



ABL ISLAMIC INCOME FUND
CONDENSED INTERIM FINANCIAL STATEMENT
FOR THE PERIOD ENDED DECEMBER 31, 2018

HALF YEARLY REPORT



ABL Asset Management

Discover the potential

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ABL ISLAMIC INCOME FUND

FUND'S INFORMATION

| | | |
|---|--|---|
| Management Company: | ABL Asset Management Company Limited Plot/Building # 14, Main Boulevard, DHA, Phase - VI, Lahore - 54810 | |
| Board of Directors | Sheikh Mukhtar Ahmed Mr. Mohammad Naeem Mukhtar Mr. Muhammad Waseem Mukhtar Mr. Tahir Hassan Qureshi Mr. Pervaiz Iqbal butt Mr. Muhammad Kamran Shehzad Mr. Alee Khalid Ghaznavi | Chairman CEO/ Director |
| Audit Committee: | Mr. Muhammad Kamran Shehzad Mr. Muhammad Waseem Mukhtar Mr. Pervaiz Iqbal butt | Chairman Member Member |
| Human Resource and Remuneration Committee | Mr. Muhammad Waseem Mukhtar Mr. Pervaiz Iqbal butt Mr. Alee Khalid Ghaznavi Mr. Muhammad Kamran Shehzad | Chairman Member Member Member |
| Chief Executive Officer of The Management Company: | Mr. Alee Khalid Ghaznavi | |
| Chief Financial Officer & Company Secretary: | Mr. Saqib Matin | |
| Chief Internal Auditor: | Mr. Kamran Shehzad | |
| Trustee: | Central Depository Company of Pakistan Limited. CDC-House, Shahrah-e-Faisal, Karachi | |
| Bankers to the Fund: | Allied Bank Limited Bank Al- Falah Limited United Bank Limited Habib Bank Limited | |
| Auditor: | Deloitte Yousuf Adil Chartered Accountants 134-A, Abubakar Block New Garden Town, Lahore. | |
| Legal Advisor: | Ijaz Ahmed & Associates Advocates & Legal Consultants No. 7, 11th Zamzama Street, Phase V DHA Karachi. | |
| Registrar: | ABL Asset Management Company Limited. L - 48, Defence Phase - VI, Lahore - 74500 | |

ABL ISLAMIC INCOME FUND

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of ABL Asset Management Company Limited, the management company of ABL Islamic Income Fund (ABL-IIF), is pleased to present the Condensed Interim Financial Statements (un-audited) of ABL Islamic Income Fund for the half year ended December 31, 2018.

ECONOMIC PERFORMANCE REVIEW

1HFY19 marked a new chapter for Pakistan's political and economic landscape with the change of Government in the center as well as in the biggest province of the country. Successful transition of power and continuity of democratic process after the general elections of July 25, 2018 have reduced the political noise in the country but challenges on economic front still persists. Though, newly elected Government has taken several measures to address surmounting Balance of Payment (BOP) crisis but the results of those steps are yet to be reflected in numbers.

Pakistan's economic indicators witnessed significant changes during the period due to challenges on external front. CPI has increased substantially to 6.05% in 1HFY19 as compared to 3.75% in the same period last year. CPI is expected to increase further in 2HFY19 due to low base effect and lag impact of currency adjustments as the Pak Rupee (PKR) has devalued by ~14% against the greenback during last six months. Moreover, State Bank of Pakistan (SBP) has adopted contractionary stance, thus; increased policy rate by 350bps to 10% during the said period.

Surprisingly, country's external position continued to remain fragile despite taking above mentioned steps as the Current Account Deficit (CAD) during 1HFY19 is down by only 4.4%YoY to USD7.9 billion as compared to USD8.4 billion during 1HFY18. A much needed support came from workers' remittances which are up 10%YoY to USD10.7 billion. However, foreign exchange reserves remained under pressure standing at 2.9 months of import cover in spite of USD2.0 billion loans received from Saudi Arabia. Hopefully, CAD will come down further going forward as deferred oil facilities of worth USD3.0 billion from Saudi Arabia and UAE will be effective from January 2019. Furthermore, weak international commodity prices particularly oil will further ease off pressure on BOP.

On fiscal front, FBR provisionally collected taxes worth PKR1,763 billion during 1HFY19 against the target of PKR1,960 billion, reflecting a shortfall of more than PKR175 billion. In order to bridge the deficit, the government is expected to announce mini-budget in January 2019 where new taxes of ~PKR200 billion will be imposed. Moreover, meetings with IMF are likely to kick-off in the current month to seek financial package.

