397
Accrued expenses and other liabilities	12	19,299	17,387
Payable against redemption of units		33,277	158,276
<b>Total liabilities</b>		<b>68,111</b>	<b>196,024</b>
<b>NET ASSETS</b>		<b>3,276,636</b>	<b>1,832,477</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>3,276,636</b>	<b>1,832,477</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	13		
		-----Number of units -----	
<b>NUMBER OF UNITS IN ISSUE</b>	14	<b>327,090,279</b>	<b>182,731,960</b>
		----- Rupees -----	
<b>NET ASSET VALUE PER UNIT</b>		<b>10.0175</b>	<b>10.0282</b>
<b>FACE VALUE PER UNIT</b>		<b>10.0000</b>	<b>10.0000</b>

The annexed notes 1 to 28 form an integral part of these financial statements.

For ABL Asset Management Company Limited  
(Management Company)

  
**SYED KHALID HUSSAIN**  
 Chief Executive Officer

  
**MUHAMMAD KAMRAN SHEHZAD**  
 Director

# ABL ISLAMIC INCOME FUND


## INCOME STATEMENT

### FOR THE YEAR ENDED JUNE 30, 2016

	Note	June 30, 2016	June 30, 2015
----- Rupees in '000 -----			
<b>INCOME</b>			
Profit on deposits with banks		81,902	65,112
Income from term deposit receipts		20,451	11,749
Income from sukuk		67,447	64,546
Capital gain on sale of government securities - net		9,427	6,133
		179,227	147,540
Unrealised (loss) / gain on re-measurement of investments "at fair value through profit or loss - held for trading" - net	5.2	(3,069)	5,002
<b>Total income</b>		176,158	152,542
<b>EXPENSES</b>			
Remuneration of ABL Asset Management Company Limited - Management Company	9.1	24,795	15,005
Sindh Sales Tax on remuneration of the Management Company	9.2	4,027	2,611
Federal Excise Duty on remuneration of the Management Company	9.3	3,967	2,401
Reimbursement of operational expenses to the Management Company	9.4	844	-
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	10.1	2,960	2,125
Sindh Sales Tax on remuneration of the Trustee	10.2	421	-
Annual fee - Securities and Exchange Commission of Pakistan	11.1	1,860	1,125
Auditors' remuneration	15	439	448
Amortization of preliminary expenses and floatation costs	8	-	645
Legal and professional charges		274	100
Printing charges		228	163
Listing fee		50	50
Annual rating fee		228	193
Shariah advisory fee		285	-
Brokerage and securities transaction costs		1,010	295
Bank and settlement charges		190	175
<b>Total operating expenses</b>		41,578	25,336
<b>Net income for the year from operating activities</b>		134,580	127,206
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net		(80,420)	16,648
Provision for Workers' Welfare Fund	12.1	-	(2,877)
<b>Net income for the year before taxation</b>		54,160	140,977
Taxation	16	-	-
<b>Net income for the year after taxation</b>		54,160	140,977
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		54,160	140,977
<b>Earnings per unit</b>	17		

The annexed notes 1 to 28 form an integral part of these financial statements.

For ABL Asset Management Company Limited  
(Management Company)

  
SYED KHALID HUSSAIN  
Chief Executive Officer


  
MUHAMMAD KAMRAN SHEHZAD  
Director

**ABL ISLAMIC INCOME FUND**  
**DISTRIBUTION STATEMENT**  
**FOR THE YEAR ENDED JUNE 30, 2016**

Note	June 30, 2016	June 30, 2015
	----- Rupees in '000 -----	
<b>Undistributed income brought forward comprising of:</b>		
- realised income	151	3,012
- unrealised income	5,002	184
	<b>5,153</b>	<b>3,196</b>
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net	2,862	881
Net income for the year after taxation	54,160	140,977
<b>Distribution during the year</b>		
- Issue of 1,006,398 bonus units on June 21, 2016 (2015: Nil bonus units)	(10,626)	-
- Cash distribution @ Re. 0.5601 per unit on June 24, 2016 (2015: Re. 0.8662 per unit on June 11, 2015)	(45,820)	(139,901)
	<b>(56,446)</b>	<b>(139,901)</b>
Undistributed income carried forward	5,729	5,153
<b>Undistributed income carried forward comprising of:</b>		
- realised income	8,798	151
- unrealised (loss) / income	(3,069)	5,002
	<b>5,729</b>	<b>5,153</b>

The annexed notes 1 to 28 form an integral part of these financial statements.

For ABL Asset Management Company Limited  
(Management Company)

  
**SYED KHALID HUSSAIN**  
 Chief Executive Officer


  
**MUHAMMAD KAMRAN SHEHZAD**  
 Director

**ABL ISLAMIC INCOME FUND**  
**STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND**  
**FOR THE YEAR ENDED JUNE 30, 2016**

Note	June 30, 2016	June 30, 2015
	----- Rupees in '000 -----	
<b>Net assets at the beginning of the year</b>	<b>1,832,477</b>	1,270,261
Issue of 713,601,455 units (2015: 260,374,026 units)	<b>7,308,180</b>	2,705,898
Redemption of 570,249,534 units (2015: 204,348,066 units)	<b>(5,952,781)</b>	(2,128,110)
	<b>1,355,399</b>	577,788
Issue of 1,0006,398 bonus units (2015: Nil bonus units)	<b>10,626</b>	-
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net		
- amount representing (income) / loss and capital (gains) / losses - transferred to income statement	<b>80,420</b>	(16,648)
- amount representing (income) / loss and capital (gains) / losses - transferred to distribution statement	<b>(2,862)</b>	(881)
	<b>77,558</b>	(17,529)
Capital gain on sale of government securities - net	<b>9,427</b>	6,133
Unrealised (loss) / gain on re-measurement of investments "at fair value through profit or loss - held for trading" - net	<b>(3,069)</b>	5,002
Other net income	<b>47,802</b>	129,842
	<b>54,160</b>	140,977
<b>Distribution during the year</b>		
- Issue of 1,0006,398 bonus units on June 21, 2016 (2015: nil bonus units)	<b>(10,626)</b>	-
- Cash distribution @ Re. 0.5601 per unit on June 24, 2016 (2015: Re 0.8662 per unit on June 11, 2015)	<b>(45,820)</b>	(139,901)
	<b>(56,446)</b>	(139,901)
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed transferred to distribution statement - net	<b>2,862</b>	881
<b>Net assets at the end of the year</b>	<b>3,276,636</b>	1,832,477
<b>Net asset value per unit at the beginning of the year</b>	<b>10.0282</b>	10.0253
<b>Net asset value per unit at the end of the year</b>	<b>10.0175</b>	10.0282

The annexed notes 1 to 28 form an integral part of these financial statements.

For ABL Asset Management Company Limited  
(Management Company)

  
**SYED KHALID HUSSAIN**  
 Chief Executive Officer

  
**MUHAMMAD KAMRAN SHEHZAD**  
 Director



# ABL ISLAMIC INCOME FUND

## CASH FLOW STATEMENT

### FOR THE YEAR ENDED JUNE 30, 2016

Note	June 30, 2016	June 30, 2015
	Rupees in '000	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the year before taxation	54,160	140,977
<b>Adjustments for non-cash and other items:</b>		
Profit on deposits with banks and term deposit receipts	(102,353)	(76,861)
Income from sukuks	(67,447)	(64,546)
Capital gain on sale of government securities - net	(9,427)	(6,133)
Unrealised loss / (gain) on re-measurement of investments "at fair value through profit or loss - held for trading" - net	3,069	(5,002)
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net	80,420	(16,648)
Amortization of preliminary expenses and floatation costs	-	645
Provision for Workers' Welfare Fund	-	2,877
Federal Excise Duty on remuneration of the Management Company	3,967	2,401
	(91,771)	(163,267)
<b>Decrease / (Increase) in assets</b>		
Investments - net	(771,623)	(379,985)
<b>Increase in liabilities</b>		
Payable to ABL Asset Management Company Limited - Management Company	1,716	2,676
Payable to Central Depository Company of Pakistan Limited - Trustee	121	38
Payable to Securities and Exchange Commission of Pakistan	735	229
Accrued expenses and other liabilities	1,912	1,852
	4,484	4,795
	(804,750)	(397,480)
Profit received on deposits with bank and term deposit receipts	102,060	79,623
Profit received on sukuks	71,511	53,116
	173,571	132,739
<b>Net cash used in operating activities</b>	(631,179)	(264,741)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	(57,185)	(128,504)
Receipts against issuance of units	7,308,180	2,705,898
Payments against redemption of units	(6,077,780)	(1,972,676)
<b>Net cash generated from financing activities</b>	1,173,215	604,718
<b>Net increase in cash and cash equivalents</b>	542,036	339,977
Cash and cash equivalents at the beginning of the year	1,416,777	1,076,800
<b>Cash and cash equivalents at the end of the year</b>	1,958,813	1,416,777

The annexed notes 1 to 28 form an integral part of these financial statements.

For ABL Asset Management Company Limited  
(Management Company)

  
SYED KHALID HUSSAIN  
Chief Executive Officer

  
MUHAMMAD KAMRAN SHEHZAD  
Director

  
ABL Islamic Income Fund

 ABL Asset Management  
Discover the potential

# ABL ISLAMIC INCOME FUND

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED JUNE 30, 2016

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### 1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 ABL Islamic Income Fund (the Fund) was established under a Trust Deed executed on June 23, 2010 between ABL Asset Management Company Limited (ABL AMCL) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations). The Fund commenced its operations on July 31, 2010.

The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non Banking Finance Companies (Establishment and Regulations) Rules, 2003 (NBFC Rules) through a certificate issued by the Securities and Exchange Commission of Pakistan (SECP) on December 7, 2007, which was renewed on November 26, 2013. The registered office of the Management Company is situated at 11-B, Lalazar, M.T. Khan Road, Karachi.

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

The Fund has been categorized as an open-ended Shariah compliant (Islamic) income scheme as per the criteria laid down by the SECP for categorisation of Collective Investment Schemes (CISs).

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

1.3 JCR-VIS Credit Rating Company has assigned management quality rating of AM2+ (stable outlook) to the Management Company as at May 4, 2016 and a fund stability rating of A(f) to the Fund as at December 31, 2015.

1.4 The title to the assets of the Fund is 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

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. The approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) 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 IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP shall prevail.

#### 2.2 New / Revised standards that are effective in the current year for the year ended June 30, 2016

The following new / revised standards are effective for the year ended June 30, 2015. These standards are, either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures:

- IFRS 10 'Consolidated Financial Statements'
- IFRS 11 'Joint Arrangements'
- IFRS 12 'Disclosure of Interests in Other Entities'
- IAS 27 (Revised 2011) 'Separate Financial Statements'
- IAS 28 (Revised 2011) 'Investments in Associates and Joint Ventures'

In addition to above standards, IFRS 13 'Fair Value Measurement' also became effective in the current year. IFRS 13 consolidates the guidance on how to measure fair value, which was spread across various IFRSs, into one comprehensive standard. It introduces the use of an exit price, as well as extensive disclosure requirements, particularly the inclusion of non-financial instruments into the fair value hierarchy. The application of IFRS 13 did not have an impact on the financial statements of the Fund, except certain additional disclosures (refer note 5.1 and 25).

