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# ABL STOCK FUND

## FUND'S INFORMATION

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<b>Management Company:</b>	ABL Asset Management Company Limited 11 - B, Lalazar M. T. Khan Road, Karachi.	
<b>Board of Directors</b>	Sheikh Mukhtar Ahmed Mr. Mohammad Naeem Mukhtar Mr. Muhammad Waseem Mukhtar Mr. Tariq Mahmood Mr. Kamran Nishat Mr. Muhammad Kamran Shehzad Mr. Farid Ahmed Khan	Chairman      CEO/Director
<b>Audit Committee:</b>	Mr. Kamran Nishat Mr. Muhammad Waseem Mukhtar Mr. Muhammad Kamran Shehzad	Chairman Member Member
<b>Human Resource and Remuneration Committee</b>	Mr. Muhammad Waseem Mukhtar Mr. Kamran Nishat Mr. Farid Ahmed Khan	Chairman Member Member
<b>Chief Executive Officer of The Management Company:</b>	Mr. Farid Ahmed Khan	
<b>Chief Financial Officer &amp; Company Secretary:</b>	Mr. Saqib Matin	
<b>Chief Internal Auditor:</b>	Mr. Mubeen Ashraf Bhimani	
<b>Trustee:</b>	Central Depository Company of Pakistan Ltd. CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi - 74400	
<b>Bankers to the Fund:</b>	Allied Bank Limited Bank Alfalah Limited	
<b>Auditor:</b>	A.F. Ferguson & Co Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, Karachi.	
<b>Legal Advisor:</b>	Ijaz Ahmed & Associates Suite # 7, 11th Zamzama Street Phase-V, DHA Karachi.	
<b>Registrar:</b>	ABL Asset Management Company Limited. 11 - B, Lalazar, M. T. Khan Road, Karachi.	

# ABL 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 Stock Fund (ABL-SF), is pleased to present the Condensed Interim Financial Statements (un-audited) of ABL Stock Fund for the nine months ended March 31, 2016.

### ECONOMIC PERFORMANCE REVIEW

The steep fall in crude oil prices (9MFY16: down by 44%) continued to cast a positive spell on country's macroeconomic landscape with all major indicators reporting noticeable improvements. The most discernible impact appeared on current account as the import bill continued to shrink during the year (down 5.2% YoY in 9MFY16). C/A deficit for the period posted an improvement of 18.5% YoY to USD 1,606mn compared to USD 1,971mn in the corresponding period last year. Apart from flat trade deficit (+0.06% YoY to USD 13,188mn), remittances from expats have also contributed towards healthy C/A balance. In the month of Mar-16, remittances of USD 1,711mn were recorded (+12.9% MoM) taking July-Mar 2016 total to an impressive USD 14,377mn (+5.7% YoY). On the other hand, exports have remained the only upsetting factor in the overall external account with FY16TD exports declining by 9.1% YoY to USD 16,393mn. This can be attributed to (1) loss of export competitiveness as depreciation in regional currencies remained higher than PKR, and (2) weak global demand, especially in Pakistan's traditional markets of Europe and USA. To address weak exports, government announced Strategic Trade Policy Framework (STPF 2015-18) during the quarter under review to bolster annual exports to USD35bn level by June 30, 2018.

Concerns over reversion in CPI numbers also fizzled out during 3QFY16 with better than anticipated readings - thanks to the decline in energy prices and its trickle down impact. CPI inflation for Mar-16 clocked-in at 3.94% YoY vs. Feb-16 reading of 4.0% YoY and against earlier expectations of 4.5-5% YoY. 9MFY16 CPI average now stands at a comfortable 2.64% YoY with year-end average expected to stay around 3% mark.

However, the most pleasant surprise on macro front in the last quarter has been the government's performance on the fiscal front. Revenue collection was commendable with overall collection of Rs.2.1trn (+19.7% YoY) during 9MFY16. The top line has allayed concerns over budget deficit numbers. Under IMF's insistence, a 24% cut in PSDP spending should aid the government in achieving its fiscal deficit target of 4.3%. Progress on IMF program also remained smooth and meeting of all performance criteria resulted in timely disbursement of 11th tranche under the EFF program for the quarter. With this receipt of USD500mn tranche, FX reserves at the end of quarter stood tall at USD20.9bn (almost unchanged from the end of 2QFY16 despite Eurobond maturity of USD500mn) of which USD16.0bn were held by the central bank and the rest with commercial banks. These numbers, while indicating strong import cover of more than 5 months, also indicate improvement in long term debt sustainability of the economy.

Despite tangible improvements in CPI, external accounts and fiscal deficit, the Central Bank decided to maintain a cautious stance by keeping Policy Rate unchanged at 6% during 3QFY16, citing potential pick up in inflationary pressures and leaving some cushion for external shocks. This we believe marks the end of the monetary easing era, where we witnessed discount rate coming off from 10% in Nov-14 to 6.5%.

All these developments bode well for the economic growth prospects of the country which has been suffering from anemic growth rates in the last five years. Green shoots of real activity have become visible like construction sector is thriving (cement domestic dispatches up 17% FYTD) and credit offtake is picking up (+9% FY16TD). In this backdrop, the launch of mega projects under the ambit of China Pakistan Economic Corridor (CPEC) could give a much needed boost to the economy.

