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ABL ISLAMIC STOCK 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:	MCB Financial Services Limited 3rd Floor, adamjee House, I.I. Chundrigar Road, Karachi - 74000	
Bankers to the Fund:	Allied Bank Limited Bank Al- Falah Limited Standard Chartered Bank (Pakistan) Limited	
Auditor:	KPMG Taseer Hadi & Co. Chartered Accountants Sheikh Sultan Trust Building No. 2 Beaumont Road Karachi, 75530 Pakistan	
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 STOCK FUND

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of ABL Asset Management Company Limited, the management company of ABL Islamic Stock Fund (ABL-ISF), is pleased to present the Condensed Interim Financial Statements (un-audited) of ABL Islamic Stock 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 USD 550 million tranche was delayed. In addition the country had to delay its USD 1 billion international Sukuk issue. Consequently, PKR depreciated by 3.9% during the quarter and CAD swelled to USD 1.37 billion in 2MFY15, 1.37x higher than USD 0.58 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 USD 13.21 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 PKR 563 billion (up 12.6% YoY) and missed its quarterly target by PKR 20. Government borrowing on the other hand, continued unabated as it raised PKR 20 billion and PKR 104 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 USD 1.1 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.

MARKET OVERVIEW

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 USD 157mn were recorded for 1QFY15 compared to an outflow of USD 94 mn during the same quarter last year. However, market liquidity declined with average daily value traded dropping to USD 69 mn (down 22% YoY) in 1QFY15 vs. USD 89 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 PKR 415 billion to PKR 423 billion), mainly on account of substantial flows in conventional fixed income funds. Fixed Income category which improved by 7.89% during the quarter to PKR 71 billion compared to PKR 65 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 PKR 194 billion in June 2014 to PKR 200 billion in September 2014. Islamic income funds however, lost their size by 13.21% during the quarter to PKR 32 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 PKR 92 billion and PKR 29 billion.

FUND PERFORMANCE

ABL Islamic Stock Fund's AUM decreased by 2.3% to Rs.1,687.8 million in Sep 30, 2014 compared to Rs.1,727.6 million on June 30, 2014. The fund posted an absolute return of 0.5% against the benchmark return of 1.5%, an underperformance of 1.0% during the quarter. When measured from its inception date, ABL-ISF has posted a return of 21.2% as compared to its benchmark return of 28.7%, depicting an under-performance of 7.5%. Underperformance was primarily because prices of blue-chip stocks in major sectors, such as chemicals and exploration and production, did not increase as quickly as those of sideboard stocks during the period. 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.

AUDITORS

M/s. KPMG Taseer Hadi & Co. (Chartered Accountants), have been appointed as auditors for the period ending June 30, 2015 for ABL Islamic Stock Fund (ABL-ISF).

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 '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.

ABL ISLAMIC STOCK 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			
Bank balances	4	192,255	281,768
Investments	5	1,494,117	1,557,928
Dividend and other receivables		24,297	2,156
Security deposits and prepayments		2,637	13,400
Preliminary expenses and floatation costs		3,696	3,948
Total assets		1,717,002	1,859,200
Liabilities			
Payable to ABL Asset Management Company Limited - Management Company	6	16,658	15,162
Payable to MCB Financial Services Limited -Trustee		110	107
Payable to the Securities and Exchange Commission of Pakistan		403	951
Payable against purchase of investments		4,792	80,314
Dividend payable		-	25,670
Accrued expenses and other liabilities	7	7,281	9,432
Total liabilities		29,244	131,636
Contingencies and commitments	8		
Net assets		1,687,758	1,727,564
Unit holders' funds (as per statement attached)		1,687,758	1,727,564
		(Number of units)	
Number of units in issue		161,082,939	165,720,379
		(Rupees)	
Net assets value per unit		10.4776	10.4246

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.


FARID AHMED KHAN
CEO

For ABL Asset Management Company Limited
(Management Company)


SHAKEB MURAD
DIRECTOR

ABL ISLAMIC STOCK FUND

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 Stock Fund (the Fund) was established under a Trust Deed executed between ABL Asset Management Company Limited as the Management Company and MCB Financial Services Limited (MCBFSL) as the Trustee. The Trust Deed was executed on 15 May 2013 and was approved by Securities and Exchange Commission of Pakistan (SECP) on 04 June 2013 under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations, 2008). The Fund commenced its operations on 12 June 2013.

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 SECP on 7 December 2007. The registered office of the Management Company is situated at 11-B, Lalazar, MT Khan Road, Karachi.