### 2.3 Amendments to published approved accounting standards that are not yet effective

The following amendments to approved accounting standards are effective for accounting periods, beginning on or after the date mentioned against each of them. These amendments are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures:

	<b>Effective Date (accounting periods beginning on or after)</b>
- Amendments to IFRS 2 'Share-based Payment' - Clarification on the classification and measurement of share-based payment transactions	January 1, 2018
- Amendments to IFRS 10 'Consolidated Financial Statements', IFRS 12 'Disclosure of Interests in Other Entities' and IAS 28 'Investments in Associates and Joint Ventures' - Applying the consolidation exception	January 1, 2016
- Amendments to IFRS 11 'Joint Arrangements' - Amendments regarding the accounting for acquisitions for an interest in a joint venture	January 1, 2016
- Amendments to IAS 1 'Presentation of Financial Statements' - Amendments as a result of the disclosure initiative	January 1, 2016
- Amendments to IAS 7 'Statement of Cash Flows' - Amendments as a result of the disclosure initiative	January 1, 2017
- Amendments to IAS 12 'Income Taxes' - Recognition of deferred tax assets for unrealised losses	January 1, 2017
- Amendments to IAS 16 'Property, Plant and Equipment' and IAS 38 'Intangible Assets' - Clarification of acceptable methods of depreciation and amortization	January 1, 2016
- Amendments to IAS 16 'Property, Plant and Equipment' and IAS 41 'Agriculture' - Bearer plants	January 1, 2016
- Amendments to IAS 27 'Separate Financial Statements' - Equity method in separate financial statements	January 1, 2016

In addition to the above, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan:

- IFRS 1 - First Time Adoption of International Financial Reporting Standards
- IFRS 9 - Financial Instruments
- IFRS 14 - Regulatory Deferral Accounts
- IFRS 15 - Revenue from Contracts with Customers
- IFRS 16 - Leases

## 2.4 Critical accounting estimates and judgments

The preparation of the financial statements in conformity with the approved accounting standards requires management to make estimates, judgements and assumptions that affect the reported amount of assets, liabilities, income and expenses. It also requires management to exercise judgement in application of its accounting policies. The estimates, judgements and associated assumptions are based on the historical experience and various other factors that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the year in which the estimates are revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

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

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

## 2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except for certain investments which have been carried at fair value.

## 2.6 Functional and presentation currency

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

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below and have been consistently applied to all the years presented unless otherwise stated.

### 3.1 Cash and cash equivalents

Cash and cash equivalents comprise balances with banks and other short-term highly liquid investments with original maturities of three months or less.

### 3.2 Financial assets

#### 3.2.1 Classification

The Management Company determines the classification of the Fund's financial assets at initial recognition and re-evaluates this classification on a regular basis. The Management Company classifies the financial assets of the Fund in following categories:

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

These financial assets are acquired principally for the purpose of generating profit from short-term fluctuations in prices.

## **b) Loans and receivables**

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

## **c) Available for sale**

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

### **3.2.2 Regular way contracts**

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

### **3.2.3 Initial recognition and measurement**

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

### **3.2.4 Subsequent measurement**

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

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

##### **- Basis of valuation of debt securities**

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

##### **- Basis of valuation of government securities**

Government securities are valued on the basis of rates published by Mutual Funds Association of Pakistan (MUFAP).

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

Net gains and losses arising from changes in the fair value of "available for sale" financial assets are taken to the other comprehensive income until these are derecognised or impaired. Upon derecognition, the cumulative gain or loss previously recognised directly in the unit holders' fund is shown as part of net income for the year.

## **b) Loans and receivables**

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

Gains or losses are also recognised in the income statement when the financial assets carried at amortized cost are derecognised or impaired.

### **3.2.5 Impairment**

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

The amount of provision for certain debt securities is determined based on the provisioning criteria specified by the SECP. For certain other financial assets, a provision for impairment is established when there is an objective evidence that the Fund will not be able to collect all amounts due according to the original terms. The provision against the amount is made as per the provisioning policy duly formulated and approved by the Board of Directors of the Management Company. The amount of the provision is the difference between the asset's carrying value and present value of estimated future cash flows, discounted at original effective interest rate.

### **3.2.6 Derecognition**

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

## **3.3 Financial liabilities**

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

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

## **3.4 Offsetting of financial assets and financial liabilities**

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

## **3.5 Preliminary expenses and floatation costs**

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund. These costs have been amortized over a period of five years in accordance with the requirements set out in the Trust Deed of the Fund and the NBFC Regulations.

## **3.6 Provisions**

Provisions are recognised when the Fund has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and

a reliable estimate of the amount of obligation can be made. Provisions, if any, are regularly reviewed and adjusted to reflect the current best estimate.

### **3.7 Taxation**

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders (excluding distribution made by issuance of bonus units).

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

The Fund provides for deferred taxation using the balance sheet liability method on all major temporary differences between the amounts used for financial reporting purposes and amounts used for taxation purposes. In addition, the Fund also records deferred tax asset on unutilised tax losses to the extent that it is no longer probable that the related tax benefit will be realised. However, the Fund has not recognised any amount in respect of deferred tax in these financial statements as the Fund intends to continue availing the tax exemption in future years by distributing in cash at least ninety percent of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders.

### **3.8 Proposed distributions**

Distributions declared subsequent to the year-end are considered as non-adjusting events and are recognised in the year in which such distributions are declared.

### **3.9 Issue and redemption of units**

Units issued are recorded at the offer price as per constitutive documents. The offer price is determined by the Management Company after realisation of subscription money.

The offer price represents the net asset value per unit as of the close of the business day. The Fund also recovers the allowance for sales load, provision for transaction costs and any provision for duties and charges, if applicable.

Units redeemed are recorded at the redemption price, as per the constitutive documents, applicable to units for which the distributors receive redemption requests during business hours of that day. The redemption price represents the net asset value per unit as of the date the units are so redeemed less any back-end load, provision for transaction costs and any provision for duties and charges, if applicable.

### **3.10 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed**

An equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' is created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption.

The Fund records that portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting year which pertains to unrealised gains / (losses) held in the unit holders' funds in separate account and any amount remaining in this reserve account at the end of an accounting period (whether gain or loss) is 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 is recognised in the income statement.

### 3.11 Net asset value per unit

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

### 3.12 Revenue recognition

-Realised capital gains / (losses) arising on sale of investments are included in the income statement on the date at which the sale transaction takes place.

-Unrealised gain / (loss) in the value of investments classified as 'Financial assets at fair value through profit or loss' are included in the income statement in the year in which they arise.

-Profit on bank deposits is recognised on accrual basis.

-Income on government securities, debt securities and certificate of deposits is recognised on an accrual basis, using the effective interest rate.

	Note	June 30, 2016	June 30, 2015
----- Rupees in '000 -----			
<b>4. BALANCES WITH BANKS</b>			
Saving accounts	4.1	1,708,489	1,201,220
Current account	4.2	48,324	557
		<u>1,756,813</u>	<u>1,201,777</u>

4.1 These saving accounts carry profit at rates ranging from 5.00% to 6.10% (2015: 5.00% to 7.00%) per annum. Deposits in saving accounts include Rs. 486,727,846 (2015: Rs Nil) maintained with Allied Bank Limited, a related party, and carry profit at the rate of 6.00% (2015: Nil) per annum.

4.2 Balance in current account is maintained with Allied Bank Limited, a related party.

	Note	June 30, 2016	June 30, 2015
----- Rupees in '000 -----			
<b>4.3 Cash and cash equivalents</b>			
Balances with banks	4	1,756,813	1,201,777
Term deposit receipt	5.3	202,000	215,000
		<u>1,958,813</u>	<u>1,416,777</u>

### 5. INVESTMENTS

Financial assets at fair value through profit or loss - held for trading

- GoP Ijara Sukuks	5.1.1	428,358	125,922
- Other Sukuks	5.1.2	943,119	467,574
		<u>1,371,477</u>	<u>593,496</u>
<b>Loans and receivables</b>	5.3	202,000	215,000
		<u>1,573,477</u>	<u>808,496</u>



## 5.1 Financial assets at fair value through profit or loss - held for trading

### 5.1.1 GoP Ijara Sukuks

Particulars of the issue / issue date	Maturity Date	Coupon rate in %	Face Value				Balance as at June 30, 2016			Market value as a percentage of net assets	Market value as a percentage of total market value of investments	
			As at July 01, 2015	Purchased during the year	Disposed off/matured during the year	As at June 30, 2016	Carrying value	Market value	Unrealized gain / (loss)			
----- Rupees in '000 -----												
GOPIS-09 / December 26, 2011	November 21, 2015	6.9355	73,000	2,030,000	2,103,000	-	-	-	-	-	-	
GOPIS-12 / June 28, 2012	November 21, 2015	6.9355	50,000	62,800	112,800	-	-	-	-	-	-	
GOPIS-14 / March 3, 2013	March 28, 2016	7.5919	2,000	-	2,000	-	-	-	-	-	-	
GOPIS-16 / December 18, 2015	December 18, 2018	5.8946	-	11,504,000	11,079,000	425,000	428,634	428,358	(276)	13.07%	27.22%	
GOPIS-17 / February 15, 2016	February 15, 2019	6.1000	-	442,000	442,000	-	-	-	-	-	-	
<b>Total - June 30, 2016</b>			<b>125,000</b>	<b>14,038,800</b>	<b>13,738,800</b>	<b>425,000</b>	<b>428,634</b>	<b>428,358</b>	<b>(276)</b>	<b>13.07%</b>	<b>27.22%</b>	
							----- Rupees in '000 -----					
Total - June 30, 2015							125,825	125,922	97			

### 5.1.2 Other Sukuks

Particulars of the issue / issue date	Maturity Date	Coupon rate in %	Face Value				Balance as at June 30, 2016			Market value as a percentage of net assets	Market value as a percentage of total market value of investments	
			As at July 01, 2015	Purchased during the year	Disposed off/matured during the year	As at June 30, 2016	Carrying value	Market value	Unrealized gain / (loss)			
----- Rupees in '000 -----												
Engro Fertilizer / September 6, 2007	September 6, 2015	6 months KIBOR + 1.50	2,500	-	2,500	-	-	-	-	0.00%	0.00%	
Engro Fertilizer / July 9, 2014	July 9, 2019	6 months KIBOR + 1.75	164,970	121,288	209,298	76,960	79,906	79,756	(150)	2.43%	5.07%	
Engro Fertilizer / May 25, 2016	November 25, 2016	6 months KIBOR + 0.40	-	500,000	-	500,000	500,000	500,000	-	15.26%	31.78%	
Engro Rupiya / July 11, 2014	July 11, 2017	13	40,000	-	40,000	-	-	-	-	0.00%	0.00%	
K-Electric / March 19, 2014	March 19, 2017	3 months KIBOR + 2.25	94,000	32,000	-	126,000	128,440	125,751	(2,689)	3.84%	7.99%	
K-Electric / June 17, 2015	June 17, 2022	3 months KIBOR + 1.00	154,435	148,215	68,000	234,650	237,566	237,612	46	7.25%	15.10%	
Maple Leaf / December 3, 2007	March 3, 2016	3 months KIBOR + 1.70	-	155,435	155,435	-	-	-	-	0.00%	0.00%	
<b>Total - June 30, 2016</b>			<b>455,905</b>	<b>956,938</b>	<b>475,233</b>	<b>937,610</b>	<b>945,912</b>	<b>943,119</b>	<b>(2,793)</b>	<b>28.78%</b>	<b>59.94%</b>	
							----- Rupees in '000 -----					
Total - June 30, 2015							462,669	467,574	4,905			

## 5.2 Unrealised (loss) / gain on re-measurement of investments classified as financial assets "at fair value through profit or loss - held for trading" - net

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

Market value of securities  
Less: carrying value of securities

<b>1,371,477</b>	593,496
<b>(1,374,546)</b>	(588,494)
<b>(3,069)</b>	<b>5,002</b>

## 5.3 Loans and receivables

Term deposit receipt

5.3.1 **202,000** **215,000**

5.3.1 It carries profit rate of 6.25% per annum (2015: 7.25%) and will mature on September 30, 2016 (2015: September 25, 2015).