### MARKET OVERVIEW

The year 2016 started on a bearish note at the Pakistan Stock Exchange with the benchmark KSE-100 Index dropping by 4.6% in January. However, the market made a slow recovery in later half to end the quarter almost 1% up at 33,139 points. Healthy corporate earnings season (+13% YoY in 4QCY15) and improving macros (low single digit CPI and DR, healthy BoP and fiscal deficit position) helped market recovery but failed to build a strong sustainable rally.

This lackluster performance can be attributed to unabated foreign selling (USD 133.2mn net outflow during the quarter) amidst turmoil in global equity markets as well as uneasy political situation locally. The flight towards safer assets globally was triggered by a host of factors such as China currency debacle, FED's changed stance on US interest rates and overall volatility in commodity prices. On the flipside however, absorption of such huge selling by the local investors (with still positive returns) is an encouraging factor which signifies strong outlook for the listed equities.

Local investors were also spooked by tightening oversight of the capital markets by regulatory watchdog (SECP) which contributed towards weaker market volumes. Average trading volumes during the quarter declined by 15.36% to a paltry 137mn shares. The bearish sentiment was tackled by decent corporate results, especially in bank and cement sectors. The lure of high dividends enticed some investors back into the market and was instrumental in pushing the index towards positive territory. Although the market currently trades at an attractive forward P/E multiple of 7.8x and offers a decent DY of 6.7%, the upcom-

ing budget is likely to dictate market sentiment going forward. Investors should also keep an eye on the MSCI announcement regarding Pakistan’s re-entry into emerging market asset class which could also serve as a strong positive catalyst next quarter.

**MUTUAL FUND INDUSTRY REVIEW**

Total assets under management (AUMs) of Pakistan’s open end mutual fund industry grew by 2.9% in 3QFY16 (from PKR469 billion to PKR482 billion). This growth was led by Income fund and aggressive fixed income fund categories. In anticipation of further monetary easing amidst benign CPI outlook for FY16, the income fund category remained in limelight and registered an increase of 7.5% in AUMs from PKR116 billion in December 2015 to PKR 124 billion in March 2016. On the flip side, low interest rate scenario caused an outflow of PKR4 billion from money market fund category to close the period at PKR48 billion.

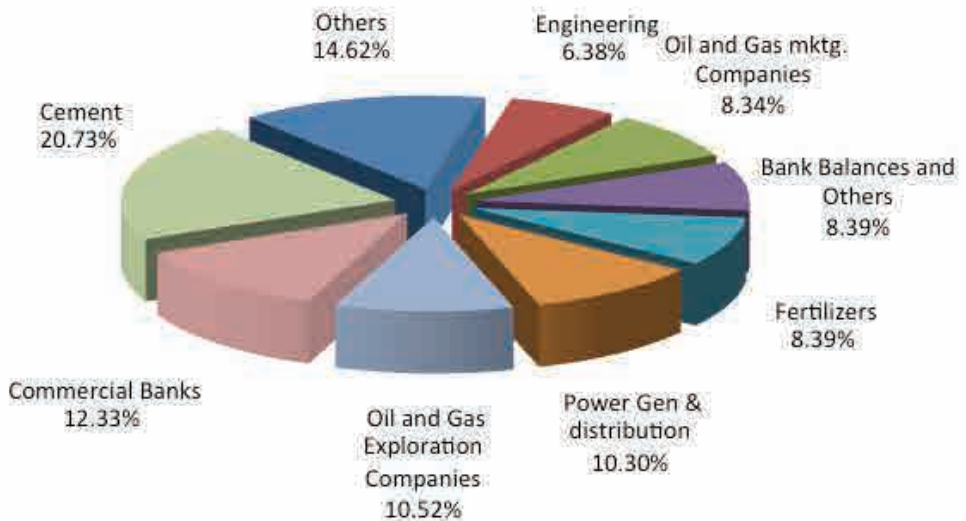
Persistent foreign selling coupled with lack of trigger for equities resulted into a flattish trend (-0.1%QoQ) in Equity fund’s category which closed the period at PKR104 billion. On the other hand, Islamic equity funds posted a modest growth of 2.9%QoQ at PKR58 billion primarily due to launch of new funds under Islamic fund of funds category.

**FUND PERFORMANCE**

ABL-SF posted a positive return of 0.50% during the quarter under review against 0.60% decrease in benchmark, achieving an out-performance of 1.10%. When measured from its inception date, ABL-SF has posted a return of 467.94% compared to its benchmark return of 152.10%, outpacing the benchmark by 315.84%.

The fund was invested 91.61% in equities at end of the period under review with major exposure in Cement (20.73%), Banks (12.33%) and Oil and Gas Exploration Companies (10.52%). During the quarter under review, ABL Stock Fund’s AUM increased by 0.08% to Rs. 2,940.15 million compared to Rs. 2,937.77 million as at December 31, 2015.

**Asset Allocation (% of Total Assets)**



**AUDITORS**

M/s. A.F. Ferguson & Co. (Chartered Accountants), have been appointed as auditors for the year ending June 30, 2016 for ABL Stock Fund (ABL-SF).

**FUND STABILITY RATING**

JCR-VIS Credit Rating Company Ltd. (JCR-VIS) on August 24, 2015 assigned MFR 3-Star (based on Three Year weighted average ranking) to ABL-SF, which denotes ‘average performance’.



## MANAGEMENT QUALITY RATING

On December 31 2015, JCR-VIS Credit Rating Company Limited reaffirmed the Management Quality Rating of ABL Asset Management Limited (ABL AMC) at 'AM Two' (AM2). Outlook on the assigned rating is 'Stable'.

