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ABL ISLAMIC INCOME FUND

FUND'S INFORMATION

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

ABL ISLAMIC INCOME FUND

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

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

ECONOMIC PERFORMANCE REVIEW

Economic performance in 1QFY15 remained dismal due to prolonged political stalemate between the government and protesting political parties in the country. The talking point for the quarter was failure of the country to complete fourth review of the IMF program due to which disbursement of USD550 million tranche was delayed. In addition the country had to delay its USD1 billion international Sukuk issue. Consequently, PKR depreciated by 3.9% during the quarter and CAD swelled to USD1.37 billion in 2MFY15, 1.37x higher than USD0.58 billion during the same period of last year, due to mounting trade deficit. Delay in foreign funds coupled with widening CAD took its toll on the FX reserve position, which dropped by 6% to USD13.21 billion during 1QFY15.

Inflation, as measured by CPI, remained soft as average inflation stood at 7.52% during the quarter due to high base effect and lower than expected food inflation (6.6%YoY in 1QFY15). Despite lower than expected inflation, SBP kept DR unchanged in Sept-14 MPS, emphasizing the need to remain vigilant and monitor movement in economic indicators as vulnerabilities in external sector and other macros indicators still remain unaddressed. The performance on fiscal front remained slightly below par during 1QFY15 as FBR collected PKR563 billion (up 12.6% YoY) and missed its quarterly target by PKR20. Government borrowing on the other hand, continued unabated as it raised PKR20 billion and PKR104 billion from SBP and commercial banks respectively.

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

MUTUAL FUND INDUSTRY REVIEW

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

FUND PERFORMANCE

ABL Islamic Income Fund generated an annualized return of 8.50% during the period, against its benchmark return of 6.53%. The return was one of the highest in peer group and underpinned a massive outperformance of 197bps during the quarter. The outperformance was attributed to trading and valuation gains on Corporate Sukuks portfolio and an active management strategy. During the period, GoP Ijarah Sukuks remained in limelight as prices declined sharply due to heavy supply from Islamic counters as they found better opportunities in call market for short to medium tenors. ABL IIF was able

to outperform its peers due to timely exit from Ijarah Sukuks. Fund size too increased significantly by 11.49% to close at PKR 1,416 million from PKR 1,270 million in June 2014 due to outstanding performance of the fund.

At the end of the quarter, investment in corporate Sukuk was increased to 23.89% of net assets compared to 15.7% in June 2014 whereas proportion of cash at bank declined to 75.19% during the period under review. Consequently, WAM of the portfolio also increased to 275 days from 107 days.

AUDITORS

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

FUND STABILITY RATING

JCR-VIS Credit Rating Company LTD. (JCR-VIS) on October 16, 2014 has revised the Fund Stability of ABL Islamic Income Fund from 'A+(f)' (Single A Plus (f)) to 'A(f)' (Single A (f)).

MANAGEMENT QUALITY RATING

On June 21 2013, JCR-VIS Credit Rating Company Limited upgraded the Management Quality Rating of ABL Asset Management Limited (ABL AMC) from to 'AM Two Minus' (AM2-) to 'AM Two' (AM2). Outlook on the assigned rating is 'Stable'.

OUTLOOK

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

In short term, we believe SBP will take a cautious stance on discount rate and maintain the status quo at least in 1HFY15. As a result, we expect prices of corporate sukuks to increase from current levels due to strong demand from market participants, attractive pricing and supply dearth of good corporate instruments. However, we will remain cautious on market dynamics and look for selected opportunities to adjust portfolio allocation and duration accordingly.