Going forward, weak international oil prices, controlled imports, rising remittances and uptick in exports will address risks to the economy. Government is focusing on enhancing Pakistan Exports by giving reliefs to export oriented industry and curtailing imports by imposing additional taxes and duties. It is expected that the Pakistan will enter into IMF program during 2HFY19 which will help in addressing dwindling foreign exchange reserves and give confidence to other lenders.

MUTUAL FUND INDUSTRY REVIEW

Total assets under management (AUMs) of open end mutual fund industry posted a decline of 3.1% during 1HFY19 (from PKR648 billion to PKR628 billion), mainly on account of economic uncertainty and year end phenomena. However, the industry witnessed growth of 1.1%YoY in December 2018 against same period last year. Equity funds including Conventional and Islamic equity witnessed a substantial decline of 12.2% and 18.3% in AUM to close the period at PKR121 billion and PKR85 billion, respectively. This decline can primarily be attributed to dismal market performance (KSE100 index down 11.5% in 1HFY19) due to economic uncertainty driving investor sentiments negative.

On the flip side, the fixed income category (comprising of Income, Aggressive Income and Money Market funds) registered a growth of 4.8% in 1HFY19 to close at PKR200 billion in December 2018 compared to PKR191 billion in June 2018. Similarly, Islamic Income Category also posted a growth of 8.3% in AUMs to end the period at PKR47 billion.

Money Market Review

The period under review remained tough for the country amid rising inflation and lower foreign exchange reserves to meet the external obligations of the country. In order to contain the increasing inflation, the State Bank Pakistan raised the discount rate by a total 425bps during last twelve months to 10.5%. On T-bills front, an active participation was witnessed only in 3 Months tenor whereas participation in 6 & 12 months tenor remained subdued due to market's expectation of increase in Policy Rate. Similarly participation in longer tenor bonds (3, 5 & 10 years) also remained depressed. The SBP accepted PKR7.0 billion, PKR6 billion and PKR11 billion in 3, 5 and 10 years tenor at an average cut-off rate of 12.25%, 10.98% and 13.15% respectively. During this period, the SBP remained net lender, hence liquidating the market by frequent OMO injections (23 times). In addition to this, secondary market PKRVs increased by 3.52 to 3.98 bps across different tenors

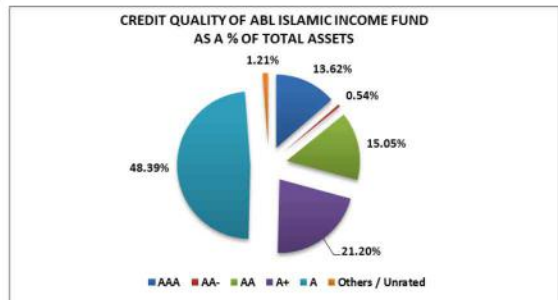
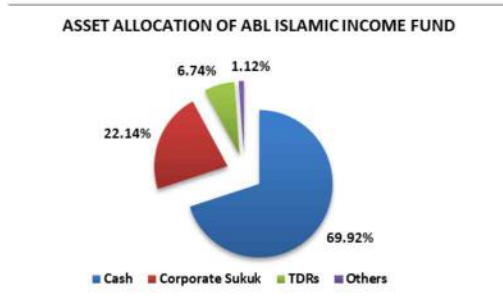
FUND PERFORMANCE

ABL Islamic Income Fund was among the best performing funds on YTD basis in Islamic Income fund category. The fund provided an annualized yield of 6.62% against the benchmark return of 2.85% thus outperforming the benchmark by 377 bps. During the period under review, fund's AUMs reduced by 11.87% to close at PKR 4,423.78 million as at December 31, 2019 from PKR 5,019.58 million in June 30, 2018.