## OUTLOOK

Going forward, improvement in macro dynamics along with trickle down impact of China Pakistan Economic Corridor (CPEC) related projects could provide a good boost to the real economy and serve as an impetus for profitability of listed equities. Apart from CPEC, near term triggers such as inclusion of Pakistan in the MSCI Emerging Markets Index may serve as a rerating factor for the local market. The final decision for inclusion is expected by the end of June-16 with formal implementation in May-17. We believe that potential for near term rerating to 10x of P/E (still 15% discount to average P/E of EM players) exists in the market as KSE-100 index is trading at an inexpensive forward P/E multiple of 7.8x and provides a lucrative dividend yield of 6.7%.

## ACKNOWLEDGEMENT

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

Karachi, April 27, 2016

For & on behalf of the Board



**Farid Ahmed Khan**  
Chief Executive Officer

**ABL STOCK FUND**  
**CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT MARCH 31, 2016**

		(Unaudited) March 31, 2016	(Audited) June 30, 2015
	Note	----- (Rupees in '000) -----	
<b>ASSETS</b>			
Balances with banks	4	113,226	298,778
Investment	5	2,748,188	2,137,147
Dividend and profit receivable		34,483	5,112
security deposit & prepayments		2,612	2,600
Receivable against sale of Investments		100,746	-
Receivable against sale of Units		500	2,065
<b>Total assets</b>		<b>2,999,755</b>	<b>2,445,702</b>
<b>LIABILITIES</b>			
Payable to ABL Asset Management Company Limited - Management Company	6	22,954	14,479
Payable to Central Depository Company of Pakistan Limited - Trustee		734	260
Payable to the Securities and Exchange Commission of Pakistan		1,882	1,427
Dividend payable		-	1
Accrued expenses and other liabilities	7	28,951	43,647
Payable against purchase of investments		-	111,460
Payable against redemption of units		5,081	17,941
<b>Total liabilities</b>		<b>59,602</b>	<b>189,215</b>
<b>NET ASSETS</b>		<b>2,940,153</b>	<b>2,256,487</b>
<b>UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)</b>		<b>2,940,153</b>	<b>2,256,487</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	9	----- (Numbers of units) -----	
<b>NUMBER OF UNITS IN ISSUE</b>		<b>220,832,111</b>	<b>166,730,502</b>
<b>NET ASSETS VALUE PER UNIT</b>		<b>13.3140</b>	<b>13.5337</b>
<b>FACE VALUE PER UNIT</b>		<b>10.0000</b>	<b>10.0000</b>

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

For ABL Asset Management Company Limited  
(Management Company)

  
**FARID AHMED KHAN**  
 Chief Executive Officer

  
**MUHAMMAD KAMRAN SHEHZAD**  
 Director

# ABL STOCK FUND

## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)

### FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2016

	Nine months period ended		Quarter ended	
	2016	2015	2016	2015
	Note ----- Rupees in '000 -----			
<b>INCOME</b>				
Dividend income	113,031	71,985	39,209	33,620
Capital gain on sale of equity investments - net	(76,557)	128,046	(78,570)	119,975
Income from government securities - net	-	896	-	-
Profit on deposits with banks	10,563	8,001	3,884	4,005
	47,037	208,928	(35,477)	157,600
Unrealised (diminution) / appreciation on remeasurement of investments classified as financial assets at fair value through profit or loss - net	5.2 (8,601)	(96,316)	68,491	(223,640)
Total income	38,436	112,612	33,014	(66,040)
<b>EXPENSES</b>				
Remuneration of ABL Asset Management Company Limited - Management Company	39,613	19,737	14,384	8,418
Sindh sales tax on remuneration of Management Company	6.2 6,433	3,434	2,336	1,464
Federal excise duty on remuneration of Management Company	6.3 6,338	3,158	2,301	1,347
Remuneration of Central Depository Company of Pakistan Limited - Trustee	2,732	1,738	968	668
Sindh sales tax on remuneration of Trustee Fee	406	-	146	-
Annual fee - Securities and Exchange Commission of Pakistan	1,882	937	684	399
Brokerage and securities transaction costs	4,976	5,023	2,537	2,343
Auditors' remuneration	389	411	148	114
Legal and professional charges	314	-	-	-
Printing charges	128	107	37	37
Annual rating fee	140	91	57	30
Listing fee	38	38	13	13
Provision for Workers' Welfare Fund	7.1 -	3,241	-	(45)
Other Expense	685	-	685	-
Settlement and bank charges	207	577	(122)	206
<b>Total operating expenses</b>	<b>64,281</b>	<b>38,492</b>	<b>24,174</b>	<b>14,994</b>
<b>Net income / (loss) for the period from operating activities</b>	<b>(25,845)</b>	<b>74,120</b>	<b>8,840</b>	<b>(81,034)</b>
Element of income and capital gains included in the prices of units issued less those in units redeemed - net	21,482	84,692	6,029	78,838
<b>Net income / (loss) for the period before taxation</b>	<b>(4,363)</b>	<b>158,812</b>	<b>14,869</b>	<b>(2,196)</b>
Taxation	8 -	-	-	-
<b>Net income / (loss) for the period after taxation</b>	<b>(4,363)</b>	<b>158,812</b>	<b>14,869</b>	<b>(2,196)</b>
<b>Earnings per unit</b>	<b>10</b>			

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

For ABL Asset Management Company Limited  
(Management Company)