		June 30, 2016	June 30, 2015
	Note	Rupees in '000	
<b>6. SECURITY DEPOSIT</b>			
Central Depository Company of Pakistan Limited - Trustee		100	100
<b>7. PROFIT RECEIVABLE</b>			
Profit accrued on bank deposits		6,177	5,875
Profit accrued on term deposit receipt		34	43
Profit accrued on GoP Ijara Sukuks and on other Sukuks		8,146	12,210
		<b>14,357</b>	<b>18,128</b>
<b>8. PRELIMINARY EXPENSES AND FLOATATION COSTS</b>			
Opening balance		-	645
Less: amortization for the year		-	(645)
Closing balance	8.1	-	-
<b>8.1</b>	Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund. These were being amortized over a period of five years in accordance with the Trust Deed of the Fund and the NBFC Regulations.		
<b>9. PAYABLE TO ABL ASSET MANAGEMENT COMPANY LIMITED - MANAGEMENT COMPANY</b>			
Remuneration of the Management Company	9.1	2,507	1,553
Sindh Sales Tax on remuneration of the Management Company	9.2	1,586	912
Federal Excise Duty on remuneration of the Management Company	9.3	8,366	4,399
Preliminary expenses and floatation costs		-	645
Sales load payable to the Management Company		17	128
Operational expenses	9.4	844	-
		<b>13,320</b>	<b>7,637</b>

- 9.1** Under the provisions of the NBFC Regulations, the Management Company of the Fund is entitled to a remuneration of an amount not exceeding 1% of the average daily net assets of the Fund. During the year, the Management Company charged 1% of the average daily net assets as management fee.
- 9.2** The Government of Sindh has levied Sindh Sales Tax at the rate of 14% (2015: 15%) on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011 (as amended from time to time).
- 9.3** Through Finance Act 2013, Federal Excise Duty (FED) was made applicable at the rate of 16% on the remuneration of the Management Company, effective from June 13, 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax as explained in note 9.2, further levy of FED results 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 and Trustees of respective Collective Investment Schemes (CISs), through a Constitutional Petition filed in the Honorable Sindh High Court (SHC) during September 2013. In this respect, the SHC had issued a stay order against the recovery of FED due to which the Fund has not made any payments for FED upto June 30, 2016.

On June 30, 2016 the Honorable Sindh High Court of Pakistan has passed the Judgment that after 18th amendment in the Constitution of Pakistan, the Provinces alone have the legislative power to levy a tax on rendering or providing services therefore chargeability and collection of Federal Excise Duty after July 01, 2011 is Ultra Vires to the Constitution of Pakistan.

The Management Company, as a matter of abundant caution, has not reversed the provision of FED aggregating to Rs. 8.366 million, as the Federal Board of Revenue may file an appeal with the Honorable Supreme Court of Pakistan against the Judgment passed by Honorable Sindh High Court of Pakistan. Had the provision not been made, the net asset value per unit of the Fund as at June 30, 2016 would have been higher by Re. 0.0256 (2015: Re. 0.0241) per unit.

Further, through Finance Act, 2016, FED on services rendered by Non-Banking Financial Institutions (NBFIs) including Asset Management Companies, which are already subject to provincial sales tax, has been withdrawn. Therefore, from the ensuing financial year, provision for FED will not be required.

- 9.4 This represents reimbursement of certain expenses to the Management Company. As per regulation 60(3)(s) of the amended NBFC Regulations dated November 25, 2015, fee and expenses pertaining to registrar services, accounting, operations and valuation services related to a Collective Investment Scheme (CIS) are chargeable to the scheme, maximum upto 0.1% of the average annual net assets or the actual cost whichever is lower. Accordingly, the Management Company has charged 0.1% of the average annual net assets, being the lower amount, to the Fund with effect from April 1, 2016.

	Note	June 30, 2016	June 30, 2015
----- Rupees in '000 -----			
<b>10. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE</b>			
Remuneration of the Trustee	10.1	283	202
Sindh Sales Tax payable on remuneration of the Trustee	10.2	40	-
		<u>323</u>	<u>202</u>

- 10.1 The Trustee is entitled to a monthly remuneration for the services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the daily net assets of the Fund. The remuneration is paid to the Trustee monthly in arrears.

**Net Assets Value                      Tariff per annum**

The tariff structure applicable to the Fund as at June 30, 2016 and June 30, 2015 was as follows:

Upto Rs. 1 billion	0.17 percent per annum of net assets value
Rs. 1 billion to Rs. 5 billion	Rs. 1.7 million plus 0.085 percent per annum of net assets exceeding Rs. 1 billion
Over Rs. 5 billion	Rs. 5.1 million plus 0.07 percent per annum of net assets exceeding Rs. 5 billion

- 10.2 The Government of Sindh has levied Sindh Sales Tax at the rate of 14% (2015: Nil) on the remuneration of the Trustee through the Finance Act, 2015.

	Note	June 30, 2016	June 30, 2015
----- Rupees in '000 -----			
<b>11. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>			
Annual fee	11.1	1,860	1,125

- 11.1 Under the provisions of the NBFC Regulations, a collective investment scheme categorised as 'income scheme' is required to pay an annual fee, to the SECP, equal to 0.075% (2015: 0.075%) of the average daily net assets of the scheme payable to SECP under Regulation 62 read with the Schedule II of the NBFC Regulations.

	Note	June 30, 2016	June 30, 2015
----- Rupees in '000 -----			
<b>12. ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Auditors' remuneration		380	280
Printing charges		100	95
Provision for Workers' Welfare Fund	12.1	9,813	9,813
Withholding tax payable		8,867	7,037
Legal and professional fee payable		-	100
Brokerage payable		92	62
Shariah advisory fee payable		47	-
		<b>19,299</b>	<b>17,387</b>

### 12.1 Provision for Workers' Welfare Fund

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

In August 2011, the Honorable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance 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 SHC passed an order declaring that the amendments introduced in the WWF Ordinance through the Finance Act, 2006 and Finance Act, 2008 do not suffer from any constitutional or legal infirmity. However, the constitutional petition, as mentioned above, challenging the applicability of WWF on mutual funds is still pending adjudication. The Management Company has considered the implications of above judgment of SHC and is of the view that the matter will eventually be settled in its favor and WWF will not be levied on the Fund.

Further, in a judgement of May 2014, the Honourable Peshawar High Court (PHC) held that the impugned levy of contribution introduced in the Ordinance through Finance Acts, 1996 and 2009 lacks the essential mandate to be introduced and passed through a Money Bill under the constitution and, hence, the amendments made through the Finance Acts are declared as 'Ultra Vires'.

Through the Finance Act, 2015, the definition of Industrial Establishment is amended to exclude the mutual funds and collective investment schemes. The Management Company is of the view that since the change is brought in the definition, it would be effective from July 01, 2015. Accordingly, the provision for WWF is discontinued from July 01, 2015. However, there is no change in the status of petition pending with the Honorable Sindh High Court (SHC) as mentioned above, therefore, the Fund, as a matter of abundant caution has retained the provision for WWF up to June 30, 2015 amounting to Rs. 9.813 million. Had the provision not been made, the net asset value per unit of the Fund would have been higher by Re. 0.0300 per unit (2015: Re. 0.0537 per unit).

Further, Sindh Workers Welfare Fund (SWWF) Act 2014 enacted in June 2015 requires every Industrial Establishment located in the province of Sindh and having total income of Rs. 500,000 or more, to pay two percent of so much of its total income declared to SWWF. The said Act includes any concern engaged in the Banking or Financial Institution in the definition of "Industrial Undertaking" but does not define Financial Institution. The Management Company, based on the opinion obtained by MUFAP from its advisor who is of the view that Collective Investment Schemes (CIS) are not financial institutions, believes that SWWF is not applicable on the Fund.

### 13. CONTINGENCIES AND COMMITMENTS

13.1 There were no contingencies and commitments outstanding as at June 30, 2016 and June 30, 2015.

	June 30, 2016	June 30, 2015
<b>14. NUMBER OF UNITS IN ISSUE</b>	<b>Note</b>	<b>Rupees in '000</b>
Total units in issue at the beginning of the year	182,731,960	126,706,000
Add: units issued during the year	713,601,455	260,374,026
Add: bonus units issued during the year	1,006,398	-
Less: units redeemed during the year	(570,249,534)	(204,348,066)
Total units in issue at the end of the year	<u>327,090,279</u>	<u>182,731,960</u>

14.1 All units carry equal rights and are entitled to dividend and share in the net asset value of the Fund.

### 15. AUDITORS' REMUNERATION

Annual audit fee	220	220
Half yearly review fee	100	100
Other certifications	60	60
Out of pocket expenses	59	68
	<u>439</u>	<u>448</u>

### 16. 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 Company has already distributed, through cash, 90% of the Fund's net accounting income earned during the year to its unit holders. Accordingly, no provision in respect of taxation has been made in these financial statements.

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

### 17. EARNINGS PER UNIT (EPU)

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

### 18. TRANSACTIONS WITH CONNECTED PERSONS

18.1 Connected person / 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, post employment benefit funds of the parent, subsidiaries and its associated undertakings. It also includes Central Depository Company of Pakistan Limited being the Trustee of the Fund and the directors and key management personnel of the Management Company.