ACKNOWLEDGEMENT

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

For & on behalf of the Board


Farid Ahmed Khan
Chief Executive Officer

Karachi, October 28, 2014

ABL ISLAMIC INCOME FUND

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2014

		For the quarter ended September 30, 2014	For the quarter ended September 30, 2013
	Note	-----Rupees in '000-----	
INCOME			
Capital gain on sale of government securities - net		400	177
Profit on deposits with banks		22,336	9,075
Income from sukus		10,121	16,387
		32,857	25,639
Unrealised appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss - net	5.2	880	445
Total Income		33,737	26,084
EXPENSES			
Remuneration of ABL Asset Management Company Limited'- Management Company		3,264	2,836
Sindh sales tax on remuneration of Management Company	6.1	568	454
Federal excise duty on remuneration of Management Company	6.2	522	454
Remuneration of Central Depository Company of Pakistan Limited'- Trustee		492	455
Annual fee - Securities and Exchange Commission of Pakistan		245	213
Auditors' remuneration		83	74
Amortisation of preliminary expenses and floatation costs		163	163
Printing charges		38	38
Annual rating fee		46	46
Listing fee		13	13
Bank and settlement charges		42	21
Brokerage and securities transaction cost		22	9
Other Expense			72
Total operating expenses		5,498	4,848
Net income from operating activities		28,239	21,236
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed		1,820	219
Provision for Workers' Welfare Fund	7.1	(601)	(429)
Net income for the period before taxation		29,458	21,026
Taxation	9	-	-
Net income for the period after taxation		29,458	21,026
Other comprehensive income		-	-
Total comprehensive income		29,458	21,026
Earnings per unit	10		

The annexed notes 1 to 13 form an integral part of these Condensed Interim financial statements.


FARID AHMED KHAN
CEO

For ABL Asset Management Company Limited
(Management Company)


SHAKFB MURAD
DIRECTOR

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the Fund for the year ended June 30, 2014.

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

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

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

4 BALANCES WITH BANK	Note	September 30, 2014	June 30, 2014
		(Un-audited)	(Audited)
Saving accounts	4.1	1,066,521	1,074,197
Current accounts	4.2	2,154	2,603
		1,068,675	1,076,800

4.1 These saving accounts carrying profit at rates ranging from 6.00% to 9.34 % per annum (June 30, 2014: 6.00% to 9.25%).

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

5 INVESTMENTS	Note	September 30, 2014	June 30, 2014
		(Un-audited)	(Audited)
Financial assets at fair value through profit or loss-net			
- GoP Ijara Sukuks	5.1	-	-
- other Sukuks	5.2	179,578	202,376
		179,578	202,376

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

	For the quarter ended September 30, 2014	For the quarter ended September 30, 2013
-----Rupees in '000-----		
Undistributed income / (loss) brought forward comprising of:		
- realised income	3,012	4,337
- unrealised income / (loss)	184	(3,332)
	3,196	1,005
Distribution during the period		
Nil (2013 - Re 0.1868 per unit on September 27, 2013)		
Cash distribution	-	(16)
Issue of Nil bonus units (2013: 2,115,115 units)	-	(21,151)
	-	(21,167)
Net income for the period after taxation	29,458	21,026
Undistributed income carried forward	32,654	864
Undistributed income carried forward comprising of:		
- realised income	31,774	419
- unrealised income	880	445
	32,654	864

The annexed notes 1 to 13 form an integral part of these Condensed Interim financial statements.


FARID AHMED KHAN
 CEO

For ABL Asset Management Company Limited
 (Management Company)


SHAKFB MURAD
 DIRECTOR

ABL ISLAMIC INCOME FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2014

	For the quarter ended September 30, 2014	For the quarter ended September 30, 2013
-----Rupees in '000-----		
Net assets at the beginning of the period	1,270,261	1,172,065
Issue of 46,565,792(2013:23,966,394 units)	472,351	242,295
Redemption of 37,168,722 (2013:27,560,319 units)	(376,560)	(278,015)
	95,791	(35,720)
Issue of Nil bonus units (2013:2,115,115)	-	21,151
Net element of (income) / loss and capital losses / (gains) included in prices of units issued less those in units redeemed	(1,820)	(219)
Capital gain on sale of government securities - net	400	177
Unrealised appreciation / (diminution) on re-measurement of investments classified as financial assets at fair value through profit or loss - net	880	-
Other net income	28,178	20,404
	29,458	21,026
Distribution during the period		
(2013 - Re 0.1868 per unit on September 27, 2013)		
Cash distribution	-	(16)
Issue of Nil bonus units (2013: 2,115,115 units)	-	(21,151)
	-	(21,167)
Net assets at the end of the period	1,393,690	1,157,136

The annexed notes 1 to 13 form an integral part of these Condensed Interim financial statements.