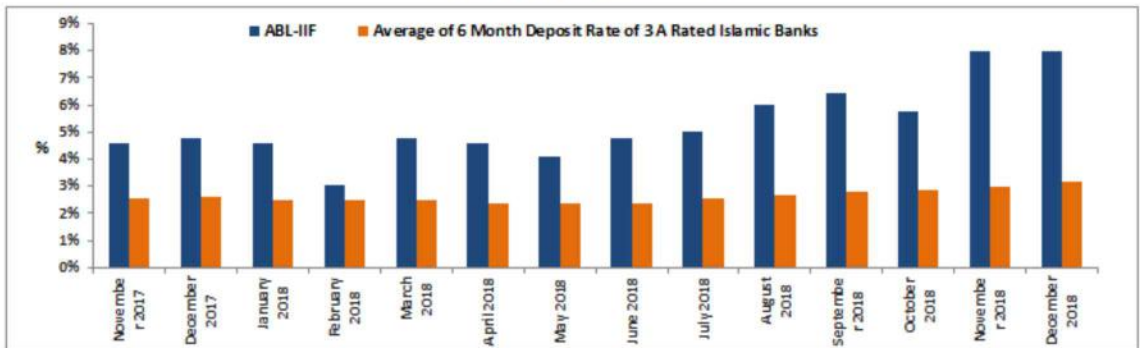
During 1HFY19, Islamic money market continued to trade on lower levels due to ample liquidity in the market. Profit rates on DPA & TDRs continued to remain attractive. On corporate debt side no significant fresh issuance was witnessed. Consequently demand in GoP Ijara Sukuks remained in check due to low yields.

During the period, we did not maintain any exposure in Government Ijara Sukuks, the Corporate Ijara Sukuk portfolio however was maintained as the fund held high quality high spread instrument in order to support the fund's core yield. Moreover, healthy allocation in TDR

placements also supported return during the period. WAM of the portfolio increased to 541 days compared to 457 days in June, 2018. At the end of the period, the fund comprised of Corporate Sukuks at 22.14%, TDRs at 6.74% and cash at bank stood at 69.92% of the fund. Allocation in bank placements (deposits + TDRs) was increased as higher profit rates were offered by the banks at year end.



ABL - IIF Vs Benchmark (MOM Returns)



AUDITORS

M/s.Deloitte Yousaf Adil (Chartered Accountants), have been re-appointed as auditors for the year ending June 30, 2019 for ABL Islamic Income Fund (ABL-IIF).

FUND STABILITY RATING

JCR-VIS Credit Rating Company Ltd. (JCR-VIS) on January 16, 2018, has reaffirmed the Fund Stability Rating of ABL Islamic Income Fund at 'A(f)' (Single A (f)).

MANAGEMENT QUALITY RATING

On December 31, 2018, JCR-VIS Credit Rating Company Limited (JCR-VIS) has reaffirmed the Management Quality Rating of ABL Asset Management Company Limited (ABL AMC) to

‘AM2++’ (AM-Two-Double Plus) from ‘AM2+’ (AM Two Plus). Outlook on the assigned rating is ‘Stable’.

FUTURE OUTLOOK

Going forward, we do not expect any significant increase in interest rates for the remaining part of FY’19 due to the fact that rates have already increased by a total of 425 bps taking the policy rate to 10.00% in comparison to average headline inflation of 6.08% during the 1HFY19 as a result of which real interest rates have increased to 392 bps. Further to this, we expect the MoF to rebalance the currently skewed maturity profile through issuance of longer tenor instruments going forward.

Our strategy will be to increase portfolio duration by taking exposure in longer tenor instruments such as any fresh issuance of GIS to benefit from the high yields on the said instruments. While the fund’s strategy is to have majority of its placements in Cash & TDRs which shall continue to outperform the market in our opinion.

ACKNOWLEDGEMENT

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

For & on behalf of the Board



Director



Alee Khalid Ghaznavi
Chief Executive Officer

Lahore, February 06, 2019

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office

CDC House, 99-B, Block 'B'
S.M.C.H.S. Main Shakra-e-Faisal
Karachi - 74400, Pakistan.
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Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ABL ISLAMIC INCOME FUND

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

We Central Depository Company of Pakistan Limited, being the Trustee of ABL Islamic Income Fund (the Fund) are of the opinion that ABL Asset Management Company Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2018 in accordance with the provisions of the following:

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

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 22, 2019





Deloitte Yousuf Adil
Chartered Accountants
134-A, Abubakar Block
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AUDITORS' REPORT TO THE UNIT HOLDERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **ABL – Islamic Income Fund** (here-in-after referred to as 'the Fund') as at December 31, 2018, and the related condensed interim income statement, condensed interim statement of movement in unit holders' fund, condensed interim cash flow statement and notes to the accounts (here-in-after referred to as the 'condensed interim financial information') for the half year ended December 31, 2018. **ABL Asset Management Company Limited** (the Management Company) is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures for the quarter ended December 31, 2018 in the condensed interim income statement have not been reviewed and we do not express a conclusion on them.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the half year ended December 31, 2018 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Deloitte Yousuf Adil
Chartered Accountants