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

The objective of the Fund is to provide capital appreciation to investors through higher, long term risk adjusted returns by investing in a diversified Shariah compliant portfolio of equity instruments offering capital gains and dividends.

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

The rating company has assigned Management Quality Rating of 'AM2' (Stable outlook) to the Management Company. The Management Company has initiated the process for seeking rating of the Fund which is expected to be received shortly.

The 'Title' to the assets of the Fund are held in the name of MCB Financial Services Limited as the Trustee of the Fund.

2 BASIS OF PRESENTATION

The transactions undertaken by the Fund are in accordance with the process prescribed under the Shariah guidelines issued by the Shariah Supervisory Council.

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 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 IFRSs, the requirements of the Trust Deed, the

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

	For the quarter ended September 30, 2014	For the Period from June 12, 2013 to September 30, 2013
Income	Note -----Rupees in '000-----	
Net realised (loss) / gain on sale of investments	(21,976)	23,752
Dividend income	30,516	14,835
Profit on saving accounts with banks	3,378	1,947
Unrealised gain / (loss) on re-measurement of investments 'at fair value through profit or loss' (net)	9,233	(45,748)
Total income	21,151	(5,214)
Expenses		
Remuneration of ABL Asset Management Company Limited - Management Company	12,730	5,881
Sindh Sales Tax on remuneration of Management Company	2,217	1,091
Federal Excise Duty on remuneration of Management Company	2,037	941
Remuneration of MCB Financial Services Limited -Trustee	338	196
Annual fee - Securities and Exchange Commission of Pakistan	403	186
Brokerage and securities transaction costs	1,485	1,427
Bank charges	10	86
Auditors' remuneration	91	73
Amortisation of preliminary expenses and floatation costs	252	304
Printing charges	36	43
Listing fee	13	43
Annual rating fee	26	32
Provision for Workers' Welfare Fund	134	-
Total expenses	19,772	10,303
Net income / (loss) from operating activities	1,379	(15,517)
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed (net)	5,189	(4,311)
Net income / (loss) for the period before taxation	6,568	(19,828)
Taxation	9	-
Net income / (loss) for the period after taxation	6,568	(19,828)
Other comprehensive income for the period	-	-
Total comprehensive income for the period	6,568	(19,828)

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.


FARID AHMED KHAN
 CEO

For ABL Asset Management Company Limited
 (Management Company)


SHAKEB MURAD
 DIRECTOR

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

	For the quarter ended September 30, 2014	For the Period from June 12, 2013 to September 30, 2013
	-----Rupees in '000-----	
Undistributed income / (loss) at the beginning of the period:		
- Realised	(27,016)	-
- Unrealised	97,375	-
	70,359	-
Net income / (Loss) for the period	6,568	(19,828)
Undistributed income carried forward	76,927	(19,828)
Undistributed income at the end of the period:		
- Realised	67,694	25,920
- Unrealised	9,233	(45,748)
	76,927	(19,828)

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.


FARID AHMED KHAN
 CEO

For ABL Asset Management Company Limited
 (Management Company)


SHAKEB MURAD
 DIRECTOR

ABL ISLAMIC STOCK 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 Period from June 12, 2013 to September 30, 2013
-----Rupees in '000-----		
Net assets at the beginning of the period	1,727,564	-
Issue of 18,887,945 units (2013: 84,621,909 units)	198,432	854,212
Redemption of 23,525,385 units (2013: 24,304,792 units)	(239,617)	(255,351)
	(41,185)	598,861
Element of income and capital gains in prices of units issued less those in units redeemed - net - transferred to income statement	(5,189)	4,311
Other net income for the period	19,311	2,167
Capital gain on sale of investments - net	(21,976)	23,752
Unrealised gain on re-measurement of investments classified as financial assets at fair value through profit or loss (net)	9,233	(45,748)
Net income for the period	6,568	(19,829)
Net assets at the end of the period	1,687,758	583,343

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.


