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ABL ISLAMIC PRINCIPAL PRESERVATION FUND II

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:	MCB Financial Services Limited 3rd Floor, adamjee House, I.I. Chundrigar Road, Karachi - 74000	
Bankers to the Fund:	Allied Bank 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 PRINCIPAL PRESERVATION FUND II

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of ABL Asset Management Company Limited, the management company of ABL Islamic Principal Preservation Fund-II (ABL-IPPF-II), is pleased to present the Condensed Interim Financial Statements (un-audited) of ABL Islamic Principal Preservation Fund-II 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.

Equity market witnessed a roller coaster ride during the period under review. The benchmark KSE100 Index touched an all-time high of 30,475 level amidst robust corporate earnings & strong foreign flows but then the political wranglings between opposition parties and government pulled the index down to 27,774 level. However, as situation eased off, market bounced back strongly to close the quarter at 29,726 points. Moreover, strong foreign flows, annual results accompanying payouts and general improvement in economic outlook boosted investors' sentiment. Strong foreign flows to the tune of USD157mn were recorded for 1QFY15 compared to an outflow of USD94 mn during the same quarter last year. However, market liquidity declined with average daily value traded dropping to USD69 mn (down 22% YoY) in 1QFY15 vs. USD89 mn for 1QFY14.

Banks, autos, and IPPs performed strongly due to strong sectoral dynamics (better asset quality, volumetric growth and healthy payouts) while fertilizers and E&P's performance lagged due to uncertainty on GIDC and weaker oil prices. Investors' overwhelming response for SPO's (UBL & PPL) and IPO's (Saif Power & Engro Powergen Qadirpur) indicates ample appetite in the market for upcoming secondary offerings (OGDC, HBL & ABL) which is expected to attract more foreign investment.

Moving ahead, improvement in macroeconomic landscape (weaker oil prices & strong FX reserves), attractive valuations and continuous foreign flows are expected to keep investor interest alive. However, any negative development on political

front and further delay in IMF's funds disbursement can adversely impact the market. At quarter end, the market was trading at 2015E P/E of 8x and offered dividend yield of 6%, which is still fairly attractive when compared to regional standards.

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. The category of Islamic capital protected funds (including both Fund of funds and capital protected funds) witnessed a mild growth of 0.43% to end the quarter at PKR10.29 billion compared to PKR10.25 billion in June this year.

FUND PERFORMANCE

ABL-IPPF 2 increased by 0.7% during period under review against an increase of 1.4% in its benchmark, which reflects an underperformance of 70 basis points. The underperformance was primarily due to low return from underlying ABL ISF which also undershot its benchmark. ABL ISF has high allocations to liquid blue chips but since prices of large caps in major sectors, such as chemicals and exploration and production, did not increase as quickly as those of sideboard stocks during the quarter, the fund lagged. We expect this to change sooner rather than later as blue-chip stocks are nearly as attractive in valuation, if not more, than some of the performing side board stocks. We constantly altered the portfolio allocation towards equity and fixed-income based funds during the quarter to capitalize on the bullish trend witnessed on local bourses and at the same time ensure low risk to capital in times of uncertainty.

AUDITORS

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

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

Market's resilience has surprised many participants due to on-going political deadlock between government and protesters in Islamabad as well as recent turmoil in global financial markets. 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.

Upcoming secondary offerings such as OGDC, ABL, HBL and others will be further drag on market liquidity and may cap upside in near term. During the period under review second and third tier stocks have been main market drivers and some of them are now trading at exorbitant multiples. In comparison, most blue chip companies are still trading at their recent lows. We believe that the valuation gap, which is widening every day, should normalize in due course of time. At the same

time we are also revisiting our strategy on robust small and mid-tier stocks that can add to portfolio returns as well as meet our valuation targets.