  
FARID AHMED KHAN  
Chief Executive Officer

  
MUHAMMAD KAMRAN SHEHZAD  
Director

**ABL STOCK FUND**  
**CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED)**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2016**

	Nine months period ended March 31,	
	2016	2015
	----- Rupees in '000 -----	
<b>Undistributed income at the beginning of the period:</b>		
- realised income	456,117	76,197
- unrealised income	133,082	62,760
	589,199	138,957
<b>Distribution during the period</b>		
Re 0.20 per unit on July 24, 2015(2014: Nil)		
Cash distribution	(33,949)	-
Element of income and capital gains included in the prices of units issued less those in units redeemed - net	169,397	49,457
Net income for the period	(4,363)	158,812
Undistributed income carried forward	720,284	347,226
<b>Undistributed income at the end of the period:</b>		
- realised income	728,885	443,542
- unrealised income	(8,601)	(96,316)
	720,284	347,226

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

For ABL Asset Management Company Limited  
(Management Company)

  
**FARID AHMED KHAN**  
 Chief Executive Officer

  
**MUHAMMAD KAMRAN SHEHZAD**  
 Director



# ABL STOCK FUND

## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2016

	Nine months period ended March 31,	
	2016	2015
	----- Rupees in '000 -----	
<b>Net assets at the beginning of the period</b>	2,256,487	1,114,205
Issue of 137,378,881 units (2015: 77,912,903 units)	1,842,589	1,024,673
Redemption of 83,277,272 units (2015: 43,196,318 units)	(1,099,129)	(543,358)
	743,460	481,315
Net element of income and capital gains included in prices of units issued less those in units redeemed		
- amount representing income and capital gains transferred to income statement	(21,482)	(84,692)
- amount representing income and capital gains transferred to distribution statement	(169,397)	(49,457)
	(190,879)	(134,149)
Capital gain on sale of equity investments - net	(76,557)	128,046
Unrealised (diminution) / appreciation on remeasurement of investments classified as financial assets at fair value through profit or loss - net	(8,601)	(96,316)
Other net income	80,795	127,082
	(4,363)	158,812
<b>Distribution during the period</b>		
Re 0.20 per unit on July 24, 2015 (2014: Nil)		
- Cash distribution	(33,949)	-
Net element of income and capital gains included in prices of units issued less those in units redeemed transferred to distribution statement	169,397	49,457
<b>Net assets as at the end of the period</b>	<b>2,940,153</b>	<b>1,669,640</b>

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

For ABL Asset Management Company Limited  
(Management Company)

  
FARID AHMED KHAN  
Chief Executive Officer


  
MUHAMMAD KAMRAN SHEHZAD  
Director

**ABL STOCK FUND**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2016**

	Nine months period ended March 31,	
	2016	2015
	----- Rupees in '000 -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net (loss) / income for the period	(4,363)	158,812
<b>Adjustments for:</b>		
Unrealised diminution / (appreciation) on re-measurement of investments classified as financial assets at fair value through profit or loss - net	8,601	96,316
Dividend income	(113,031)	(71,985)
Element of income and capital gains included in prices of units issued less those in units redeemed - net	(21,482)	(84,692)
Federal excise duty on remuneration of Management Company	6,338	3,158
Provision for Workers' Welfare Fund	-	3,241
	(123,937)	104,850
<b>(Increase) / decrease in assets</b>		
Investments	(619,642)	(605,236)
Profit receivable	96	(469)
security deposit & prepayments	(12)	6,468
Receivable against sale of units	1,565	(24,846)
	(617,993)	(624,083)
<b>Increase / (decrease) in liabilities</b>		
Payable to ABL Asset Management Company Limited - Management Company	2,137	903
Payable to Central Depository Company of Pakistan Limited - Trustee	474	97
Payable to Securities and Exchange Commission of Pakistan	455	207
Payable against purchase of investments	(212,206)	(114,971)
Accrued expenses and other liabilities	(17,480)	1,713
	(226,620)	(112,051)
Dividend received	83,564	43,566
<b>Net cash used in operating activities</b>	(884,986)	(587,718)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	(5)	(32,573)
Receipts from issuance of units	1,811,428	1,024,673
Payments against redemption of units	(1,111,989)	(542,817)
<b>Net cash generated from financing activities</b>	699,434	449,283
<b>Net decrease in cash and cash equivalents during the period</b>	(185,552)	(138,435)
Cash and cash equivalents at the beginning of the period	298,778	410,303
<b>Cash and cash equivalents at the end of the period</b>	113,226	271,868

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

For ABL Asset Management Company Limited  
(Management Company)

  
FARID AHMED KHAN  
Chief Executive Officer

  
MUHAMMAD KAMRAN SHEHZAD  
Director

  
ABL  
Stock Fund

 ABL Asset Management  
Discover the potential

# ABL STOCK FUND

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2016

### 1. LEGAL STATUS AND NATURE OF BUSINESS

ABL Stock Fund (the Fund) was established under a Trust Deed executed on April 23, 2009 between ABL Asset Management Company Limited (ABL AMCL) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Securities and Exchange Commission of Pakistan (SECP) authorised the constitution of the Trust Deed vide letter no. NBFC-II/DD/ABLAMC/422/09 on April 10, 2009 in accordance with the requirements of 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 Limited (now merged into Pakistan Stock Exchange Limited). The units of the Fund are offered for public subscription on a continuous basis.

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

The objective of the Fund is to provide higher risk adjusted returns to investors by investing in a diversified portfolio of equity instruments. The investment objectives and policies of the Fund are more fully explained in the Fund's offering document.