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

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

18.4 Remuneration payable to the Trustee is determined in accordance with the provisions of the Trust Deed.

18.5 Details of transactions with connected persons / related parties are as follows:

**ABL Asset Management Company Limited - Management Company**

Issue of 1,522,765 units (2015: Nil units)	16,000	-
Redemption of 1,522,765 units (2015: 7,278,218 units)	16,049	73,746
Remuneration for the year	24,795	15,005
Sindh Sales Tax on remuneration of the Management Company	4,027	2,611
Federal Excise Duty on remuneration of the Management Company	3,967	2,401
Reimbursement of operational expenses to the Management Company	844	-
Preliminary expenses and floatation costs paid	-	645
Sales load paid	242	558

**Allied Bank Limited - Holding Company of the Management Company**

Redemption of Nil units (2015: 3,986,064 units)	-	40,143
Bank charges	35	52
Issue of Nil units (2014: 12,472,062 units)	-	-
Profit on bank deposit	6,629	-

**Central Depository Company of Pakistan Limited - Trustee**

Remuneration	2,960	2,125
Sindh Sales Tax on remuneration of the Trustee	421	-
Settlement charges	78	25
Cash distribution	-	-

**ABL Asset Management Company Limited - Staff Provident Fund**

Issue of 1,506,626 units (2015: 407,494 units)	15,822	4,330
Redemption of 1,858,415 units (2015: Nil units)	19,476	-
Cash distribution	-	803

**MCBFSL Trustee - ABL Islamic Financial Planning Fund - Active Allocation Plan  
Under Common Management**

Issue of 95,728,222 units (2015: Nil units)	978,797	-
Bonus of 104,011 units (2015: Nil units)	1,098	-
Redemption of 61,059,555 units (2015: Nil units)	642,576	-

**MCBFSL Trustee - ABL Islamic Financial Planning Fund - Strategic Allocation Plan  
Under Common Management**

Issue of 145,680,789 units (2015: Nil units)	1,498,132	-
Bonus of 189,296 units (2015: Nil units)	1,999	-
Redemption of 81,356,890 units (2015: Nil units)	859,485	-

**MCBFSL Trustee - ABL Islamic Financial Planning Fund - Aggressive Allocation Plan  
Under Common Management**

Issue of 9,047,195 units (2015: Nil units)	92,192	-
Bonus of 10,632 units (2015: Nil units)	112	-
Redemption of 4,500,311 units (2015: Nil units)	47,525	-

	June 30, 2016	June 30, 2015
	----- Rupees in '000 -----	
<b>MCBFSL Trustee - ABL Islamic Financial Planning Fund - Conservative Allocation Plan - Under Common Management</b>		
Issue of 83,563,458 units (2015: Nil units)	856,077	-
Bonus of 87,406 units (2015: Nil units)	923	-
Redemption of 53,247,504 units (2015: Nil units)	557,532	-
<b>Muller &amp; Phipps Pakistan (Pvt) Ltd. Officer Gratuity Fund - Common directorship</b>		
Issue of 3,722,346 units (2015: Nil units)	37,980	-
Bonus of 10,937 units (2015: Nil units)	116	-
<b>Muller &amp; Phipps Pakistan (Pvt) Ltd. Staff Provident Fund - Common directorship</b>		
Issue of 3,315,855 units (2015: Nil units)		
Bonus of 9,743 units (2015: Nil units)	33764	-
<b>KEY MANAGEMENT PERSONNEL</b>		
<b>Chief Executive Officer</b>		
Issue of 70,027 units (2015: 659,453 units)	704	7,054
Bonus of 178 units (2015: Nil units)	2	-
Redemption of 984,636 units (2015: 4,898 units)	10,018	49
Cash distribution	-	784
Dividend paid	46	-
<b>Executives</b>		
Issue of 1,229,246 units (2015: 515,638 units)	12,540	5,396
Bonus of 1,249 units (2015: Nil units)	12	-
Redemption of 1,213,277 units (2015: 98,001 units)	12,499	1,007
Cash distribution	-	351
Dividend paid	21	-

#### 18.6 Details of amounts outstanding as at the year end

<b>ABL Asset Management Company Limited-Management Company</b>		
Outstanding Nil units (2015: 73,447,757 units)	-	735,968
Preliminary expenses and floatation costs payable	-	645
Remuneration payable to the Management Company	2,507	1,553
Sindh Sales Tax on remuneration of the Management Company	1,586	912
Federal Excise Duty on remuneration of the Management Company	8,366	4,399
Sales load payable to the Management Company	17	128
Operational expenses	844	-
<b>Allied Bank Limited - Holding Company of the Management Company</b>		
Balance in current account	48,324	557
Balance in saving accounts	486,728	-
Profit accrued on bank deposit	2,077	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable	323	202
Security deposit	100	100

	June 30, 2016	June 30, 2015
	----- Rupees in '000 -----	
<b>ABL Asset Management Company Limited - Staff Provident Fund</b>		
Outstanding 655,745 units (2015: 1,007,534 units)	6,569	10,104
<b>MCBFSL Trustee - ABL Islamic Financial Planning Fund - Active Allocation Plan Under Common Management</b>		
Outstanding 34,772,678 units (2015: Nil units)	348,335	-
Payable against redemption of units	31,400	-
<b>MCBFSL Trustee - ABL Islamic Financial Planning Fund - Strategic Allocation Plan Under Common Management</b>		
Outstanding 64,513,195 units (2015: Nil units)	646,261	-
<b>MCBFSL Trustee - ABL Islamic Financial Planning Fund - Aggressive Allocation Plan Under Common Management</b>		
Outstanding 4,557,516 units (2015: Nil units)	45,655	-
<b>MCBFSL Trustee - ABL Islamic Financial Planning Fund - Conservative Allocation Plan Under Common Management</b>		
Outstanding 30,403,360 units (2015: Nil units)	304,566	-
<b>Muller &amp; Phipps Pakistan (Pvt) Ltd. Officer Gratuity Fund - Common directorship</b>		
Outstanding 3,733,283 units (2015: Nil units)	37,398	-
<b>Muller &amp; Phipps Pakistan (Pvt) Ltd. Staff Provident Fund - Common directorship</b>		
Outstanding 3,325,598 units (2015: Nil units)	33,314	-
<b>KEY MANAGEMENT PERSONNEL</b>		
<b>Chief Executive Officer</b>		
Outstanding 60,711 units (2015: 975,142 units)	608	9,779
Dividend payable	-	46
<b>Executives</b>		
Outstanding 454,165 units (2015: 436,947 units)	5,549	4,382
Dividend payable	-	21

\* Prior year comparatives have not been presented for those connected persons / related parties with whom such relationship does not exist as at June 30, 2016.

## 19. PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER

Details of the members of the investment committee of the Fund are as follows:

S. No.	Name	Designation	Experience in years	Qualification
1	Farid Ahmed Khan	Chief Executive Officer	22	CFA and MBA
2	Muhammad Imran	Chief Investment Officer	17	MBA
3	Asif Mobin	Fund Manager	17	MBA
4	Faizan Saleem	Fund Manager	9	MBA



19.1 Subsequent to the year end, the Chief Executive Officer has resigned and Mr. Syed Khalid Hussain has been appointed as an officiating Chief Executive Officer of the Management Company.

19.2 Asif Mobin is the Fund Manager of the Fund. He is also managing ABL Stock Fund and ABL Islamic Stock Fund.

## 20. TRANSACTIONS WITH BROKERS / DEALERS

List of top 10 brokers by percentage of commission charged during the year ended June 30, 2016

S.No	Particulars	Percentage
1	Invest Capital Markets Limited	19.91%
2	Elixir Securities Pakistan (Pvt.) Limited	15.66%
3	Next Capital Limited	14.43%
4	Paramount Capital (Pvt.) Limited	14.31%
5	C & M Management (Pvt.) Limited	12.49%
6	Summit Capital (Pvt.) Limited	9.01%
7	Vector Capital (Pvt.) Limited	6.71%
8	JS Global Capital Limited	2.84%
9	Currency Market Associates (Pvt.) Limited	2.32%
10	KASB Securities Limited	1.16%

List of top 10 brokers by percentage of commission charged during the year ended June 30, 2015

S.No	Particulars	Percentage
1	JS Global Capital Limited	26.10%
2	C & M Management (Pvt.) Limited	21.36%
3	Next Capital Limited	11.19%
4	Arif Habib Limited	6.78%
5	Invest One Markets Limited	6.78%
6	Elixir Securities Pakistan (Pvt.) Limited	5.02%
7	BMA Capital Management Limited	5.08%
8	Optimus Markets (Pvt.) Limited	4.07%
9	Summit Capital (Pvt.) Limited	3.39%
10	Global Securities Pakistan Limited	3.39%

## 21. PATTERN OF UNIT HOLDING

----- As at June 30, 2016 -----

Category	Number of unit holders	Number of units held	Net asset value of the amount invested	Percentage of total investment
Rupees in '000				
Individuals	1,128	124,509,398	1,247,276	38.06%
Associated entities / directors*	8	142,022,085	1,422,710	43.42%
Insurance companies	4	4,540,675	45,487	1.39%
Retirement funds	17	33,521,041	335,798	10.25%
Others	8	22,497,080	225,365	6.88%
	<b>1,165</b>	<b>327,090,279</b>	<b>3,276,636</b>	<b>100.00%</b>

\* This includes 3 retirement benefit funds.

----- As at June 30, 2015 -----

Category	Number of unit holders	Number of units held	Net asset value of the amount invested	Percentage of total investment
<b>Rupees in '000</b>				
Individuals	1,049	126,781,772	1,271,397	69.38%
Associated entities / directors	1	975,142	9,779	0.53%
Insurance companies	1	11,887,709	119,212	6.51%
Bank / DFIs	1	9,540,208	95,671	5.22%
Retirement funds	14	18,733,035	187,859	10.25%
Others	7	14,814,094	148,559	8.11%
	<u>1,073</u>	<u>182,731,960</u>	<u>1,832,477</u>	<u>100.00%</u>

## 22. ATTENDANCE AT MEETINGS OF THE BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The 43rd, 44th, 45th, 46th and 47th Board of Directors meetings were held on August 27, 2015, October 30, 2015, December 16, 2015, February 08, 2016 and April 27, 2016, respectively. Information in respect of attendance by the directors and other persons in the meetings is given below:

S.No.	Name	Number of meetings			Meetings not attended
		Held	Attended	Leave granted	
<b>Directors</b>					
1	Sheikh Mukhtar Ahmed	5	4	1	46th
2	Mohammad Naeem Mukhtar	5	4	1	45th
3	Muhammad Waseem Mukhtar	5	4	1	46th
4	Tariq Mahmood	5	4	1	43rd
5	Kamran Nishat	5	3	2	46th & 47th
6	Muhammad Kamran Shehzad	5	5	-	-
7	Farid Ahmed Khan	5	5	-	-
<b>Other persons</b>					
8	Saqib Matin*	5	5	-	-
9	Tahir Qureshi**	-	-	-	-

\* Mr. Saqib Matin attended the meetings as Company Secretary.

\*\* Mr. Tahir Qureshi (Chief Operating Officer - Allied Bank Limited, holding company of the Management Company) attended only one meeting on special invitation by the Board of Trustees.

## 23. FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2016, all the financial assets carried on the statement of assets and liabilities are categorised either as loans and receivables or financial assets at fair value through profit or loss. All the financial liabilities carried on the statement of assets and liabilities are categorised as other financial liabilities, i.e. liabilities at amortized cost.

Particulars	----- As at June 30, 2016 -----		
	Loans and receivables	Financial assets at fair value through profit or loss	Total
	----- Rupees in '000 -----		
<b>Financial assets</b>			
Balances with banks	1,756,813	-	1,756,813
Investments	202,000	1,371,477	1,573,477
Profit receivable	14,357	-	14,357
Security deposit	100	-	100
	<b>1,973,270</b>	<b>1,371,477</b>	<b>3,344,747</b>

Particulars	----- As at June 30, 2016 -----		
	Loans and receivables	Financial assets at fair value through profit or loss	Total
	----- Rupees in '000 -----		
<b>Financial liabilities</b>			
Payable to ABL Asset Management Company Limited - Management Company	-	13,320	13,320
Payable to Central Depository Company of Pakistan Limited - Trustee	-	323	323
Dividend payable	-	32	32
Accrued expenses and other liabilities	-	619	619
Payable against redemption of units	-	33,277	33,277
	<b>-</b>	<b>47,571</b>	<b>47,571</b>

Particulars	----- As at June 30, 2015 -----		
	Loans and receivables	Financial assets at fair value through profit or loss	Total
	----- Rupees in '000 -----		
<b>Financial assets</b>			
Balances with banks	1,201,777	-	1,201,777
Investments	215,000	593,496	808,496
Profit receivable	18,128	-	18,128
Security deposit	100	-	100
	<b>1,435,005</b>	<b>593,496</b>	<b>2,028,501</b>

Particulars	----- As at June 30, 2015 -----		
	Loans and receivables	Financial assets at fair value through profit or loss	Total
	----- Rupees in '000 -----		
<b>Financial liabilities</b>			
Payable to ABL Asset Management Company Limited - Management Company	-	7,637	7,637
Payable to Central Depository Company of Pakistan Limited - Trustee	-	202	202
Dividend payable	-	11,397	11,397
Accrued expenses and other liabilities	-	537	537
Payable against redemption of units	-	158,276	158,276
	-	178,049	178,049

## 24. FINANCIAL RISK MANAGEMENT

The Fund's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

### 24.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and the investment guidelines approved by the Investment Committee and regulations laid down by SECP.