ACKNOWLEDGEMENT

We thank our valued investors who have placed their confidence in us. The Board is also thankful to Securities & Exchange Commission of Pakistan, the Trustee (MCB Financial Services Limited) and the management of Islamabad 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 PRINCIPAL PRESERVATION FUND II

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT SEPTEMBER 30, 2014

		(Un-audited) September 30 2014	(Audited) June 30 2014
	Note	Rupees in '000	
Assets			
Balances with Banks	4	573,978	557,419
Investments		460,818	470,939
Profit receivable		4,288	3,963
Preliminary expenses and floatation costs		1,555	1,816
Prepayments		19	-
Total assets		1040,658	1,034,137
Liabilities			
Payable to ABL Asset Management Company Limited -Management Company	6	2,052	2,933
Payable to MCB Financial Services Limited -Trustee		68	63
Payable to the Securities and Exchange Commission of Pakistan		195	151
Accrued expenses and other liabilities	7	1,490	1,102
Total liabilities		3,805	4,249
Contingencies and commitments	8	-	-
Net assets		1,036,853	1,029,888
Unit holders' funds (as per statement attached)		1,036,852	1,029,888
Number of units in issue		101,351,322	101,538,982
Net assets value per unit		10.2303	10.1428

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


FARID AHMED KHAN
 CEO

For ABL Asset Management Company Limited
 (Management Company)


SHAKIB MURAD
 DIRECTOR

ABLIPPFII
 Islamic Principal Preservation Fund II

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

	Note	For the Quarter ended September 30 2014 Rupees in '000
Income		
Profit on deposits with banks		12,843
Capital (loss) /gain on sale of investments - net		(2,453)
Back-end load Income		19
Unrealised gain on re-measurement of investments at fair value through profit or loss' (net)	5.1	1,332
Total income		11,741
Expenses		
Remuneration of ABL Asset Management Company Limited - Management Company		1,450
Sindh Sales Tax on remuneration of Management Company	6.2	252
Federal Excise Duty on remuneration of Management Company	6.3	232
Remuneration of MCB Financial Services Limited -Trustee		208
Annual fee - Securities and Exchange Commission of Pakistan		195
Auditors' remuneration		63
Amortisation of preliminary expenses and floatation costs		262
Printing charges		19
Listing fee		6
Bank Charges		4
Total expenses		2,692
Net income from operating activities		9,050
Element of (Loss) and capital (Losses) included in prices of units issued less those in units redeemed (net)		(28)
Provision for Workers' Welfare Fund	7.1	(180)
Net income for the period before taxation		8,841
Taxation	9	-
Net income for the period after taxation		8,841
Other comprehensive income for the period		-
Total comprehensive income for the period		8,841

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


FARID AHMED KHAN
 CEO

For ABL Asset Management Company Limited
 (Management Company)


SHAKFB MURAD
 DIRECTOR

ABL ISLAMIC PRINCIPAL PRESERVATION FUND II

CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2014

	For the Quarter ended September 30 2014 Rupees in '000
Undistributed income at the beginning of the period	14,494
Net income for the period after taxation	8,841
Undistributed income carried forward	<u>23,335</u>
Undistributed income at the end of the period:	
- Realised	22,003
- Unrealised	<u>1,332</u>
	<u>23,335</u>

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


FARID AHMED KHAN
CEO

For ABL Asset Management Company Limited
(Management Company)


SHAKEB MURAD
DIRECTOR

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

	For the Quarter ended September 30 2014 Rupees in '000
Net assets at the beginning of the period	1,029,888
Redemption of 377,415 units	(1,905)
Element of (income) / loss and capital (gains) / losses included in the prices of units issued less those in units redeemed transferred to income statement - net	28
Unrealised appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss	1,332
Other net income for the period	7,509
	8,841
Distribution during the period	
Nil	-
Net assets at the end of the period	1,036,852

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


FARID AHMED KHAN
 CEO

For ABL Asset Management Company Limited
 (Management Company)


SHAKFB MURAD
 DIRECTOR

ABL ISLAMIC PRINCIPAL PRESERVATION FUND II

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2014

	For the Quarter ended September 30 2014
	Note Rupees in '000
CASH FLOWS FROM OPERATING ACTIVITIES	
Net income before taxation	8,841
Adjustments:	
Unrealised appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss	(1,332)
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net	28
Provision for Workers' Welfare Fund	(180)
Federal excise duty on remuneration of the Management Company	232
Amortisation of preliminary expenses and floatation costs	262
	<u>(990)</u>
	7,851
(Increase) / decrease in assets	
Investments	11,453
Profit receivable	(325)
Preliminary expenses and floatation costs	261
Prepayments	(19)
	<u>11,371</u>
Increase / (decrease) in liabilities	
Payable to ABL Asset Management Company Limited- Management Company	(1,113)
Payable to MCB Financial Services Limited- Trustee	5
Annual fee payable to Securities and Exchange Commission of Pakistan	44
Accrued expenses and other liabilities	306
	<u>(758)</u>
	18,464
Net cash generated from operating activities	18,464
CASH FLOWS FROM FINANCING ACTIVITIES	
Amount paid on redemption of units	(1,905)
Net cash used in financing activities	<u>(1,905)</u>
	16,559
Net increase in cash and cash equivalents during the period	16,559
Cash and cash equivalents at beginning of the period	557,419
Cash and cash equivalents at end of the period	<u>573,978</u>