FARID AHMED KHAN
 CEO

For ABL Asset Management Company Limited
 (Management Company)


SHAKFB MURAD
 DIRECTOR

ABL ISLAMIC INCOME FUND

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2014

	For the quarter ended September 30, 2014	For the quarter ended September 30, 2013
CASH FLOWS FROM OPERATING ACTIVITIES	Note -----Rupees in '000-----	
Net income for the period before taxation	29,458	21,026
Adjustments		
Unrealised (appreciation) on remeasurement of investments classified as financial assets 'at fair value through profit or loss'	(880)	(445)
Element of (income) and capital (gains) included in prices of units sold less those in units redeemed	(1,820)	(219)
Amortisation of preliminary expenses and floatation costs	163	163
Provision for Workers' Welfare Fund	601	429
Federal excise duty on remuneration of Management Company	522	453
	(1,414)	381
(Increase) / decrease in assets		
Security Deposit and Prepayments	(160,037)	(175)
Investments	23,678	170,276
Profit receivable	(3,073)	19,161
	(139,432)	189,262
Increase / (decrease) in liabilities		
Remuneration payable to ABL Asset Management Company Limited- Management Company	(144)	130
Payable to Central Depository Company of Pakistan Limited - Trustee	(2)	3
Payable to Securities and Exchange Commission of Pakistan	(651)	(724)
Accrued expenses and other liabilities	4,129	(314)
	3,332	(905)
Net cash (used) and generated from operating activities	(108,056)	209,764
CASH FLOWS FROM FINANCING ACTIVITIES		
Net (payments) / receipts against (redemption) / issuance of units	99,931	(35,751)
Cash distribution paid	-	(16)
Net cash (used in) / generated from financing activities	99,931	(35,767)
Net (decrease) / increase in cash and cash equivalents during the year	(8,125)	173,997
Cash and cash equivalents at the beginning of the period	1,076,800	417,536
Cash and cash equivalents at the end of the period	4 1,068,675	591,533

The annexed notes 1 to 13 form an integral part of these Condensed Interim financial statements.


FARID AHMED KHAN
CEO

For ABL Asset Management Company Limited
(Management Company)


SHAKFB MURAD
DIRECTOR

ABL ISLAMIC INCOME FUND

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

1 LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

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

JCR-VIS Credit Rating Company has assigned Management Quality Rating of AM2 (stable outlook) to the Management Company as at June 21, 2013 and a fund stability rating of A(f) to the Fund as at October 16, 2014.

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published financial statements of the Fund for the year ended June 30, 2014.

5.1 GoP Ijara Sukuks

Issue date	Mark-up rate / tenor	Face Value				Balance as at September 30, 2014			Market value as a percentage of net assets of the Fund	Market value as a percentage of total investment
		As at July 01, 2014	Purchased during the year	Disposed / matured during the year	As at Sep 30, 2014	Cost	Market value	Appreciation / (diminution)		
December 26, 2010	9.9763 / 3 Years	-	50,000	50,000	-	-	-	-	-	-
Total - September 30, 2014		-	50,000	50,000	-	-	-	-	-	-

(Rupees- in 000)

5.2 Other Sukuks

Issue	Mark-up rate / tenor	Face Value				Balance as at September 30, 2014			Market value as a percentage of net assets of the Fund	Market value as a percentage of total investment
		As at July 01, 2014	Purchased during the year	Disposed / matured during the year	As at Sep 30, 2014	Cost	Market value	Appreciation / (diminution)		
WAPDA	11.19 / 8 Years	-	92,500	92,500	-	-	-	-	-	-
k-Electric	11.19 / 13 Months	95,000	5,000	17,500	82,500	81,925	82,920	995	5.95	46.17
k-Electric	12.31 / 3 Years	105,000	-	11,000	94,000	96,773	96,658	(115)	6.94	53.83
Total - September 30, 2014		200,000	97,500	121,000	176,500	178,698	179,578	880	12.89	100.00

(Rupees- in 000)