Engagement Partner

Rana M. Usman Khan

Dated: February 06, 2019

Place: Lahore

Member of
Deloitte Touche Tohmatsu Limited



ABL ISLAMIC INCOME FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2018

| | | (Un-audited) December 31, 2018 | (Audited) June 30, 2018 |
|--|------|--------------------------------------|-------------------------------|
| | Note | ------(Rupees in '000)----- | |
| ASSETS | | | |
| Balances with banks | 4 | 3,113,343 | 3,000,665 |
| Investments | 5 | 1,285,324 | 2,011,552 |
| Security deposit and prepayments | | 229 | 100 |
| Profit receivable | | 50,066 | 36,722 |
| Other receivable | | 2,164 | 1,136 |
| Total assets | | 4,451,126 | 5,050,175 |
| LIABILITIES | | | |
| Payable to ABL Asset Management Company Limited - Management Company | 6 | 19,167 | 17,519 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | | 385 | 489 |
| Payable to Securities and Exchange Commission of Pakistan | | 1,450 | 4,413 |
| Accrued expenses and other liabilities | 7 | 6,299 | 7,209 |
| Payable against redemption of units | | 47 | 975 |
| Total liabilities | | 27,348 | 30,605 |
| NET ASSETS | | 4,423,778 | 5,019,570 |
| UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED) | | 4,423,778 | 5,019,570 |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 8 | -----Number of units----- | |
| NUMBER OF UNITS IN ISSUE | | 420,374,456 | 473,099,934 |
| | | -----Rupees----- | |
| NET ASSETS VALUE PER UNIT | | 10.5234 | 10.6100 |
| FACE VALUE PER UNIT | | 10.0000 | 10.0000 |

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

For ABL Asset Management Company Limited
(Management Company)


SAQIB MATIN
CHIEF FINANCIAL OFFICER


ALEE KHALID GHAZNAVI
CHIEF EXECUTIVE OFFICER


MUHAMMAD KAMRAN SHEHZAD
DIRECTOR

ABL ISLAMIC INCOME FUND
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018

| | For the half year ended December 31, 2018 | For the half year ended December 31, 2017 | For the quarter ended December 31, 2018 | For the quarter ended December 31, 2017 |
|--|--|--|--|--|
| INCOME | | | | |
| Profit on deposits with banks | 101,471 | 111,811 | 56,737 | 67,199 |
| Income from term deposit receipts | 8,656 | 17,517 | 1,064 | 8,568 |
| Income from sukus | 47,600 | 39,574 | 24,303 | 20,154 |
| Other income | - | 335 | - | - |
| | 157,727 | 169,237 | 82,104 | 95,921 |
| Capital gain / (loss) on sale of government securities - net | 61 | (2,518) | (211) | 107 |
| Unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss - net | (1,059) | (597) | (2,593) | 1,750 |
| | (998) | (3,115) | (2,804) | 1,857 |
| Total income | 156,729 | 166,122 | 79,300 | 97,778 |
| EXPENSES | | | | |
| Remuneration of ABL Asset Management Company Limited- Management Company | 19,333 | 28,705 | 9,005 | 15,988 |
| Punjab sales tax on remuneration of Management Company | 3,093 | 4,495 | 1,440 | 2,558 |
| Reimbursement of operational expenses to the Management Company | 1,932 | 2,880 | 899 | 1,603 |
| Selling and marketing expenses | 2,240 | - | - | - |
| Remuneration of Central Depository Company of Pakistan Limited - Trustee | 2,072 | 2,811 | 980 | 1,522 |
| Sindh sales tax on remuneration of Trustee | 269 | 367 | 128 | 199 |
| Annual fee - Securities and Exchange Commission of Pakistan | 1,450 | 2,153 | 675 | 1,199 |
| Auditors' remuneration | 262 | 252 | 155 | 149 |
| Printing charges | 167 | 176 | 79 | 88 |
| Annual rating fee | 120 | 117 | 60 | 59 |
| Listing fee | 17 | 18 | 8 | 11 |
| Shariah advisory fee | 250 | 237 | 126 | 118 |
| Bank and settlement charges | 80 | 118 | 52 | 40 |
| Brokerage and securities transaction cost | 254 | 64 | 87 | 32 |
| Total operating expenses | 31,539 | 42,393 | 13,694 | 23,566 |
| Net income for the period before taxation | 125,190 | 123,729 | 65,606 | 74,212 |
| Taxation | - | - | - | - |
| Net income for the period after taxation | 125,190 | 123,729 | 65,606 | 74,212 |
| Allocation of net income for the period: | | | | |
| Net income for the period after taxation | 125,190 | 123,729 | 65,606 | 74,212 |
| Income already paid on units redeemed | (25,051) | (17,454) | (17,503) | (12,668) |
| | 100,139 | 106,275 | 48,103 | 61,544 |
| Accounting income available for distribution: | | | | |
| -Relating to capital gains | - | - | - | - |
| -Excluding capital gains | 100,139 | - | 48,103 | - |
| | 100,139 | 106,275 | 48,103 | 61,544 |