FARID AHMED KHAN
CEO

For ABL Asset Management Company Limited
(Management Company)


SHAKEB MURAD
DIRECTOR

ABL ISLAMIC STOCK FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2014

	For the quarter ended September 30, 2014	For the Period from June 12, 2013 to September 30, 2013
Note -----Rupees in '000-----		
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	6,568	(19,828)
Adjustments:		
Unrealised gain on re-measurement of 'investments at fair value through profit or loss' (net)	(9,233)	45,748
Provision for Worker's Welfare Fund	134	-
Provision for Federal Excise Duty	2,037	941
Amortisation of preliminary expenses and floatation costs	252	304
Element of income and capital gains included in prices of units issued less those in units redeemed (net)	(5,189)	4,311
	(11,999)	51,304
	(5,431)	31,476
(Increase) / decrease in assets		
Investments	73,044	(568,720)
Dividends and other receivables	(22,141)	(15,058)
Security deposits and prepayments	10,763	(2,637)
Preliminary expenses and floatation costs	-	(5,000)
	61,666	(591,415)
Increase / (decrease) in liabilities		
Payable to ABL Asset Management Company Limited- Management Company	(541)	6,910
Payable to MCB Financial Services Limited- Trustee	3	51
Annual fee payable to Securities and Exchange Commission of Pakistan	(548)	186
Payable against purchase of investments	(75,522)	-
Accrued expenses and other liabilities	(2,285)	989
	(78,893)	8,136
	(22,658)	(551,803)
Net cash used in operating activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	198,432	854,212
Payments on redemption of units	(239,617)	(255,351)
Cash distribution paid	(25,670)	-
Net cash (used in) / generated from financing activities	(66,855)	598,861
Net (decrease) / increase in cash and cash equivalents during the period	(89,513)	47,058
Cash and cash equivalents at beginning of the period	281,768	-
Cash and cash equivalents at end of the period	4	47,058
	192,255	47,058

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.


FARID AHMED KHAN
 CEO

For ABL Asset Management Company Limited
 (Management Company)


SHAKEB MURAD
 DIRECTOR

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.

		September 30, 2014	June 30, 2014
	Note	-----Rupees in '000-----	
		(Un-audited)	(Audited)
4. BANK BALANCES			
Balances with banks in:			
- Current accounts	4.1	2,050	2,103
- Saving accounts	4.2	190,205	279,665
		<u>192,255</u>	<u>281,768</u>

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

4.2 Saving accounts carry profit rates ranging from 6.5% to 9.45% (2013: 6.5% to 9.35%) per annum.

		September 30, 2014	June 30, 2014
	Note	-----Rupees in '000-----	
		(Un-audited)	(Audited)
5. INVESTMENTS			
Investments at fair value through profit or loss - held for trading			
Listed equity securities	5.1	<u>1,494,117</u>	<u>1,557,928</u>

5.1 Listed equity securities

Ordinary shares have a face value of Rs. 10/- each.