September 30, 2014 June 30, 2014

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

Note (Un-audited) (Audited)

5.2 Unrealised appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss - net

Market value of securities
Less: carrying value of securities

179,578	202,376
(178,698)	(202,192)
880	184

September 30, 2014 June 30, 2014

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

Note (Un-audited) (Audited)

6 PAYABLE TO ABL ASSET MANAGEMENT COMPANY LIMITED - MANAGEMENT COMPANY

Remuneration of Management Company		1,078	1,103
Preliminary expenses and floatation costs		645	1,290
Sindh sales tax on remuneration of Management Company	6.1	560	496
Federal excise duty on remuneration of Management Company	6.2	2,520	1,998
Sales load		14	74
		4,817	4,961

6.1 The Provincial Government of Sindh has levied Sindh sales tax at the rate of 15% (2013: 16%) on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.

6.2 As per the requirements of the Finance Act 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Management Company has been applied effective June 13, 2013. The Management Company is of the view

that since the remuneration is already subject to the provincial sales tax as explained in note 6.1, further levy of FED may result in double taxation, which does not appear to be the spirit of the law.

The matter has been collectively taken up by the Management Company jointly with other Asset Management Companies together with their respective Collective Investment Schemes through their trustees, through a Constitutional Petition filed in the Honorable Sindh High Court (SHC) during September 2013 challenging the levy of FED. In this respect, the SHC has issued a stay order against the recovery of FED and the hearing of the petition is still pending.

Pending decision of the SHC, the Fund is not making payments for FED. However, the Fund, as a matter of abundant caution, has made full provision in respect of FED effective June 13, 2013 aggregating to Rs 2.520 Million (including Rs .522 million for the current year). Had the provision not been made the net asset value per unit of the Fund as at September 30, 2014 would have been higher by Re 0.0185 per unit.

		September 30, 2014	June 30, 2014
		-----Rupees in '000-----	
7	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	(Un-audited) (Audited)
	Auditors' remuneration		346 263
	Printing charges		133 95
	Provision for Workers' Welfare Fund	7.1	7,537 6,936
	Withholding tax payable		42 13
	Advance against issuance of units		7,383 2,950
	Brokerage payable		22 -
	Rating Fee		46
			15,509 10,257

7.1 Provision for Workers' Welfare Fund

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

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

During the year ended June 30, 2012, the Honourable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006 and the Finance Act, 2008, had declared the said amendments as unlawful and unconstitutional. In March 2013, a larger bench of the Honourable Sindh High Court (SHC) passed an order declaring that the amendments introduced in the WWF

Ordinance, 1971 through the Finance Act, 2006 and the Finance Act, 2008 do not suffer from any constitutional or legal infirmity. However, the Honorable High Court of Sindh has not addressed the other amendments made in the WWF Ordinance 1971 about applicability of WWF to the CISs which is still pending before the Court. Without prejudice to the above, the Management Company, as a matter of abundant caution, has decided to retain the provision for WWF amounting to Rs 7.537 million (including Rs .601 million for the current year) in this condensed interim financial information. Had the same not been made the net asset value per unit of the Fund as at September 30, 2014 would have been higher by Re 0.0554 per unit.

8 CONTINGENCIES AND COMMITMENTS

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

9 TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Further, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than unrealized capital gains to the unit holders. The management intends to distribute atleast 90% of the Fund's net accounting income earned by the year end to the unit holders. Accordingly, no provision in respect of taxation has been made in these condensed interim 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.

10 EARNINGS PER UNIT

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

11 TRANSACTIONS WITH CONNECTED PERSONS

11.1 Details of transactions with connected persons are as follows;

ABL Asset Management Company Limited - Management Company

Bonus of Nil units (2013: 125,076 units)

Redemption of 7,278,218 units (2013: NIL units)

Remuneration for the year

Sindh sales tax on remuneration of Management Company

Federal excise duty on remuneration of Management Company

Central Depository Company of Pakistan Limited - Trustee

Remuneration for the period

Allied Bank Limited-Holding of the Management Company

Bank charges

Redemption of 3,986,064 units (2013: NIL units)