Earnings per unit

10

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

For ABL Asset Management Company Limited
(Management Company)


SAQIB MATIN
CHIEF FINANCIAL OFFICER


ALEE KHALID GHAZNAVI
CHIEF EXECUTIVE OFFICER


MUHAMMAD KAMRAN SHEHZAD
DIRECTOR


ABLIF
ABL Islamic Income Fund

 ABL Asset Management
Discover the potential

ABL ISLAMIC INCOME FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018

| | For the half year ended December 31, | | For the quarter ended December 31, | |
|--|---|-----------------------|---------------------------------------|----------------------|
| | 2018 | 2017 | 2018 | 2017 |
| | ------(Rupees in '000)----- | | | |
| Net income for the period after taxation | 125,190 | 123,729 | 65,606 | 74,212 |
| Other comprehensive income for the period | - | - | - | - |
| Total comprehensive income for the period | <u>125,190</u> | <u>123,729</u> | <u>65,606</u> | <u>74,212</u> |

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

For ABL Asset Management Company Limited
 (Management Company)


 SAQIB MATIN
 CHIEF FINANCIAL OFFICER


 ALEE KHALID GHAZNAVI
 CHIEF EXECUTIVE OFFICER


 MUHAMMAD KAMRAN SHEHZAD
 DIRECTOR

ABL ISLAMIC INCOME FUND


CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2018

| | (Un-audited) December 31, 2018 | | | (Un-audited) December 31, 2017 | |
|--|-----------------------------------|--|----------|--------------------------------------|------------------|
| Capital value | Un distributed Income | Unrealised appreciation/(di- minution) on 'available for sale' investments | Total | Total | |
| ------(Rupees in '000)----- | | | | | |
| Net assets at the beginning of the period | 4,804,868 | 214,702 | - | 5,019,570 | 3,967,784 |
| Issue of 218,127,202 units (2017: 613,988,725 units) | | | | | |
| - Capital value (at net asset value per unit at the beginning of the period) | 2,232,978 | - | - | 2,232,978 | 6,241,826 |
| - Element of income | 40,833 | - | - | 40,833 | 63,199 |
| Total proceeds on issuance of units | 2,273,811 | - | - | 2,273,811 | 6,305,025 |
| Redemption of 270,852,680 units (2017: 258,861,703 units) | | | | | - |
| - Capital value (at net asset value per unit at the beginning of the period) | 2,776,236 | - | - | 2,776,236 | 2,631,595 |
| - Element of income | (2,589) | 25,051 | - | 22,462 | 23,729 |
| Total payments on redemption of units | 2,773,647 | 25,051 | - | 2,798,698 | 2,655,324 |
| Total comprehensive income for the period | - | 125,190 | - | 125,190 | 123,729 |
| Distribution during the period | | | | | |
| - Re. 0.2970 per unit on July 03, 2018 | (40,181) | (100,330) | - | (140,511) | - |
| - Re. 0.1300 per units on August 01, 2018 | (16,430) | (39,155) | - | (55,585) | - |
| Net income for the period less distribution | (56,610) | (14,295) | - | (70,905) | 123,729 |
| Net assets as at the end of the period | 4,248,422 | 175,356 | - | 4,423,778 | 7,741,214 |
| Undistributed income brought forward | | | | | |
| - Realised income | | 211,125 | | | 40,723 |
| - Unrealised income/ (loss) | | 3,577 | | | 24,074 |
| | | 214,702 | | | 64,797 |
| Accounting income available for distribution | | | | | |
| - Relating to capital gains | | - | | | - |
| - Excluding capital gains | 100,139 | | | | 48,103 |
| | 100,139 | | | | 48,103 |
| Distribution for the period | | (139,485) | | | - |
| Undistributed income carried forward | | 175,356 | | | 112,900 |
| Undistributed income carried forward | | | | | |
| - Realised Income | | 176,415 | | | 113,497 |
| - Unrealised Income | | (1,059) | | | (597) |
| | | 175,356 | | | 112,900 |
| | | | | (Rupees) | (Rupees) |
| Net assets value per unit at beginning of the period | | | | 10.6100 | 10.1660 |
| Net assets value per unit at end of the period | | | | 10.5234 | 10.3850 |