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


FARID AHMED KHAN
CEO

For ABL Asset Management Company Limited
(Management Company)


SHAKIB MURAD
DIRECTOR

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ABL ISLAMIC PRINCIPAL PRESERVATION FUND II

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2014

1. LEGAL STATUS AND NATURE OF BUSINESS

ABL Islamic Principal Preservation Fund II (the Fund) was established under a Trust Deed executed between ABL Asset Management Company Limited (ABL AMCL) as the Management Company and MCB Financial Services Limited (MCBFSL) as the Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on February 3, 2014 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) and the Trust Deed was executed on February 13, 2014.

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 7 December 2007. Title to the assets of the Fund is held in the name of MCB Financial Services Limited as the Trustee of the Fund. The registered office of the Management Company is situated at 11-B, Lalazar, MT Khan Road, Karachi.

The Fund has been categorised as an open-end Shariah Compliant Fund of Fund Scheme as per the criteria laid down by the SECP for categorisation of Collective Investment Scheme (CIS). The units of the Fund are listed on the Islamabad Stock Exchange.

The objective of the Fund is to provide higher risk adjusted return through investment in dynamic asset allocation between Shariah Compliant Equity Schemes and Shariah Compliant Income / Money Market Scheme.

JCR-VIS Credit Rating Company Limited has assigned Management Quality Rating of 'AM2' (stable outlook) to the Management Company. The Fund has not yet been rated.

The Fund commenced its operations from March 31, 2014. The duration of the Fund is twenty four (24) months from the commencement of the life of the Fund and the Fund shall automatically be dissolved after the aforementioned period. Based on the above, the management has assessed and concluded that the Fund is not a going concern. The management has continued to measure the Fund's assets and liabilities principally in accordance with the basis of measurement disclosed in note 3 of these financial statements. However, in preparing these financial statements the management has given due consideration to the fact that the measurement of assets and liabilities may be affected by changes in judgements that can arise when the going concern assumption ceases to be valid.

2. BASIS OF PRESENTATION

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 (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), the Non-Banking Finance and Notified Entities Regulations, 2008 (the NBFC Regulations) and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

The disclosures made in 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 period ended June 30, 2014.

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 period 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 period 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 period ended June 30, 2014.

4	BALANCES WITH BANKS	Note	(Unaudited)	(Audited)
			September 30 2014	June 30 2014
			Rupees in '000	
	- Current accounts	4.1	3,721	3,608
	- Saving accounts	4.2	570,256	553,811
			573,978	557,419

4.1 This balance is maintained with Allied Bank Limited - related party of the Fund.

4.2 These saving accounts carry profit at rates ranging from 6.50% to 9.00% per annum.

5 INVESTMENTS

Financial assets at 'fair value through profit or loss'

Units of a Mutual Fund	5.1	460,818	470,939
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5.1 Units of a Mutual Fund

	Number of Units				Balance as at September 30 2014	As at 30 September 2014			Market value as a percentage of net assets	Market value as a percentage of Market value of investment
	Holding at the beginning of the period	Acquired during the period	Bonus received during the period	Disposed off during the period		Carrying value	Market value	Appreciation		
----- (Rupees) -----										
ABL Islamic Stock Fund										
- a related party	45,175,746	6,224,922	-	7,419,412	43,981,256	459,486	460,818	1,332	44.44%	100%
	45,175,746	6,224,922	-	7,419,412	43,981,256	459,486	460,818	1,332	44.44%	100%

6	PAYABLE TO ABL ASSET MANAGEMENT COMPANY LIMITED - MANAGEMENT COMPANY	Note	(Unaudited)	(Audited)
			September 30 2014	June 30 2014
			Rupees in '000	
	Remuneration of the Management Company	6.1	481	409
	Sindh Sales Tax Payable on remuneration of the Management Company	6.2	134	92
	Federal excise duty on the remuneration of the Management Company	6.3	398	166
	Sales Load		-	188
	Preliminary expenses and floatation costs		1,039	2,078
			2,052	2,933