The JCR-VIS Credit Rating Company Limited has assigned management quality rating of 'AM2 (stable outlook)' to the Management Company as at December 31, 2015 and fund performance ranking of MFR 4-Star (based on one year and five years weighted average ranking), MFR 3-Star (based on three years weighted average ranking) as at August 24, 2015.

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

### 2. BASIS OF PREPARATION

#### 2.1 Statement of compliance

This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. 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 Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of the IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2015.

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

The accounting policies applied for the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual published audited financial statements of the Fund for the year ended June 30, 2015.

The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise the judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The significant estimates, judgments and assumptions made by the management in applying the accounting policies and the key sources of estimation of uncertainty were the same as those that applied to the audited annual financial statements as at and for the year ended June 30, 2015.

The financial risk management objectives and policies are consistent with those disclosed in the audited annual financial statements of the Fund for the year ended June 30, 2015.

	Note	(Un-audited) March 31, 2016	(Audited) June 30, 2015
		----- Rupees in '000 -----	
<b>4. BALANCES WITH BANKS</b>			
Savings accounts	4.1	113,226	298,778
4.1	These savings accounts carry mark-up at rates ranging from 5.00% to 5.35% (30 June 2015: 5.00% to 6.25%) per annum. Deposits in savings accounts include Rs. 109.85 million (30 June 2015: Rs. 297.04 million) maintained with Allied Bank Limited, a related party and carry mark-up at the rate of 5.35% (30 June 2015: 6.25%).		
		(Un-audited) March 31, 2016	(Audited) June 30, 2015
<b>5. INVESTMENTS</b>		----- Rupees in '000 -----	
<b>Financial assets at fair value through profit or loss</b>			
Listed equity securities		2,748,188	2,137,147

## 5.1 Listed equity securities

Shares of listed companies - fully paid ordinary shares with a face value of Rs 10 each unless stated otherwise.