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

For ABL Asset Management Company Limited
(Management Company)


SAQIB MATIN
CHIEF FINANCIAL OFFICER


ALEE KHALID GHAZNAVI
CHIEF EXECUTIVE OFFICER


MUHAMMAD KAMRAN SHEHZAD
DIRECTOR


ABL ISLAMIC INCOME FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2018

| | December 31, 2018 | December 31, 2017 |
|--|-----------------------------|----------------------|
| Note | ------(Rupees in '000)----- | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income for the period after taxation | 125,190 | 123,729 |
| Adjustments | | |
| Unrealised appreciation/ (diminution) on re-measurement of investments classified as financial assets at fair value through profit or loss - net | 1,059 | 597 |
| | 1,059 | 597 |
| Decrease / (increase) in assets | | |
| Security deposit and prepayments | (129) | (1,154) |
| Other receivable | (1,028) | - |
| Profit receivable | (13,344) | (29,035) |
| | (14,501) | (30,189) |
| Increase / (decrease) in liabilities | | |
| Remuneration payable to ABL Asset Management Company Limited- Management Company | 1,648 | 5,071 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | (104) | 252 |
| Payable to Securities and Exchange Commission of Pakistan | (2,963) | (1,147) |
| Dividend payable | - | (18) |
| Payable against redemption of units | (928) | - |
| Accrued expenses and other liabilities | (910) | (10,040) |
| | (3,257) | (5,882) |
| Net amount paid on purchase / sale of investments | 125,170 | (8,816) |
| Net cash generated from operating activities | 233,661 | 79,439 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Distribution | (196,095) | - |
| Receipts from issuance of units | 2,273,811 | 6,305,026 |
| Payments against redemption of units | (2,798,698) | (2,627,267) |
| Net cash from financing activities | (720,982) | 3,677,758 |
| Net (decrease) /increase in cash and cash equivalents | (487,322) | 3,757,197 |
| Cash and cash equivalents at the beginning of the period | 3,900,665 | 2,553,954 |
| Cash and cash equivalents at the end of the period | 3,413,343 | 6,311,151 |
| | 4.3 | |

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

For ABL Asset Management Company Limited
(Management Company)


SAQIB MATIN
CHIEF FINANCIAL OFFICER


ALEE KHALID GHAZNAVI
CHIEF EXECUTIVE OFFICER


MUHAMMAD KAMRAN SHEHZAD
DIRECTOR

ABL ISLAMIC INCOME FUND

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENT FOR THE HALF YEAR ENDED DECEMBER 31, 2018

1 LEGAL STATUS AND NATURE OF BUSINESS

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

The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (NBFC Rules) through a certificate issued by the Securities and Exchange Commission of Pakistan (SECP) on December 7, 2007 which has expired on December 7, 2016, however, the Management Company has applied for the renewal of the said license on November 14, 2016 with SECP but the same has not been renewed till now. The registered office of the Management Company was changed from 11-B Lalazar, M.T. Khan Road, Karachi to Plot No. 14, Main Boulevard, DHA Phase 6, Lahore with effect from March 15, 2017.

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

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

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

1.3 JCR-VIS Credit Rating Company has assigned management quality rating of AM2++(stable outlook) to the Management Company and fund stability rating of A(f) to the Fund as at December 31, 2018.

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

2 BASIS OF PREPARATION

Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 uncertainty were the same as those that applied to financial statements as at and for the year ended June 30, 2018.

The condensed interim financial statements of the Fund have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The principal accounting policies applied in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2018 except for the change in accounting policy as set out below.