Holding at the beginning of the period	Number of shares				Holding at the end of the period	As at 30 September 2014			Market value as a % of net assets	Market value as a % of investment
	Acquired during the period	Bonus received during the period	Disposed off during the period	Carrying value		Market value	Unrealised gain / (loss)			
----- (Rupees in '000) -----										
Chemicals										
Fauji Fertilizer Bin Qasim Limited	873,500	1,277,000	-	52,000	2,098,500	87,445	84,402	(3,043)	5.00%	5.65%
Fauji Fertilizer Company Limited	1,127,700	57,000	-	70,000	1,114,700	125,391	126,451	1,060	7.49%	8.46%
Fatima Fertilizer Company Limited	2,613,500	150,000	-	2,660,500	103,000	2,975	2,926	(49)	0.17%	0.20%
						215,811	213,779	(2,032)	12.67%	14.31%
Commercial Banks										
Meezan Bank Limited	1,312,000	910,000	-	-	2,222,000	93,735	91,102	(2,633)	5.40%	6.10%
Pharma And Bio Tech										
Ferozsons Laboratories Limited	-	-	-	-	-	-	-	-	-	-
Searle	-	200,000	-	99,000	101,000	25,792	24,740	(1,052)	1.47%	1.66%
						25,792	24,740	(1,052)	1.47%	1.66%
Personal goods (Textile)										
Nishat Mills Limited	421,200	608,000	-	374,000	655,200	69,731	77,969	8,238	4.62%	5.22%
General Industrials										
Packages Limited	155,000	16,000	-	106,850	64,150	32,241	39,422	7,181	2.34%	2.64%
MultiUtilities (Gas And Water)										
Sui Northern Gas Pipelines Limited	447,000	-	-	447,000	-	-	-	-	0.00%	0.00%
Electricity										
Hub Power Company Limited	2,714,000	135,000	-	160,000	2,689,000	159,029	172,042	13,013	10.19%	11.51%
Construction and materials (Cement)										
DG Khan Cement Company Limited	1,146,500	530,000	-	932,500	744,000	63,260	59,297	(3,963)	5.83%	6.47%
Cherat Cement Company Limited	-	-	-	-	-	-	-	-	-	-
Lafarge Pakistan Cement Limited	616,000	32,000	-	20,000	628,000	10,023	10,368	345	0.57%	0.69%
Lucky Cement Limited	200,700	91,000	-	73,000	218,700	90,609	87,828	(2,781)	4.77%	5.88%
Attock Cement Pakistan Limited	113,000	-	-	113,000	-	-	-	-	-	-
Maple Leaf Cement Factory Limited	3,044,500	-	-	-	3,044,500	76,436	72,991	(3,445)	5.30%	4.89%
						240,328	230,484	(9,844)	16.47%	17.93%
Food Producers										
Engro Foods Limited	-	-	-	-	-	-	-	-	-	-
Oil and gas										
Oil and Gas Development Company Limited	353,300	149,700	-	445,000	58,000	15,357	14,330	(1,027)	0.85%	0.96%
National Refinery Limited	-	-	-	-	-	-	-	-	-	-
Pakistan Oilfields Limited	388,100	23,000	-	62,000	349,100	200,263	185,526	(14,737)	10.99%	12.42%
Pakistan Petroleum Limited	706,980	395,500	-	105,000	997,480	224,294	225,480	1,186	13.36%	10.18%
Attock Refinery Limited	49,500	-	-	23,900	25,600	5,435	5,245	(190)	0.31%	0.35%
Pakistan State Oil	347,920	47,000	-	216,000	178,920	69,495	64,492	(5,003)	3.82%	4.32%
Attock Petroleum Limited	-	46,000	-	-	46,000	25,524	24,961	(563)	1.48%	1.67%
Shell Pakistan Limited	47,500	-	-	47,500	-	-	-	-	-	-
						540,368	520,034	(20,334)	30.81%	29.90%
Fixed Line Telecommunication										
Pakistan Telecommunication Company Limited "A"	-	-	-	-	-	-	-	-	-	-
Auto Mobile and Parts										
Pak Suzuki Motor company Limited	-	215,000	-	-	215,000	59,254	61,234	1,980	3.63%	4.10%
Indus Motors Company Limited	64,300	22,350	-	650	86,000	48,595	63,311	14,716	3.75%	4.24%
						107,849	124,545	16,696	7.38%	8.34%
Held for trading investments as at September 30, 2014						1,484,884	1,494,117	9,233	92.37%	

5.2 200,000 shares of Pakistan Petroleum Limited having market value of Rs. 45.21 million as at 30 September 2014 have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular no. 11 dated 23 October 2007 issued by the Securities & Exchange Commission of Pakistan.

	September 30, 2014	June 30, 2014
	-----Rupees in '000-----	
	(Un-audited)	(Audited)
5.3 Net unrealised appreciation in the value of investments classified as 'at fair value through profit or loss'		
Fair value of investments	1,494,117	1,557,928
Carrying value of investments	(1,484,884)	(1,460,553)
Net unrealised appreciation in the value of investments 'at fair value through profit or loss'	<u>9,233</u>	<u>97,375</u>

	September 30, 2014	June 30, 2014
	-----Rupees in '000-----	
Note	(Un-audited)	(Audited)
6 PAYABLE TO ABL ASSET MANAGEMENT COMPANY LIMITED - MANAGEMENT COMPANY		
Management fee	4,123	3,950
Sindh sales tax payable on remuneration of Management Company	6.1 1,694	1,400
FED payable on remuneration of Management Company	6.2 6,841	4,804
Sales load payable	-	8
Preliminary expenses and floatation costs	4,000	5,000
	<u>16,658</u>	<u>15,162</u>

6.1 The Provincial Government of Sindh 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 requirement 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 13 June 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED may result in double taxation, which does not appear to be the spirit of the law. The matter has been taken up collectively by the Mutual Fund Association of Pakistan where various options are being considered. During the period, the Honourable High Court Sindh in a Constitutional petition relating to levy of Federal Excise Duty (FED) on Mutual Fund has granted stay order for the recovery of Federal Excise Duty (FED). As a matter of abundant caution, the Management Company has made a provision with effect from 13 June 2013, aggregating to Rs. 6.841 million. Had the provision not being made, the Net Asset Value per unit of the Fund as at September 30, 2014 would have been higher by Rs. 0.0425 per unit.