	Quarter Ended September 30,2014	Quarter Ended September 30,2013
	------(Rupees in 000)-----	
	(Un-audited)	

-	1,251
73,746	-
3,264	2,836
568	454
522	454
492	455
13	4
40,143	-

Quarter Ended September 30,2014	Quarter Ended September 30,2013
------(Rupees- in 000)----- (Un-audited)	

DIRECTORS OF THE MANAGEMENT COMPANY

M. Shakeb Murad

Bonus of Nil units (2013: 917 units)

Redemption of 1,039 units (2013: 920 units)

-	9
11	9

KEY MANAGEMENT PERSONNEL

Chief Executive Officer

Bonus of Nil units (2013: 2,072 units)

-	21
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Executives

Issue of 76,432 units (2013: 145,862 units)

Bonus of Nil units (2013: 7,650 units)

Redemption of Nil units (2013: 99,408 units)

775	1,470
-	77
-	1,000

September 30, 2014	June 30, 2014
------(Rupees in 000)----- (Un-audited) (Audited)	

11.2 Amounts outstanding at the period end;

ABL Asset Management Company Limited - Management Company

Outstanding Nil Units(June 2014: 7,278,218 units)

Preliminary expenses and floatation costs

Remuneration payable to Management Company

Sindh Sales tax on Management Company's remuneration

Federal excise duty on remuneration of Management Company

Sales load

-	72,966
645	1,290
1,078	1,103
560	496
2,520	1,998
14	74

Allied Bank Limited-Holding of the Management Company

Balances in current accounts

Outstanding Nil units (2014: 3,986,064)

2,154	2,603
-	39,961

Central Depository Company of Pakistan Limited - Trustee

Remuneration payable

162	164
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ABL AMCL -Staff Provident Fund

Outstanding 600,040 units (2014: 600,040 units)

6,144	6,016
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DIRECTORS OF THE MANAGEMENT COMPANY

M. Shakeb Murad

Outstanding 48,889 units (2014: 49,929 units)

501	501
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KEY MANAGEMENT PERSONNEL

Chief Executive Officer

Outstanding 320,587 Units (June 2014: 320,587 units)

Executives

Outstanding 95,742 units (June 2014: 19,310 units)

	September 30, 2014	June 30, 2014
	----- (Rupees in 000) -----	
	(Un-audited)	(Audited)
	3,283	3,214
	980	194

12 GENERAL

12.1 Figures have been rounded to the nearest thousand rupees.

13 DATE OF AUTHORISATION FOR ISSUE

These Condensed Interim financial statements were authorised for issue on October 28, 2014 by the Board of Directors of the Management Company.


FARID AHMED KHAN
CEO

For ABL Asset Management Company Limited
(Management Company)


SHAKFB MURAD
DIRECTOR

ABL ISLAMIC INCOME FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT SEPTEMBER 30, 2014

		September 30, 2014	June 30, 2014
	Note	-----Rupees in '000-----	
		Un-Audited	Audited
ASSETS			
Balances with banks	4	1,068,675	1,076,800
Investments	5	179,578	202,376
Security Deposit and Prepayments		160,137	100
Profit receivable		12,533	9,460
Preliminary expenses and floatation costs		482	645
Total assets		1,421,405	1,289,381
LIABILITIES			
Payable to ABL Asset Management Company Limited - Management Company	6	4,817	4,961
Payable to Central Depository Company of Pakistan Limited - Trustee		162	164
Payable to Securities and Exchange Commission of Pakistan		245	896
Accrued expenses and other liabilities	7	15,509	10,257
Payable against redemption of units		6,982	2,842
Total liabilities		27,715	19,120
NET ASSETS		1,393,690	1,270,261
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		1,393,690	1,270,261
CONTINGENCIES AND COMMITMENTS			
	8	----Number of units----	
NUMBER OF UNITS IN ISSUE		136,103,070	126,706,000
		-----Rupees-----	
NET ASSETS VALUE PER UNIT		10.2400	10.0253
FACE VALUE PER UNIT		10.0000	10.0000

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


FARID AHMED KHAN
 CEO

For ABL Asset Management Company Limited
 (Management Company)


SHAKFB MURAD
 DIRECTOR