Name of investee company	Number of Shares					Balance as at March 31, 2016			Market value as a percentage of total net assets	Market value as a percentage of total market value of investments
	As at July 01, 2015	Purchased during the period	Bonus shares received during the period	Sold during the period	As at March 31, 2016	Carrying value	Market value	Appreciation/(diminution)		
Rupees in '000										
<b>Oil and Gas Marketing Company</b>										
Attock Petroleum Limited	114,200	4,500	-	19,700	99,000	55,986	42,653	(13,333)	1.45%	1.55%
Hascol Petroleum Limited	1,267,210	380,000	291,442	1,173,400	765,252	79,356	107,349	27,993	3.65%	3.91%
Pakistan State Oil Company Limited	353,900	298,400	-	366,900	285,400	93,931	100,244	6,313	3.41%	3.65%
	1,735,310	682,900	291,442	1,560,000	1,149,652	229,273	250,246	20,973	8.51%	9.11%
<b>Oil and Gas Exploration Company</b>										
Oil and Gas Development Company Limited	523,900	1,266,100	-	666,500	1,123,500	147,512	128,573	(18,939)	4.37%	4.68%
Mari Petroleum Company Limited	-	79,250	-	41,000	38,250	26,444	26,869	425	0.91%	0.98%
Pakistan Oilfields Limited	321,100	41,500	-	70,000	292,600	114,153	75,494	(38,659)	2.57%	2.75%
Pakistan Petroleum Limited	474,800	308,800	-	122,000	661,600	98,218	84,764	(13,454)	2.88%	3.08%
	1,319,800	1,695,650	-	899,500	2,115,950	386,327	315,700	(70,627)	10.73%	11.49%
<b>Fertilizer</b>										
Engro Corporation Limited	552,200	264,400	-	110,500	706,100	207,406	222,916	15,510	7.58%	8.11%
Engro Fertilizers Limited	1,227,500	707,500	-	1,521,000	414,000	37,512	28,769	(8,743)	0.98%	1.05%
Fatima Fertilizer Company Limited	-	821,500	-	821,500	-	-	-	-	-	-
Fauji Fertilizer Company Limited	-	294,000	-	294,000	-	-	-	-	-	-
Fauji Fertilizer Bin Qasim Limited	-	474,000	-	474,000	-	-	-	-	-	-
	1,779,700	2,561,400	-	3,221,000	1,120,100	244,918	251,685	6,767	8.56%	9.16%
<b>Engineering</b>										
International Industries Limited	228,500	-	-	228,500	-	-	-	-	-	-
Amreli Steel Limited	-	2,157,000	-	-	2,157,000	115,790	112,531	(3,259)	3.83%	4.09%
Creasant Steel and Allied Products Limited	-	353,750	-	13,000	340,750	36,048	40,065	4,017	1.36%	1.46%
Mughal Iron and Steel Industries International Steel Limited	-	219,500	28,575	10,500	237,575	13,738	16,257	2,519	0.55%	0.59%
	-	809,000	-	37,000	772,000	19,561	22,442	2,881	0.76%	0.82%
	228,500	3,539,250	28,575	289,000	3,507,325	185,137	191,295	6,158	6.50%	6.96%
<b>Cements</b>										
D.G. Khan Cement Company Limited	1,096,000	839,500	-	616,000	1,319,500	196,036	229,355	33,319	7.80%	8.35%
Fauji Cement Company Limited	1,200,000	2,520,000	-	1,641,000	2,079,000	78,730	87,131	8,401	2.96%	3.17%
Pioneer Cement Limited	375,000	495,000	-	281,500	588,500	51,347	58,214	6,867	1.98%	2.12%
Kohat Cement Limited	-	181,900	-	10,000	171,900	42,009	44,701	2,692	1.52%	1.63%
Maple Leaf Cement Factory Limited	14,000	1,165,500	-	356,500	823,000	68,669	75,889	7,220	2.58%	2.76%
Lucky Cement Limited	188,800	164,000	-	117,500	235,300	122,298	126,617	4,319	4.31%	4.61%
	2,873,800	5,365,900	-	3,022,500	5,217,200	559,089	621,907	62,818	21.15%	22.64%
<b>Automobile Assembler</b>										
Honda Atlas Cars (Pakistan) Limited	-	357,400	-	135,400	222,000	54,212	56,042	1,830	1.91%	2.04%
Gandhara Nissan Limited	-	50,000	-	-	50,000	8,834	8,272	(562)	0.28%	0.30%
Pak Suzuki Motors Co.Ltd	-	13,300	-	-	13,300	6,005	5,476	(529)	0.19%	0.20%
Millat Tractors Limited	45,150	-	-	50	45,100	30,931	23,881	(7,050)	0.81%	0.87%
Indus Motor Company	29,500	-	-	29,500	-	-	-	-	-	-
	74,650	420,700	-	164,950	330,400	99,982	93,671	(6,311)	3.19%	3.41%
<b>Food &amp; Personal Care Products</b>										
Engro Foods Limited	-	200,000	-	6,500	193,500	30,538	30,813	275	1.05%	1.12%
<b>Cable &amp; Electrical Goods</b>										
Pak Elektron Limited	1,095,000	1,867,125	-	2,488,000	474,125	31,567	28,670	(2,897)	0.98%	1.04%
<b>Glass &amp; Ceramics</b>										
Tariq Glass Industries Limited	649,000	84,000	-	25,000	708,000	42,441	40,002	(2,439)	1.36%	1.46%
<b>Textile Composite</b>										
Nishat Mills Limited	-	250,000	-	250,000	-	-	-	-	-	-
Kohinoor Textile Company Limited	-	620,000	-	85,500	534,500	37,933	37,827	(106)	1.29%	1.38%
	-	870,000	-	335,500	534,500	37,933	37,827	(106)	1.29%	1.38%
<b>Pharmaceuticals</b>										
The Searle Company Limited (note 7.4)	18,320	137,540	38,116	8,500	185,476	55,659	81,515	25,856	2.77%	2.97%
Highnoon (Lab)	-	41,300	-	15,900	25,400	8,984	13,395	4,411	0.46%	0.49%
Sanofi Aventis Limited	-	1,250	-	1,250	-	-	-	-	-	-
Ferozsons Laboratories Limited	-	15,550	-	500	15,050	12,492	13,165	673	0.45%	0.48%
	18,320	195,640	38,116	26,150	225,926	77,135	108,075	30,940	3.68%	3.94%
<b>Power Generation &amp; Distribution</b>										
K Electric Limited	-	1,700,000	-	1,700,000	-	-	-	-	-	-
Pakgen Power	2,071,500	-	-	1,235,000	836,500	25,103	22,569	(2,534)	0.77%	0.82%
Lalpur Power Company Limited	1,989,000	1,002,500	-	127,000	2,864,500	90,430	71,498	(18,932)	2.43%	2.60%
Kot Addu Power Company Limited	750,000	525,500	-	554,500	721,000	64,586	55,639	(8,947)	1.89%	2.02%
Hub Power Company Limited	1,566,300	621,500	-	665,000	1,522,800	147,130	159,193	12,063	5.41%	5.79%
	6,376,800	3,849,500	-	4,281,500	5,944,800	327,249	308,899	(18,350)	10.50%	11.24%
<b>Leather &amp; Tanneries</b>										
Service Industries Limited	33,450	-	-	800	32,650	27,601	29,101	1,500	0.99%	1.06%

Name of investee company	Number of Shares					Balance as at March 31, 2016			Market value as a percentage of total net assets	Market value as a percentage of total market value of investments
	As at July 01, 2015	Purchased during the period	Bonus shares received during the period	Sold during the period	As at March 31, 2016	Carrying value	Market value	Appreciation/(diminution)		
Rupees in '000										
<b>Commercial Banks</b>										
Bank Al Habib Limited	13,950	-	-	13,950	-	-	-	-	-	-
Askari Bank Limited	-	100,000	-	100,000	-	-	-	-	-	-
MCB Bank Limited	-	764,000	-	101,700	662,300	140,079	136,454	(3,625)	4.64%	4.97%
Habib Metropolitan Bank Limited	1,156,000	12,000	-	104,500	1,063,500	31,900	31,256	(644)	1.06%	1.14%
United Bank Limited	998,600	628,500	-	605,800	1,021,300	166,189	154,442	(11,747)	5.25%	5.62%
Bank Alfalah Limited	304,000	1,010,000	-	1,314,000	-	-	-	-	-	-
Habib Bank Limited	320,405	19,000	-	60,600	278,805	59,738	47,827	(11,911)	1.63%	1.74%
JS Bank Limited	777,000	-	-	777,000	-	-	-	-	-	-
	<u>3,569,955</u>	<u>2,533,500</u>	<u>-</u>	<u>3,077,550</u>	<u>3,025,905</u>	<u>397,906</u>	<u>369,979</u>	<u>(27,927)</u>	<u>12.58%</u>	<u>13.46%</u>
<b>Insurance</b>										
Adamjee Insurance Co Ltd	-	381,000	-	280,500	100,500	5,785	5,380	(405)	0.18%	0.20%
<b>Rel Estate Investment Trust</b>										
Dolmen City Reit Limited	2,000,000	-	-	2,000,000	-	-	-	-	-	-
<b>Paper and Board</b>										
Packages Limited	7,500	124,000	-	7,100	124,400	73,908	64,938	(8,970)	2.21%	2.36%
<b>Total as at March 31, 2016</b>	<u>21,761,785</u>	<u>24,370,565</u>	<u>358,133</u>	<u>21,685,550</u>	<u>24,804,933</u>	<u>2,756,789</u>	<u>2,748,188</u>	<u>(8,601)</u>	<u>93.46%</u>	<u>100.00%</u>
Total as at June 30, 2015						<u>2,004,065</u>	<u>2,137,147</u>	<u>133,082</u>	<u>94.70%</u>	<u>100.00%</u>