	September 30, 2014	June 30, 2014
	-----Rupees in '000-----	
Note	(Un-audited)	(Audited)
7. ACCRUED EXPENSES AND OTHER LIABILITIES		
Auditors' remuneration	353	380
Brokerage and other charges	672	478
Printing Charges	84	48
Provision for Worker's welfare Fund	7.1 5,996	5,862
Charity payable	-	2,539
Other Payable	176	125
	<u>7,281</u>	<u>9,432</u>

7.1 PROVISION FOR WORKERS' WELFARE FUND

The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs. 0.5 million in a tax year, have been brought within the scope of 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.

Prior to 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. This clarification was forwarded by the Federal Board of Revenue (FBR) (being the collecting agency of WWF on behalf of the Ministry) to its collectorates for necessary action. Based on this clarification, FBR also withdrew notice of demand which it had earlier issued to one of the funds managed by ABL Asset Management Company Limited for collection of WWF.

In 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 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 recognised WWF charge amounting to Rs. 5.996 million during the period. Had the WWF not been provided, the NAV per unit of the Fund would have been higher by Rs. 0.0372 per unit.

8. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments at the period end.

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 more than ninety percent of the Fund's accounting income to its unit holders.

For the Period
from June
12, 2013 to
September 30,
2013

-----Rupees in '000-----
------(Un-audited)-----

10 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

Detail of transactions with connected persons during the period:

ABL Asset Management Company Limited - Management Company

Issue of nil units (2013: 10,000,000 units)	-	100,000
Redemption of nil units (2013: 2,327,928 units)	-	25,000
Remuneration of the Management Company	12,730	5,881
Sindh Sales Tax on remuneration of Management Company	2,217	941
FED on remuneration of Management Company	2,037	941

Allied Bank Limited - Holding Company of Management Company

Bank charges	-	5
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ABL AMC Staff Provident Fund

Issue of nil units (2013: 377,739 units)	-	4,000
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MCBFSL Trustee ABL Islamic Principal Preservation Fund

Issue of 6,037,179 units	64,000	64,000
Redemption of 7,901,280 units	80,000	80,000

MCBFSL Trustee ABL Islamic Principal Preservation Fund II

Issue of 6,224,922 units	66,000	66,000
Redemption of 7,901,280 units	75,000	75,000

MCB Financial Services Limited - Trustee

Remuneration for the period	338	196
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**CHAIRMAN OF THE BOARD OF DIRECTORS
OF THE MANAGEMENT COMPANY**

Sheikh Mukhtar Ahmad

Issue of nil units (2013: 1,000,000 units)	-	10,000
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CHIEF EXECUTIVE OFFICER

Issue of nil units (2013: 2,500 units)	-	25
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EXECUTIVES

Issue of nil units (2013: 1,500 units)	-	15
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September 30,
2014June 30,
2014

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

(Un-audited) (Audited)

Detail of balances with related parties / connected persons as at period end:

ABL Asset Management Company Limited

Outstanding of 6,205,530 units	65,019	64,690
Remuneration payable to the Management Company	4,123	3,950
Sindh sales tax payable on remuneration of Management Company	1,694	1,400
FED payable on remuneration of Management Company	6,841	4,804
Preliminary expenses and floatation cost payable	4,000	5,000
Sales load payable	-	8

Allied Bank Limited - Holding Company of Management Company

Outstanding of 11,206,388 units	117,416	116,822
Dividend Payable	-	17,828
Bank balances	2,050	2,103

ABL AMCL Staff Provident Fund

Outstanding of 618,713 units	6,483	6,450
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MCBFSL Trustee ABL Islamic Principal Preservation Fund

Outstanding of 42,797,435 units (2014: 44,661,535 Units)	448,414	465,579
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MCBFSL Trustee ABL Islamic Principal Preservation Fund-II

Outstanding of 43,981,257 units (2014: 45,175,747 Units)	460,818	470,939
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MCB Financial Services Limited - Trustee

Remuneration payable	110	107
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CHAIRMAN OF THE BOARD OF MANAGEMENT COMPANY**Sheikh Mukhtar Ahmad**

Outstanding of 1,157,157 units	12,124	12,063
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CHIEF EXECUTIVE OFFICER

Outstanding of 2,893 units	30	30
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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 Ltd.) 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

11 GENERAL

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

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.


FARID AHMED KHAN
CEO

For ABL Asset Management Company Limited
(Management Company)


SHAKEB MURAD
DIRECTOR