Market risk comprises of three types of risks: currency risk, yield / interest rate risk and other price risk.

#### 24.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. At present, the Fund is not exposed to currency risk as its operations are geographically restricted to Pakistan and all transactions are carried out in Pak Rupees.

#### 24.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates.

##### a) Sensitivity analysis for variable rate instruments

Presently, the Fund does not hold any variable rate instrument and is not exposed to cash flow interest rate risk except for balances in profit and loss sharing accounts the interest rate of which ranges between 5% to 6.1% per annum.

In case of 1% increase / decrease in the interest rates on profit and loss sharing accounts with banks, the net income would have increased / decreased by Rs. 17.085 million.

As at June 30, 2016, the Fund holds GoP Ijara Sukuks and Other Sukuks which exposes the Fund to interest rate risk. In case of increase / decrease in the coupon rates through out the year, with all other variables held constant, the income on these sukuks will fluctuate. In case of 100 basis points increase / decrease in the coupon rates through out the year, the net income for the year and the net assets as at June 30, 2016 would have been higher / lower by Rs. 9.254 million.

As at June 30, 2016 the Fund holds balances in saving accounts the interest rate of which in certain circumstances is 5% to 6.1%.

The composition of the Fund's investment portfolio and the MUFAP rates are expected to change over time. Therefore, the sensitivity analysis is not necessarily indicative of the effect on the Fund's net assets due to future movements in interest rates.

Yield / interest rate sensitivity position for the financial instruments recognised on the statement of assets and liabilities is based on the earlier of contractual repricing or maturity date and for off-balance sheet instruments is based on the settlement date.

Particulars	----- As at June 30, 2016 -----					Total
	Profit Rate / Coupon Rate	Exposed to Yield / Interest risk			Not exposed to Yield / Interest rate risk	
		Upto three months	More than three months and upto one year	More than one year		
	%	-----Rupees in '000-----				
<b>On-balance sheet financial instruments</b>						
<b>Financial assets</b>						
Balances with banks	5.00 - 6.10	1,708,489	-	-	48,324	1,756,813
Investments	5.46 - 8.34	363,363	1,210,114	-	-	1,573,477
Profit receivable		-	-	-	14,357	14,357
Security deposit		-	-	-	100	100
<b>Sub total</b>		<b>2,071,852</b>	<b>1,210,114</b>	<b>-</b>	<b>62,781</b>	<b>3,344,747</b>
<b>Financial liabilities</b>						
Payable to ABL Asset Management Company Limited - Management Company		-	-	-	13,320	13,320
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	323	323
Dividend payable		-	-	-	32	32
Accrued expenses and other liabilities		-	-	-	619	619
Payable against redemption of units		-	-	-	33,277	33,277
<b>Sub total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>47,571</b>	<b>47,571</b>
<b>On-balance sheet gap (a)</b>		<b>2,071,852</b>	<b>1,210,114</b>	<b>-</b>	<b>15,210</b>	<b>3,297,176</b>
<b>Off-balance sheet financial instruments</b>						
<b>Off-balance sheet gap (b)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total interest rate sensitivity gap (a+b)</b>		<b>2,071,852</b>	<b>1,210,114</b>	<b>-</b>	<b>15,210</b>	<b>3,297,176</b>
<b>Cumulative interest rate sensitivity gap</b>		<b>2,071,852</b>	<b>3,281,966</b>	<b>3,281,966</b>		

Particulars	----- As at June 30, 2015 -----					
	Profit Rate / Coupon Rate	Exposed to Yield / Interest risk			Not exposed to Yield / Interest rate risk	Total
		Upto three months	More than three months and upto one year	More than one year		

%

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

### On-balance sheet financial instruments

#### Financial assets

Balances with banks	5.00 - 7.00	1,201,220	-	-	557	1,201,777
Investments	6.94 - 13.00	173,446	591,797	-	43,253	808,496
Profit receivable		-	-	-	18,128	18,128
Security deposit		-	-	-	100	100
<b>Sub total</b>		1,374,666	591,797	-	62,038	2,028,501

#### Financial liabilities

Payable to ABL Asset Management Company Limited - Management Company		-	-	-	7,637	7,637
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	202	202
Dividend payable		-	-	-	11,397	11,397
Accrued expenses and other liabilities		-	-	-	537	537
Payable against redemption of units		-	-	-	158,276	158,276
<b>Sub total</b>		-	-	-	178,049	178,049

<b>On-balance sheet gap (a)</b>		1,374,666	591,797	-	(116,011)	1,850,452
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<b>Off-balance sheet financial instruments</b>		-	-	-	-	-
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<b>Off-balance sheet gap (b)</b>		-	-	-	-	-
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<b>Total interest rate sensitivity gap (a+b)</b>		1,374,666	591,797	-	(116,011)	1,850,452
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<b>Cumulative interest rate sensitivity gap</b>		1,374,666	1,966,463	1,966,463		
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## b) Sensitivity analysis for fixed rate instruments

The Fund currently does not have any fixed rate instruments that are impacted by market interest rates.

### 24.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer or factors affecting all similar financial instruments traded in the market. At present, the Fund is not exposed to price risk.

### 24.2 Credit risk

Credit risk represents the risk of a loss if the counter parties fail to perform as contracted. The Fund's credit risk is primarily attributable to its investments and balances with banks. The Fund does not foresee any credit risk with respect to GoP Ijara Sukuks since these are securities issued by State Bank of Pakistan on behalf of the Government of Pakistan. The credit risk on other financial assets is limited because the counter parties are mainly companies / financial institutions with reasonably high credit ratings. In addition, the internal risk management policies and investment guidelines (approved by Investment Committee) require the Fund to invest in debt securities that have been rated as investment grade by a well known rating agency.

#### 24.2.1 The analysis below summarises the credit rating quality of the Fund's financial assets as at June 30, 2016:

##### Balances with banks by rating category

Name of the Bank	Rating Agency	Latest available published rating	Percentage of Bank Balance
Burj Bank Limited	JCR-VIS	BBB+	0.01%
Albaraka Islamic Bank Limited	JCR-VIS	A	0.11%
Dubai Islamic Bank Pakistan Limited	JCR-VIS	A+	0.05%
United Bank Limited	JCR-VIS	AAA	0.04%
Bank Alfalah Limited	PACRA	AA	0.05%
Allied Bank Limited	PACRA	AA+	30.45%
Askari Bank Limited	PACRA	AA+	41.10%
Bank Islami Pakistan Limited	PACRA	A+	28.19%

##### Term deposit receipt by rating category

Name of the Bank / Investee Company	Rating Agency	Latest available published rating	Percentage of term deposit receipts
Dubai Islamic Bank Pakistan Limited	JCR-VIS	A+	100.00%

##### Sukuks other than GoP Ijara Sukuks by rating category

Name of the issuer / issue date	Rating Agency	Latest available published rating of the instruments	Percentage of Sukuks
K-Electric / March 19, 2014	MUFAP	AA	9.17%
K-Electric / June 17, 2015	MUFAP	AA+	17.33%
Engro Fertilizer / July 9, 2014	MUFAP	A+	5.82%
Engro Fertilizer / May 25, 2015	PACRA	AA-	36.46%

There are no financial assets that are past due or impaired.

## Concentration of credit risk

Concentration of risk arises when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. The Fund's portfolio of the financial instruments is mainly held with various banks, securities issued by the State Bank of Pakistan on behalf of the Government of Pakistan and certain privately placed sukuku.

### 24.2.2 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligation in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to daily cash redemptions at the option of unit holders. The Fund's approach to manage liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions without incurring unacceptable losses or risking damage to the Fund's reputation. The Fund's policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily realised and are considered readily realisable.

The Fund has the ability to borrow in the short term to ensure settlements. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates. However, no borrowing was obtained by the Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund has the ability to withhold daily redemption requests in excess of ten percent of units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

24.2.3 The table below indicates the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

Particulars	----- As at June 30, 2016 -----			
	Upto three months	More than three months and upto one year	More than one year	Total

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

#### Liabilities

Payable to ABL Asset Management Company Limited - Management Company	13,320	-	-	13,320
Payable to Central Depository Company of Pakistan Limited - Trustee	323	-	-	323
Dividend payable	32	-	-	32
Accrued expenses and other liabilities	619	-	-	619
Payable against redemption of units	33,277	-	-	33,277
	<b>47,571</b>	-	-	<b>47,571</b>



Particulars	----- As at June 30, 2015 -----			
	Upto three months	More than three months and upto one year	More than one year	Total

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

#### Liabilities

Payable to ABL Asset Management Company Limited - Management Company	6,992	645	-	7,637
Payable to Central Depository Company of Pakistan Limited - Trustee	202	-	-	202
Dividend payable	11,397	-	-	11,397
Accrued expenses and other liabilities	537	-	-	537
Payable against redemption of units	158,276	-	-	158,276
	<u>177,404</u>	<u>645</u>	<u>-</u>	<u>178,049</u>

## 25. FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 "Fair Value Measurement" defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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.

The fair value of financial assets and liabilities traded in active market are based on the quoted market price at the close of trading on the period end date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from the carrying values as the items are either short-term in nature or periodically repriced.

#### Fair value hierarchy

IFRS 13 requires the Fund to classify financial instruments 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: Quoted market prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or the liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Investment of the Fund carried at fair value are categorised as follows:

Assets	----- As at June 30, 2016 -----			
	Level 1	Level 2	Level 3	Total
	----- Rupees in '000 -----			
Investment in securities - financial assets at fair value through profit or loss - held for trading				
- GoP Ijara Sukuks and other Sukuks	-	1,371,477	-	1,371,477

Assets	----- As at June 30, 2015 -----			
	Level 1	Level 2	Level 3	Total
	----- Rupees in '000 -----			
Investment in securities - financial assets at fair value through profit or loss - held for trading - GoP Ijara Sukuks and other Sukuks	-	593,496	-	593,496

## 26. UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by redeemable units. The unit holders of the Fund are entitled to distributions and to payment of a proportionate share based on the Fund's net asset value per unit as of the close of the business day less any back end load, provision for transaction costs and any provision for duty and charge, if applicable. The relevant movements are shown on the statement of movement in unit holders' fund.

The Fund has no restrictions or specific capital requirements on the subscription and redemption of units.