5.1.1 The above investment includes shares having a market value (in aggregate) amounting to Rs 53.779 million (30 June 2015: Rs 52.669 million) which 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 October 23, 2007 issued by the Securities and Exchange Commission of Pakistan. The details of shares which have been pledged are as follows:

- D.G.Khan Cement Company Limited: 50,000 (30 June 2015: 50,000) shares.
- Engro Corporation Limited: 50,000 (30 June 2015: 50,000) shares.
- Pakistan Petroleum Limited: 90,000 (30 June 2015: 90,000) shares.
- The Hub Power Company Limited: 170,000 (30 June 2015: 170,000) shares.

(Un-audited)      (Audited)  
**March 31,**      **June 30,**  
**2016**              **2015**

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

**5.2 Unrealised (diminution) / appreciation on remeasurement of investments classified as financial assets at fair value through profit or loss - net**

Market value of securities	<b>2,748,188</b>	2,137,147
Less: carrying value of securities	<b>2,756,789</b>	2,004,065
	<b>(8,601)</b>	<u>133,082</u>

5.3 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001. As a result of these amendments, companies are liable to withhold bonus shares at the rate of 5 percent. In accordance with the requirement of the Ordinance these shares shall only be released to a shareholder if the Company collects from the shareholder tax equal to 5 percent of the value of the bonus shares issued. The value of tax is computed on the basis of day-end price on the first day of book closure.

In this regard, a constitutional petition has been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs, which is pending adjudication. The petition is based on the fact that because CISs are exempt from deduction of income tax under Clause 99 of Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax

provision should not be applicable on bonus shares received by CISs. A stay order has been granted by the High Court of Sindh in favour of CISs.

As at March 31, 2016, the following bonus shares of the Fund were withheld by certain companies at the time of declaration. The Fund has included these shares in its portfolio, as the management believes that the decision of the constitutional petition will be in favour of the CISs.

Names of the Company	Bonus Shares	
	Number	Market value (Rupees in 000)
Hascol Petroleum Company Limited	19,260	2,702
Mughal Iron and Steel Industries Limited	1,429	98
The Searle Company Limited	2,787	1,225
		<u>4,024</u>

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

		(Un-audited) March 31, 2016	(Audited) June 30, 2015
	Note	----- Rupees in '000 -----	
Remuneration of Management Company	6.1	5,012	3,549
Sales load		2	386
Sindh sales tax on remuneration of Management Company	6.2	2,929	1,872
Federal excise duty on remuneration of Management Company	6.3	15,011	8,672
		<u>22,954</u>	<u>14,479</u>

6.1 The Management Company charged remuneration at the rate of 2% per annum based on the daily net assets of the Fund. 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 14% (June 30, 2015: 15%) 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 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 15.011 million (including 6.338 million for the current period). Had the provision not been made the net asset value per unit of the Fund as at March 31, 2016 would have been higher by Re 0.0680 (June 30, 2015: Re 0.0520) per unit.

		(Un-audited) March 31, 2016	(Audited) June 30, 2015
<b>7. ACCRUED EXPENSES AND OTHER LIABILITIES</b>	<b>Note</b>	----- Rupees in '000 -----	
Auditors' remuneration		360	300
Rating fee		118	120
Brokerage and other charges		2,255	777
Provision for Workers' Welfare Fund	7.1	25,199	25,199
Legal fee		-	100
Printing and stationery		113	85
Advance against issuance of units		-	5,370
Withholding tax payable		218	8,621
Other payables		688	3,075
		<u>28,951</u>	<u>43,647</u>

7.1 The Finance Act, 2008 had introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it was construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeded Rs 0.5 million in a tax year, had 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 was 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, 2012, the Honourable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006 and the Finance Act, 2008, had declared the said amendments as unlawful and unconstitutional. In March 2013, a larger bench of the Honourable Sindh High Court (SHC) passed an order declaring that the amendments introduced in the WWF Ordinance, 1971 through the Finance Act, 2006 and the Finance Act, 2008 do not suffer from any constitutional or legal infirmity. However, the Honorable High Court of Sindh has not addressed the other amendments made in the WWF Ordinance, 1971 about applicability of WWF to the CISs which is still pending before the Court. In May 2014, the Peshawar High Court (PHC) has also held these amendments to be ultra vires as they lacked the essential mandate to be introduced and passed through the Money Bill under the Constitution. Without prejudice to the above, the Management Company, as a matter of abundant caution, has decided to retain the provision for WWF amounting to Rs 25.199 million (June 30, 2015: Rs 25.199 million). Had the WWF not been provided, the NAV per unit of the Fund would have been higher by Re 0.1141 (June 30, 2015: Re 0.1511) per unit.