6.1 Under the provision of the Non Banking Finance Companies and Notified Entities Regulations, 2008, the Management Company of the Fund is entitled to a remuneration during the first five years of the Fund, of an amount not exceeding 3 percent of the average annual net assets of the fund and thereafter of an amount equal to 2 percent of such assets of the fund. Further, as per the requirement of NBFC Regulations the Management Company shall not charge any fee if the funds makes investment in CIS managed by same Management Company. Management company charges remuneration at the rate of 1% per annum based on the daily net assets of the Fund after deducting the investment made in the CIS managed by the Management Company during the period ended June 30, 2014. The amount of remuneration is paid monthly in arrears.

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

6.3 As per the requirements of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Management Company has been applied effective June 13, 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax as explained in note 8.2, further levy of FED may result in double taxation, which does not appear to be the spirit of the law.

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

Pending decision of the SHC, the Fund is not making payments for FED. However, the Fund, as a matter of abundant caution, has made full provision in respect of FED amounting to Rs 0.398 million. 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 Rs 0.0039 per unit.

7 ACCRUED AND OTHER LIABILITIES

Auditors' remuneration		313	250
Printing Charges		124	75
Provision for Workers' welfare Fund	7.1	752	572
Listing Fee		-	30
Rating Fee		175	175
Others		126	-
		1,490	1,102

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 WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting

or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their Trustees in the Honourable High Court of Sindh (SHC), challenging the applicability of WWF to CISs, which is pending adjudication.

Subsequently 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 declared the said amendments as unlawful and unconstitutional. In March 2013, a large bench of Sindh High Court (SHC) in various Constitutional Petitions declared that amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006 and the Finance Act, 2008 do not suffer from any constitutional or legal infirmity. However, the Honourable High Court of Sindh has not addressed the other amendments made in WWF Ordinance 1971 about applicability of WWF to the CISs which is still pending before the court. The Management Company believes that the aforementioned constitutional petition pending in SHC has strong grounds for decision in favour of the mutual funds. However, the management as a matter of abundant caution has decided to retain the provision for WWF amounting to Rs. 0.752 Million in these financial statements. 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 0.0074 per unit.

8 CONTINGENCIES AND COMMITMENTS

There are no other contingencies or commitments as at 30 September 2014.

9 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 to the unit holders. The Fund has not recorded provision for taxation as the Management Company has distributed at least ninety percent of the Fund's accounting income for the period as reduced by capital gains, whether realised or unrealised, to its unit holders.

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 cumulative weighted average number of outstanding units for calculating EPU is not practicable.

11 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

11.1 Detail of transactions with related parties / connected persons are as follows:

ABL Asset Management Company Limited - Management Company

Remuneration of the Management Company

Sindh Sales Tax on remuneration of Management Company

FED on remuneration of Management Company

MCBFSL Trustee ABL Islamic Stock Fund

6,224,922 units purchased

7,419,412 units sold

(Unaudited)
September 30
2014

Rupees in '000

1,450
252
232
66,000
75,000

Hamdard Laboratories (Waqf) Pakistan

Issue of 14,780,142 units

150,000

MCB Financial Services Limited - Trustee

Remuneration for the period

208

11.1 Detail of amounts outstanding as at period end:

(Unaudited) (Audited)
September 30 June 30
2014 2014

Rupees in 000

ABL Asset Management Company Limited - Management Company

Remuneration payable to the Management Company

481 409

Sindh sales tax payable on remuneration of Management Company

134 92

FED payable on remuneration of Management Company

398 166

Preliminary expenses and floatation cost payable

1,039 2,078

Sales load payable

- 188

Allied Bank Limited - Holding Company of Management Company

Bank balances

3,721 3,608

MCBFSL Trustee ABL Islamic Stock Fund - Trustee

Investment of 43,981,256 units (June 2014: 45,175,748)

460,818 470,939

Hamdard Laboratories (Waqf) Pakistan

Units held 14,979,083 (June 2014: 14,979,083)

153,241 151,930

Trustee Karachi Electric Provident Fund

Units held 10,134,600

103,680 -

MCB Financial Services Limited - Trustee

Remuneration payable

68 63

12 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.

13 GENERAL

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


FARID AHMED KHAN
CEO

For ABL Asset Management Company Limited
(Management Company)


SHAKEB MURAD
DIRECTOR