The Fund's objectives when managing capital are to safeguard its ability to continue as a going concern so that it can continue to provide returns for unit holders and to maintain a strong base to meet unexpected losses or opportunities.

In accordance with the risk management policies, the Fund endeavors to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption requests. Such liquidity is augmented by short-term borrowings or disposal of investments, where necessary.

As required under the NBFC Regulations, every open end scheme shall maintain minimum fund size (i.e. net assets of the Fund) of Rs. 100 million at all times during the life of scheme. The Fund has maintained and complied with the requirements of minimum fund size during the year.

## 27. GENERAL

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

27.2 Corresponding figures have been rearranged and reclassified, where necessary, for the purpose of better presentation. No significant rearrangement or reclassification were made in these financial statements.

## 28. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 17, 2016 by the Board of Directors of the Management Company.

For ABL Asset Management Company Limited  
(Management Company)

  
SYED KHALID HUSSAIN  
Chief Executive Officer

  
MUHAMMAD KAMRAN SHEHZAD  
Director

JCR-VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ نے 31 دسمبر، 2015 پر ABL IIF کے فنڈ کو اسٹحکام کی درجہ بندی کی نظر ثانی کی ہے (Single A (f) 'A(f)')

## مینجمنٹ کو الٹی ریٹنگ

مئی 04، 2016 پر، JCR-VIS کریڈٹ ریٹنگ کمپنی نے AM2+ دی اور آؤٹ لک مستحکم۔

## آؤٹ لک اور حکمت عملی

اقتصادی ترقی حکومت بڑی حد تک ملک میں توانائی کے بحران کو حل کرنے کیلئے اس کا اقتصادی ایجنڈے کے ساتھ ٹریک اور سی پی ای سی تحت ترقیاتی اخراجات میں اضافہ پر ہے کے طور پر FY17 دوران مزید اضافہ کرنے کے لئے مقرر کیا گیا ہے۔ اگلے سال کے لئے گرانی عالمی مارکیٹوں میں کمزور اشیاء کی قیمتوں کی وجہ سے رہتا۔ تاہم، کچھ خطرات جیسے برآمدات میں مسلسل کمی ترقی کی رفتار میں رکاوٹ کر سکتے ہیں جس، مالی تاخیر آئی ایم ایف پروگرام، ترسیلات زر کی کمزور نقطہ نظر کی تکمیل عالمی معاشی سست روی اور بین الاقوامی اشیاء کی قیمتوں کی اچانک بازیابی کی وجہ سے وہ حکومت سے باہر پوسٹ نہیں کر سکتے۔

مندرجہ بالا مفروضات کی بنیاد پر ہم اسٹیٹ بینک کو صحت مند ایف ایکس ذخائر، نرم گرانی اور عمومی بہتر بنانے میکروز کی پشت پر FY17 میں ایک مستحکم شرح پالیسی برقرار رکھیں گے یقین رکھتے ہیں۔ لہذا، ہم مارکیٹ میں پہلے ہی بھاری پی آئی بی کی وجہ پاکستانی روپے کے پیداوار ایڈجسٹ کیا ہے کے طور پر ہم اندازہ کے طور پر مارکیٹ کی پیداوار کیس ایم پی ایس کمیٹی میں اضافہ کا تیزی ایڈجسٹ کر سکتے ہیں آئندہ مانیٹری پالیسی میں موجودہ ڈی آر برقرار رکھا ریٹرن میں اتار چڑھاؤ سے بچنے کے لئے بھی کم 1 سال کی مدت برقرار رکھیں گے۔ تاہم، ہم بنیادی مفروضات میں کوئی تبدیلی کی صورت میں ہمارے پورٹ فولیو تحلیل کرنے آئے گا۔ مختصر مدت میں، ہم واپسی کو سال کے آخر کی وجہ سے اعلیٰ کی شرح میں بینکوں کے ساتھ کی وجہ سائٹوں پر زیادہ کناروں پر رہنے کی توقع ہے۔

## اعتراف

ہم اپنے قابل قدر سرمایہ کاروں کے اعتماد کا شکریہ ادا کرتے ہیں۔ بورڈ نے پاکستان کی سیکورٹیز اینڈ ایکسچینج کمیشن، ٹرسٹی اور ان کی مسلسل رہنمائی اور مدد کے لئے پاکستان اسٹاک ایکسچینج لمیٹڈ کے شکر گزار ہے۔ ڈائریکٹرز بھی انتظامی ٹیم کی کوششوں کی تعریف کرتے ہیں۔

بورڈ کی جانب سے

سید خالد حسین

چیف ایگزیکٹو آفیسر

تاریخ: 17 اگست 2016

S. No.	Particulars	Units Held on June 30, 2016
1	<b>Associated Companies, undertakings and related parties</b>	
	• Muller & Phipps Pakistan (Pvt) Ltd. Staff Provident Fund	3,325,597.94
	• Muller & Phipps Pakistan (Pvt) Ltd. Officers Gratuity Fund	3,733,282.95
	• ABL AMCL Staff Provident Fund	655,745.07
2	<b>Mutual Funds</b>	-
	• MCBFSL Trustee ABL Islamic Financial Planning Fund Strategic Allocation Plan	64,513,194.94
	• MCBFSL Trustee ABL Islamic Financial Planning Fund-Active Allocation Plan	34,772,677.54
	• MCBFSL Trustee ABL Islamic Financial Planning Fund-Conservative Allocation Plan	30,403,360.76
	• MCBFSL Trustee ABL Islamic Financial Planning Fund-Aggressive Allocation Plan	4,557,515.36
3	<b>Directors and their spouse(s) and minor children</b>	-
4	<b>Executives</b>	
	• Mr. Farid Ahmed Khan	60,710.32
	• Mr. Mubeen Ashraf	424,246.93
	• Mr. Saqib Matin	129,654.30
5	<b>Public Sector Companies and corporations</b>	<b>13,543,472.87</b>
6	<b>Others Corporates</b>	<b>12,106,808.09</b>
7	<b>Bank, DFIs, NBFCs, Insurance Companies, Takaful, Modaraba and Pension Fund</b>	<b>34,908,505.03</b>
8	<b>Shareholders holding five percent or more voting rights in the listed company</b>	-

آڈیٹرز

میسر دیلوٹ یوسف عادل (چارٹرڈ اکاؤنٹنٹس)، دوبارہ تعیناتی کے لئے اہل ہونے کے بورڈ آف ڈائریکٹرز کے آڈٹ کمیٹی کی سفارش پر اے بی ایل اسلامک انکم فنڈ (ABL - IIF) کے لئے 30 جون، 2017 کو ختم ہونے والے سال کے لئے آڈیٹرز کے طور پر مقرر کیا گیا ہے۔

13- مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز کا اجلاس ہر سہ ماہی میں ایک مرتبہ منعقد کی جاتی ہیں۔ سال کے پانچ ملاقات کے دوران منعقد کی گئی۔ 44th، 43rd، کے 46th، 45th اس اور ڈائریکٹرز ملاقاتوں کی 47th بورڈ بالترتیب 27 اگست، 2015، 30 اکتوبر، 2015، 16 دسمبر، 2015، فروری 2016 اور 27 اپریل، 2016 منعقد کیا گیا تھا۔ ڈائریکٹرز اور ملاقاتوں میں دیگر افراد کی طرف سے حاضری کے سلسلے میں معلومات کی مندرجہ ذیل ہے:

S. No.	Name of Director	Number of meetings		Leave granted	Meetings not attended
		Held	Attended		
1	Sheikh Mukhtar Ahmed	5	4	1	46th
2	Mohammad Naeem Mukhtar	5	4	1	45th,
3	Muhammad Waseem Mukhtar	5	4	1	46th
4	Tariq Mahmood	5	4	1	43rd,
5	Kamran Nishat	5	3	2	46th, 47th
6	Muhammad Kamran Shehzad	5	5	-	-
7	Farid Ahmed Khan	5	5	-	-

14- بورڈ کے ملازمتی فوائد و معاوضے کا اجلاس اور ایک سال میں کم از کم تین بار منعقد کی ضرورت ہے۔ سال کے دوران ایک اجلاس منعقد کیا گیا تھا۔ معاوضے کمیٹی کا 18th اجلاس 10 مارچ 2016 کو منعقد کیا گیا تھا، ملاقاتوں میں ڈائریکٹرز کی طرف سے حاضری معلومات ذیل میں دی گئی ہے:

S. No.	Name of Director	Number of meetings		Leave granted	Meetings not attended
		Held	Attended		
1	Mr. Muhammad Waseem Mukhtar	1	1	-	-
2	Mr. Kamran Nishat	1	1	-	-
3	Mr. Farid Ahmed Khan	1	1	-	-

15- آڈٹ کمیٹی کا اجلاس ہر سہ ماہی میں ایک مرتبہ منعقد کی جاتی ہیں۔ چار اجلاس دوران سال منعقد کی گئی۔ 33RD، 34th، 35th اور 36th بورڈ کی آڈٹ کمیٹی کے اجلاس 27 اگست، 2015، 30 اکتوبر، 2015، فروری 2016 اور 27 اپریل، 2016 منعقد کیا گیا تھا۔ ملاقاتوں میں ڈائریکٹرز کی طرف سے حاضری کے سلسلے میں معلومات مندرجہ ذیل ہے:

S.No.	Name of Director	Number of meetings		Leave granted	Meetings not attended
		Held	Attended		
1	Mr. Kamran Nishat	4	3	1	36th
2	Mr. Muhammad Waseem Mukhtar	4	3	1	35th
3	Mr. M. Kamran Shehzad	4	4	-	31st

## کارپوریٹ گورننس کے ضابطے کی تعمیل

بورڈ آف ڈائریکٹرز فرماتے ہیں کہ:

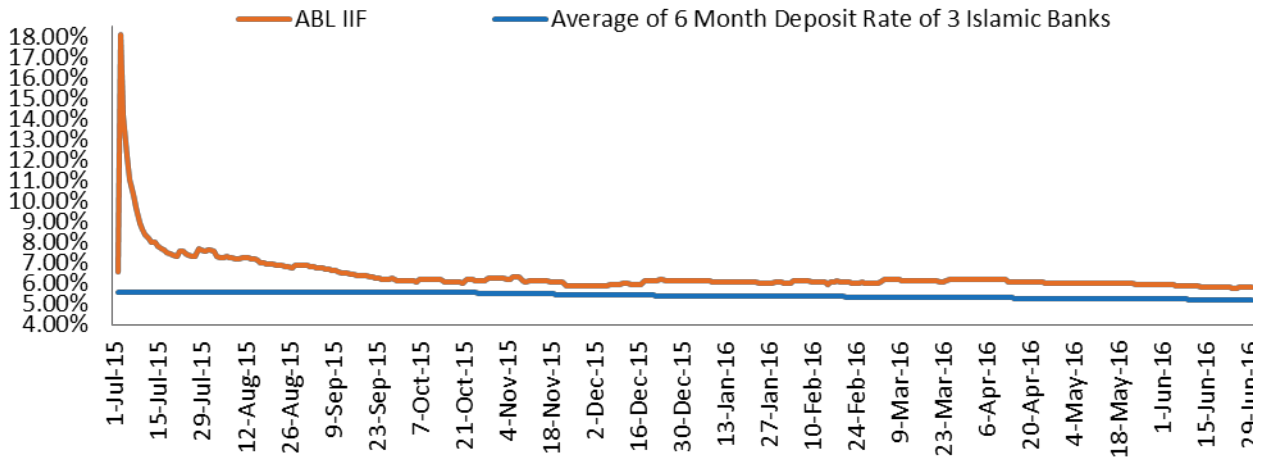
- 1- مالیاتی رپورٹ کافی معاملات کی حالت، آپریشن، نقدی بہاؤ اور بونٹ ہولڈر فنڈ میں تبدیلیوں کے نتائج پیش کر رہے ہیں۔
- 2- فنڈ کے اکاؤنٹس کی مناسب کتابوں/دستاویز کو برقرار رکھا گیا ہے۔
- 3- مناسب اکاؤنٹنگ پالیسیوں کے تسلسل مالی بیانات اور اکاؤنٹنگ اندازوں کی تیاری میں لاگو مناسب اور دانشمندانہ فیصلوں کی بنیاد پر ہیں۔
- 4- متعلقہ بین الاقوامی اکاؤنٹنگ معیارات، پاکستان میں قابل عمل طور پر، غیر بینکاری مالیاتی کمپنیوں کی دفعات (اسٹیبلشمنٹ اینڈ ریگولیشن) دستور العمل، 2003 اور غیر بینکاری مالیاتی کمپنیوں اور مطلع اداروں کے ضابطے، 2008، ٹرسٹ ڈیڈ کی ضروریات اور ہدایات کی طرف سے جاری سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، مالی بیانات کی تیاری میں پیروی کی گئی ہے؛
- 5- اندرونی کنٹرول کے نظام کے ڈیزائن میں مضبوط ہے اور موثر طریقے سے عملدرآمد اور نگرانی کی گئی ہے؛
- 6- فنڈ کی صلاحیت پر کوئی قابل ذکر شکوک و شبہات کی تشویش نہیں ہے۔
- 7- لسٹنگ کے ضابطے میں تفصیلی طور پر کارپوریٹ گورننس کے بہترین طریقوں، کو اپنایا جاتا رہا ہے۔
- 8- فنڈ کی کارکردگی ٹیبل صفحہ #13 سالانہ رپورٹ کے .. پر دیا جاتا ہے؛
- 9- ٹیکس، فرائض، لیویز اور بقایا پہلے سے ہی مالی بیانات میں شامل اور دیگر الزامات کے اکاؤنٹ پر کوئی قانونی ادائیگی نہیں ہے۔
- 10- ملازمین کی ریٹائرمنٹ فوائد کے طور پر اخراجات مینجمنٹ کمپنی کی طرف سے برداشت ہوئے پروائیڈنٹ فنڈ کی سرمایہ کاری کی قیمت کا بیان فنڈ کی صورت میں لاگو نہیں ہے؛
- 11- ڈائریکٹرز CFO/CEO، اور CIA اور کمپنی سیکریٹری اور ان کے خاوند یا بیوی کی طرف سے کوئی ٹریڈ نہیں سوائے؛

S. No	Name	Designation	Units Issued	Units Redeemed	Bonus Units	Dividend Units
1	Mr. Farid Ahmed Khan	CEO	70,026.51	984,636.34	177.93	-
2	Mr. Saqib Matin	CFO & CS	252,886.02	123,757.66	1.54	25.24
3	Mr. Mubeen Ashraf Bhimani	CIA	976,334.84	1,089,519.05	1,274.79	-

- 12- سال کے دوران، کے پر کوئی ڈائریکٹر بینگ میں شرکت کی۔ تاہم، چار ڈائریکٹرز تصدیق شدہ بورڈ ڈویلمنٹ سیریز پروگرام کے تحت، جبکہ ایک ڈائریکٹر ڈائریکٹریٹ کے پروگرام سے مستثنیٰ ہے وہ ڈائریکٹرز فنڈ اور مینجمنٹ کمپنی، اس کی پالیسیوں پر لاگو متعلقہ قوانین اور طریقہ کار اور یادداشت کی دفعات اور ایسوسی ایشن کے مضامین کے ساتھ اچھی طرح واقف ہیں اور ان کے فرائض اور ذمہ داریوں سے آگاہ ہیں۔

اے بی ایل اسلامک انکم فنڈ کی اوم 30 جون 2016 1.832.42 ارب سے 78.81 فیصد کی طرف سے کافی اضافہ 3.277 ارب۔ 2016 اے بی ایل IIF پوسٹنگ کی طرف FY16 میں اسلامک انکم فنڈ کے زمرے میں بہترین کارکردگی کا مظاہرہ (2/14) کے درمیان تھا۔ 5.84 فیصد کا سالانہ واپسی، 5.10 فیصد کا مینج مارک واپسی کے مقابلے میں اس طرح 74 ویں گریڈ کی ایک باہر کارکردگی دیکھائی باہر کی کارکردگی کافی حد تک حکومت اور کارپوریٹ سیکورٹ پر ٹریڈنگ اور تشخیص فوائد سے منسوب کیا گیا تھا۔ اس کے علاوہ، KIBOR سے اعلیٰ پروڈنسون آمدنی کے اعلیٰ کی شرح (TDRs اور DPAs) میں بروقت سائٹوں کے ساتھ ساتھ کے آلات منسلک 76 ویں گریڈ (صنعت اوسط -5.08 فیصد) کی طرف سے صنعت کی اوسط کو شکست دینے کے لئے فنڈ کرنے میں مدد ملی۔

سال کے دوران، ہم مسابقتی رہنے کے لئے زیادہ ایچ کارپوریٹ سیکورٹس شامل کرنے پر توجہ مرکوز کی۔ تاہم، ہم خطرے پر سمجھوتہ اور صرف اعلیٰ درجہ دیا ذرائع میں سرمایہ کاری نہیں کی تھی۔ کارپوریٹ سیکورٹس میں تقسیم گزشتہ سال 22.89 فیصد کے مقابلے میں 28.20 فیصد تک اضافہ کیا گیا تھا۔ اس کے علاوہ، اسلامی کائنات میں سرمایہ کاری کے اختیارات میں کمی کی وجہ سے جیسا کہ ہم بڑے پیمانے پر مانگ مارکیٹ میں ایسیلار اہل سیکوریٹیز کے لئے مانگ کی وجہ سے آگے جانے کی امید رکھتے ہیں ہم یہ GOP Ijarah سیکورٹس میں نمائش میں اضافہ ہوا، مدت، فنڈ TDRs پر مشتمل کے اختتام پر Ijarah، کارپوریٹ سیکورٹس اور جمع 6.04 فیصد، 12.81 فیصد، 28.20 فیصد اور کل اثاثوں کی 52.3 فیصد، بالترتیب بینک کے ذخائر کی طرف جھکاؤ دیگر سرمایہ کاری کے مواقع کے مقابلے میں بینکوں کی طرف سے پیش کیے جاتے بہتر شرح کی وجہ سے تھا۔



بورڈ آف ڈائریکٹرز کی جانب سے اے بی ایل ایسیٹ مینجمنٹ کمپنی لمیٹڈ کے چیف ایگزیکٹو آفیسر (ABL AMCL) منظور شدہ فی یونٹ Re.0.5946 کی مجموعی تقسیم کا اعلان کر دیا گیا ہے، 30 جون، 2016 کو ختم ہونے والے سال کے لیے۔

پرکھڑا اسی طرح، مجموعی طور پر بینکاری کے سائز میں اسلامی بینکاری کے مجموعی اثاثوں میں بھی 11.4 فیصد کرنے 9M16 میں گزشتہ سال میں 10.4 فیصد کے مقابلے میں اضافہ کیا گیا۔ اس مدت کے دوران، (J) ارج سسکوک 276،8 ارب مالیت کی مقدار پر غالب کیا گیا۔ SBP بھی 3 اجراء سسکوک کی نیلامی کا انعقاد کیا اور مالیت سسکوک اجراء جاری 4،314 ارب وہ SLR اہل مانجھوتیوں میں مختصر تھے ان کے طور پر ان کی اضافی لیکویڈیٹی تعینات کرنے اور اسلامی بینکوں کی مدد کرنے کے لئے (37.5PKR) ارب پختگی رقم سے زیادہ)۔ سال کے دوران، SBP شریعہ کے مطابق سرمایہ کاری کے مواقع کے متنوع رینج فراہم کرنے کے لئے فروری 2016 میں پہلی فکسڈ ریٹیل کی شرح اجراء سسکوک متعارف کرایا گیا۔ اعلیٰ تجارتی سرگرمیوں ڈسکاؤنٹ ریٹ میں کٹوتی کی وجہ سے اسلامی کاؤنٹر سے بھاری مانگ کی وجہ سے مقررہ شرح یہ جی او پی اجراء سسکوک میں دیکھا گیا تھا۔ کارپوریٹ سسکوک بھی سال (HASCOL & مختصر پختگی Engro اور سسکوک) جس پر کشش شرح سے شریعت کے مطابق آلات کی محدود دستیابی کی وجہ سے ختم ہوگئی تھی سبسکرائب کے دوران شروع کیا گیا تھا۔

مدت کے لئے M2 نمو 13.7 فیصد پر SPLY میں 13.2 فیصد کے مقابلے میں رقم کی فراہمی میں اضافہ بنیادی طور پر SPLY میں 223.847 ارب خلاف 460.598 بلین تک بہتری آئی ہے نئی شعبے کو قرضے کے طور پر آپ کی دلش اثاثے (این ڈی اے) میں (253 ارب کی طرف سے) 23.12 فیصد کا اضافہ کرنے کے لئے منسوب کیا گیا تھا NFA باوجہ سال کے دوران خاموش کردیا غیر ملکی رقوم SPLY میں 219.705 ارب سے FY16 میں 96.11 فیصد (43،193 ارب) کا ایک اہم کی تعینات۔ سی بی ایس سے حکومتی قرض گیری فی الحال PKI پرکھڑے ہیں۔ FY15 486 ارب کی مجموعی رقم، جبکہ 335.1 ٹریلین خلاف 1.27 ٹریلین اسٹیٹ بینک سے ریٹائر کیا گیا تھا۔