The Finance Act, 2015 has excluded Mutual Funds and Collective Investment Schemes from the definition of 'Industrial establishment' subject to WWF under the WWF Ordinance, 1971. Accordingly, no further provision of WWF has been made from July 1, 2015. However, provision made till June 30, 2015 has not been reversed as the above law suit is still pending in SHC.

## 8. TAXATION

The income of the Fund is exempt from income tax as per clause 99 of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders. Accordingly, no provision in respect of taxation has been made in this condensed interim financial information.

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.



9. **CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments outstanding as at March 31, 2016 and as at June 30, 2015.

10. **EARNINGS PER UNIT (EPU)**

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

11. **TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES**

Connected persons / related parties include the Management Company, its parent and the related subsidiaries of the parent, associated companies / undertakings of the Management Company, other funds managed by the Management Company, post employment benefit funds of the Management Company, employment funds of the parent, subsidiaries and its associated undertakings. It also includes the Central Depository Company of Pakistan Limited being the Trustee of the Fund, the directors and officers of the Management Company and any person or Company beneficially owning directly or indirectly 10% or more of the units in issue / net assets of the Fund.

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

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

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

	----- (Un-audited) -----	
	For the Nine Months ended March 31, 2016	For the Nine Months ended March 31, 2015
	----- Rupees in '000 -----	
<b>ABL Asset Management Company Limited</b>		
<b>- Management Company</b>		
Remuneration for the period	39,613	19,737
Sindh sales tax on remuneration of the Management Company	6,433	3,434
Federal Excise Duty on remuneration of the Management Company	6,338	3,158
Issue of 2,298,012 units (2015: 1,967,953 units)	32,056	24,846
Redemption of 3,772,304 units (2015: Nil units)	50,000	-
<b>Allied Bank Limited</b>		
Profit on bank deposits	9,678	7,932
Bank charges	21	61
<b>ABL Financial Planning Fund - Conservative Allocation Plan</b>		
Issue of 8,055,420 units	106,362	-
<b>ABL Financial Planning Fund - Active Allocation Plan</b>		
Issue of 8,891,755 units	117,504	-
Redemption of 741,834	9,103	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration	2,732	1,738
Sindh sales tax on remuneration of Trustee	406	-
Settlement charges	185	179

	----- (Un-audited) -----	
	For the Nine Months ended March 31, 2016	For the Nine Months ended March 31, 2015
	----- Rupees in '000 -----	
<b>Ibrahim Agencies Pvt Limited</b> Issue of 1,260,425 units (2015: 13,456,181 units)	17,302	188,426
<b>DIRECTORS OF THE MANAGEMENT COMPANY</b>		
<b>Mr. Sheikh Mukhtar Ahmad</b> Issue of 37,172 units (2015: 1,033,713 units)	513	14,639
<b>Mr. Mohammad Waseem Mukhtar</b> Issue of 5,570 units (2015: nil units)	77	-
<b>KEY MANAGEMENT PERSONNEL</b>		
Chief Executives Officer Issue of 74,262 units (2015: 74,979 units)	1,018	1,000

## 11.2 Amounts outstanding with connected persons / related parties as at the period / year end

	(Un-audited) March 31, 2016	(Audited) June 30, 2015
	----- Rupees in '000 -----	
<b>ABL Asset Management Company Limited</b>		
- Management Company		
Remuneration payable	5,012	3,549
Sales load payable	2	386
Units held 3,807,389 units (30 June 2015: 5,281,681 units)	50,692	71,481
Sindh sales tax payable on remuneration of Management Company	2,929	1,872
Federal excise duty payable on remuneration of Management Company	15,011	8,672
<b>Allied Bank Limited</b>		
Mark-up accrued on bank deposits	1,122	1,193
Bank balances held	109,849	297,159
<b>ABL Financial Planning Fund - Conservative Allocation Plan</b>		
Units held 8,055,420 units	107,250	-
<b>ABL Financial Planning Fund - Active Allocation Plan</b>		
Units held 8,149,921	108,508	-
<b>Ibrahim Agencies (Private) Limited</b>		
Units held 31,987,230 units (30 June 2015: 30,726,805 units)	425,878	415,847
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable	644	260

	(Un-audited) March 31, 2016	(Audited) June 30, 2015
	----- Rupees in '000 -----	
Sindh sales tax on remuneration of Trustee	90	-
Security deposit receivable	100	100
<b>DIRECTORS OF THE MANAGEMENT COMPANY</b>		
<b>Mr. Sheikh Mukhtar Ahmad</b> Units held 2,538,423 units (30 June 2015: 2,501,251 units)	33,796	33,851
<b>Mr. Mohammad Waseem Mukhtar</b> Units held 312,674 units (30 June 2015: 307,104 units)	4,163	4,156
<b>KEY MANAGEMENT PERSONNEL</b>		
Chief Executives Officer Issue of 154,033 units (30 June 2015: 79,771 units)	2,051	1,080

## 12. GENERAL

Figures have been rounded off to the nearest thousand rupees.

## 13. DATE FOR AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on April 27, 2016 by the Board of Directors of the Management Company.

For ABL Asset Management Company Limited  
(Management Company)

  
FARID AHMED KHAN  
Chief Executive Officer

  
MUHAMMAD KAMRAN SHEHZAD  
Director