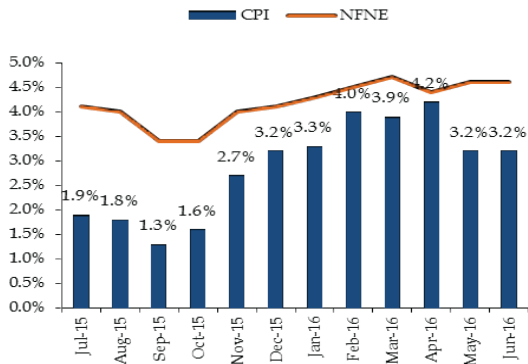
#### میوچل فنڈ انڈسٹری کا جائزہ

انتظام کو پاکستان کی کھلی آخر مشترکہ فنڈ انڈسٹری کا (AUMs) کے تحت کل اثاثوں میں مسلسل (473 ارب 422 ارب سے) FY16 میں 12.1 فیصد کی نمو ظاہر کی۔ یہ اضافہ آمدنی اور جارحانہ فکسڈ انکم فنڈ زمرے کی طرف راہنمائی کی گئی۔ انکم فنڈ کے زمرے FY16 لئے میکرو اشارے میں بہتری کے درمیان اسٹیٹ بینک کی طرف سے جاری مالیاتی نرمی (DR) میں کاٹ مجموعی (75bps) کے پیچھے اور سومی CPI نقطہ نظر پر روشنی رہی۔ لہذا یہ 21.8 فیصد کا اضافہ AUMs میں 80 ارب سے جون 2015 میں 98 ارب جون 2016 میں دوسرا پہلو پر رجسٹرڈ، کم سود کی شرح منظر نامے مٹی مارکیٹ فنڈ زمرہ سے 16 ارب (نیچے 23.8 فیصد سال) کی ایک اخراج کی وجہ سے 50 ارب مدت کو بند کرنے، مجموعی بنا پر، مقررہ آمدنی زمرہ (انکم پر مشتمل، اور زیادہ آمدنی اور پیسہ مارکیٹ فنڈز) 4.8 فیصد (سالانہ) کا اضافہ 162 ارب روایتی فکسڈ انکم فنڈز کے ساتھ لائن میں جون 2015 میں 154 ارب کے مقابلے میں جون 2016 میں بند کرنے کے لئے رجسٹرڈ، اسلامک انکم زمرہ بھی 39.4 فیصد (سالانہ) کی طرف سے 30 ارب کرنے، زیادہ تر فنڈ زمرے اسلامک فنڈ کے تحت نئے فنڈز کے اجراء کے حصے میں آیا۔ خاص طور پر کارپوریٹ، بینکوں اور انشورنس کے شعبوں کے لئے تنوع و جتن ٹیکس رجیم کے باوجود، آگے بڑھنے، آؤٹ لک اب بھی riskien اثاثوں میں فنڈز کے بہاؤ کے طور پر حوصلہ افزا ہے وجہ ہائی کی کم شرح سود، کشش رسک ایڈجسٹڈ ریٹن اور بہتر اقتصادی زمین کے پورا نمائند ہے۔



اور علاقائی کرنسیوں (USD/PKR 119.2) پر REER کے مقابلے میں فرم ملکی زرمبادلہ کی شرح USD 22.0 بلین برآمدات USD 24.1 بلین FY 15 میں کے مقابلے میں کمی کے نتیجے میں نیچے CAD کا اثر ترسیلات زر میں مسلسل اضافہ، ME، یورو بانڈ ز اور دیگر کثیر جہتی ذرائع سے رقوم کی آمد FX ذخائر USD 18.7 بلین سے USD 3.1 بلین تک پہنچا اور FY 16 میں ارب FX کے ذخائر میں قابل ذکر بہتری بھی محسوس کی گئی۔ PKR، USD 104.8 میں سال کو بند کرنے کے لیے PKR فرسودگی کو محدود صرف 3.0 فیصد (سالانہ) سے ملک کی مدد کی۔

اسٹیٹ بینک آف پاکستان کے سو فی افراتر کی آؤٹ لک اور بیرونی اکاؤنٹ کو مضبوط بنانے کے درمیان اس کی مالیاتی نرمی موقف جاری رکھا اور اقتصادی ترقی کی حمایت کرنے کے لئے 6.25 فیصد کی 44 سالہ کم ترین مجموعی 75bps کی طرف ڈسکاؤنٹ ریٹ کم کر دیا۔ ملٹی سال کی کم سود کی شرح اور بہتر امن وامان کی صورت حال میں ترجمہ FY 16 دوران، 460.60 PKR ارب (ممبر - 106 فیصد YOY) میں گھڑی کے مطابق نجی شعبے کے قرضے۔ FY 15 میں 15.5 فیصد کے مقابلے میں جی ڈی پی کے تناسب سے مجموعی سرمایہ کاری FY 16 میں 15.2 فیصد رہ گئی۔ GDP کے تناسب سے کل بچت قدرے FY 15 میں 14.5 فیصد کے خلاف FY 16 میں 14.6 فیصد اضافہ ہوا۔



مالی محاذ پر کم طاقت کی سبسڈی کی وجہ سے تیل کی قیمتیں ڈوبنے کا سبب بنی جارحانہ ٹیکس کے اقدامات جیسے سپر ٹیکس، غیر فائیلر اور دسمبر کے منی بجٹ کے اعلان میں ٹیکس کی زیادتی کے ساتھ مل کر اس ٹیکس وصولی کے ہدف کو حاصل کرنے میں حکومت مدد کی FY 16 میں 3.1 ٹریلین تاہم مالیاتی خسارہ جی ڈی پی کے 4.3 فیصد کے ہدف کے مقابلے جی ڈی پی کا 4.45 فیصد پر قدرے زیادہ بڑے پیمانے پر بہتری نظر آئی اگرچہ 5.3 فیصد سے FY 15 میں رہی پاکستان کی معیشت میں USD 46 بلین لانے کا وعدہ کیا ہے جس میں چین پاکستان اقتصادی راہداری پر آخری ٹریک کام (CPEC) کے ساتھ پائیدار اقتصادی ترقی کی مدت کو دیکھنے کے لئے مقرر کیا گیا ہے۔ CPEC معیشت کے لیے ایک محرک دینے، باہمی تجارت، بجلی کی پیداوار اور بنیادی ڈھانچے کو بہتر بنانے کے اضافے کی توقع کی جاسکتی ہے مزید برآں، کثیر دہائی، کم سود، اور ایل این جی کے ذریعے سلامتی کی صورت حال اور توانائی کے بحران کے حال کو بہتر بنانے کے لیے، API اور IPI پائپ لائن مجموعی اقتصادی سرگرمی کو آگے بڑھانے کی تقویت مل سکتی۔

### اسلامی منی مارکیٹ کا جائزہ

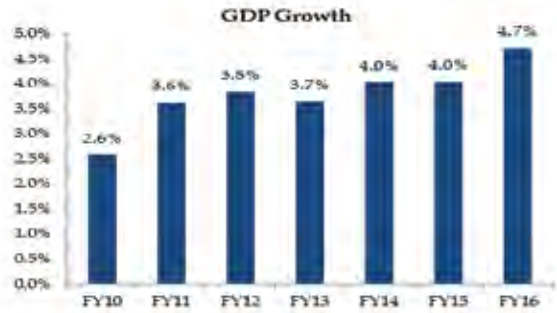
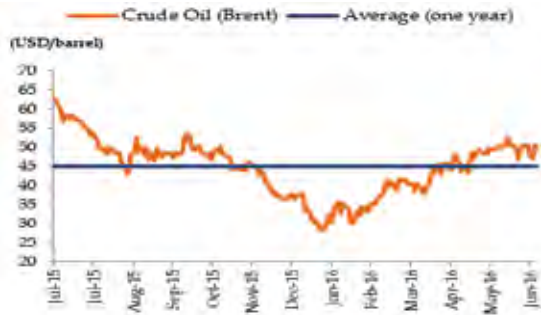
اسلامی اختتام پر، کرنسی مارکیٹ کی وجہ سے 19 فیصد کے بڑے پیمانے پر ڈپازٹ کی ترقی میں (جولائی 15 مارچ 16) (مقام بنیادیں ذیل میں 6 ماہ کے ٹریڈری بل 25-30 گریڈ کئے گئے تھے) بہت مائع رہے۔ اس کے علاوہ، مجموعی طور پر بینکاری ڈپازٹس میں اسلامی بینکاری اداروں کے ذخائر کی مارکیٹ شیئر مارچ 2016 آخر تک 13.2 فیصد

## مینجمنٹ کمپنی ڈائریکٹرز کی رپورٹ

اے بی ایل ایسیٹ مینجمنٹ کمپنی لمیٹڈ، الائیڈ بینک اسلامک انکم فنڈ (اے بی ایل - IIF) کے مینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز، 30 جون 2016 کو ختم ہونے والے سال کے لئے اے بی ایل اسلامک انکم فنڈ کی آڈٹ کے بیانات پیش کیے گئے۔

### اقتصادی کارکردگی کا جائزہ

پاکستان کی معاشی زمین کی ترقی برینٹ (19.7 فیصد YOY طرف سے نیچے) بنیادی طور پر اضافے کی فراہمی اور عالمی طلب کی کمزور حرکات کی وجہ سے USD49.71 / بی بی ایل میں سال اختتام کرنے کے ساتھ، خام تیل کی قیمتوں میں مسلسل بھاگ دوڑ کی طرف کی تحت FY16 میں بتدریج بہتری کو ظاہر کرنے کے لئے جاری ہے۔ اداس تیل کی مارکیٹ CPL اور CAD کی طرح پاکستان کے اہم معاشی اشارے کے لئے امدادی سچے کرنے کے لئے جاری ہیں۔ مثبت پیش رفت اور سازگار امن وامان کی صورت حال کے باوجود، ملک کو ایک بار پھر، 5.7 فیصد کے اس اقتصادی ترقی کا ہدف یاد کیا گیا اور 4.7 فیصد کی معمولی اضافہ درج FY09 کے بعد حاصل کیا گیا۔ سب سے زیادہ شرح اگرچہ جی ڈی پی میں Subpar نمایا کمزور ایشیاء کی قیمتوں اور اہم فیصلوں (کپاس اور چاول)، جس میں ایک 2.0- فیصد (سالانہ) اضافہ منفی علاقے میں زراعت کی ترقی میں کمی سے منسوب کر سکتے ہیں۔ تاہم اور خدمات کے شعبے (FY15 میں 3.6 فیصد کے خلاف FY16 میں 3.3 فیصد) (FY15 میں 4.8 فیصد کے خلاف FY16 میں 6.8 فیصد) میں صنعتی ترقیاتی معاشی پیداوار کے لئے کچھ محرک فراہمی کی گئی۔ حوصلہ افزا IMP، پروگرام، کچھ ہچکچوں کے ساتھ ہی سہی، لیکن آسانی سے چلے گئے اور حکومت کی طرف سے اور بڑے۔ سہ ماہی EFF پروگرام کے تحت 6 ارب USD (کل حجم کا تقریباً 91 فیصد) کی بروقت ادائیگی جس کے نتیجے میں اس کی کارکردگی کے معیار کو پورا کرنے کے لئے منظم رہے۔



خارجی محاذ پر جاری حسابات کا خسارہ 2.7 ارب USD FY15 میں ایک بڑی وجہ مہذب USD19.9 بلین تریسیلات زر میں 6.4 فیصد (سالانہ) کی ترقی کے لئے کے مقابلے میں USD 2.5 ارب FY16 میں 6.8 فیصد (سالانہ) کے ذریعے اکٹھا کیا گیا تھا۔ اس کے علاوہ، کولیشن سپورٹ فنڈ کی رقوم کی آمد کی وجہ سے خدمات خسارے میں 18.5 فیصد (سالانہ) قطرہ FY15 میں بمقابلہ 0.1 فیصد جی ڈی پی کا -9.0 فیصد پر حل کرنے کے لئے CAD سے مدد ملی۔ دوسری طرف، تجارتی خسارہ 7.4 فیصد (سالانہ) کی طرف USD 18.5 بلین FY16 میں USD17.2 بلین گزشتہ سال کے مقابلے میں وسیع رہی برآمدات میں 8.6 فیصد سال بسال کی خاصی کمی درآمد بل نیچے 2.0 فیصد (سالانہ) کی طرف USD 40.5 بلین) میں کم تیل کی قیمتوں کے فوائد بہہ گیا ہے۔ کمزور ایشیاء کی قیمتوں میں دب عالمی طلب (خاص طور پر فوری زون میں)