Effective from July 01, 2018, the Fund has adopted IFRS 9: 'Financial Instruments' (IFRS 9) which has replaced IAS 39: 'Financial Instruments: Recognition and Measurement' (IAS9). It addresses the classification, measurement and derecognition of financial assets and liabilities and replaces the multiple classification, hedging and measurement models in IAS 39. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'expected credit losses' (ECL) approach rather than 'incurred credit losses' approach, as previously given under IAS 39. The transition provisions of IFRS 9 allow an entity not to restate comparatives. The Fund has elected not to restate comparatives in respect of the classification and measurement of financial instruments.

The Fund has applied the requirements of IFRS 9 to investments that continue to be recognised as at July 01, 2018, the date of initial application. All recognised financial assets, within the scope of IFRS 9, are required to be measured subsequently at amortised cost or fair value on the basis of Fund's business model for managing the relevant financial assets and the respective contractual cash flow characteristics.

The SECP, vide its letter dated November 21, 2017, has deferred the applicability of requirements relating to impairment for debt securities on mutual funds till further instructions. Currently, the Asset Management Companies are required to continue to follow the requirements of Circular 33 of 2012 for impairment of debt securities. The Fund did not hold any investment in debt securities during the period covered by the condensed interim financial statements.

The Management has reviewed and assessed the Fund's existing financial assets as at July 01, 2018 and concluded that the initial application of IFRS 9 has had the following impact on the Fund's investments as regards their classification and measurement:

- the Fund's investment in debt securities that were classified as 'held for trading' under IAS 39 have been classified as financial assets at FVTPL; and
- the Fund's investment in units of mutual funds, that were classified as 'held for trading' under IAS 39 have been classified as financial assets at FVTPL.

None of the reclassifications of other financial assets of the Fund have any impact on the Fund's financial position, profit or loss, other comprehensive income or total comprehensive income for the period.

| | | (Un-audited) December 31, 2018 | (Audited) June 30, 2018 |
|------------|---|--------------------------------------|------------------------------------|
| 4 | BALANCES WITH BANKS | Note | ----- (Rupees in 000) ----- |
| | Saving accounts | 4.1 | 3,019,435 2,963,551 |
| | Current accounts | 4.2 | 93,908 37,114 |
| | | | <u>3,113,343</u> <u>3,000,665</u> |
| 4.1 | These saving accounts carry profit at rates ranging from 5% to 11.25% (June 30, 2018: 4% to 6.5%) per annum. Deposits in saving accounts include Rs. 485.154 million (June 30, 2018: Rs. .02 million) maintained with Allied Bank Limited, a related party, and carry profit at the rate of 10.5% (June 30, 2018: 3.00%) per annum. | | |
| 4.2 | Balance in current accounts is maintained with Allied Bank Limited, a related party. | | |
| 4.3 | Cash and cash equivalents | Un-audited December 31, 2018 | Audited June 30, 2018 |
| | Balances with banks | 3,113,343 | 3,000,665 |
| | Term deposit receipts | 300,000 | 900,000 |
| | | <u>3,413,343</u> | <u>3,900,665</u> |
| 5 | INVESTMENTS | | |
| | Financial assets at fair value through profit or loss | | |
| | - GoP Ijara Sukuks | 5.1 | - |
| | - Other Sukuks | 5.2 | 985,324 1,111,552 |
| | | | <u>985,324</u> 1,111,552 |
| | Loans and receivables | | |
| | - Term deposit receipts | | 300,000 900,000 |
| | | | <u>1,285,324</u> <u>2,011,552</u> |

5.1 GOP Ijara Sukuks

| Issue date | Coupon rate in % / tenor | Face Value | | | | Balance as at December 31, 2018 | | | Market value as a percentage of net assets of the Fund | Market value as a percentage of total investment |
|----------------------------------|--------------------------|---------------------|-----------------------------|--------------------------------------|-------------------------|---------------------------------|--------------|-----------------------------|--|--|
| | | As at July 01, 2018 | Purchased during the period | Disposed / matured during the period | As at December 31, 2018 | Cost | Market value | Appreciation / (diminution) | | |
| (Rupees in 000) | | | | | | | | | | |
| GOP Ijara 17 / February 15, 2016 | 6.10 / 3 years | - | 110,000 | 110,000 | - | - | - | - | - | - |
| GOP Ijara 18 / March 29, 2016 | 5.59 / 3 years | - | 125,000 | 125,000 | - | - | - | - | - | - |
| | | - | 235,000 | 235,000 | - | - | - | - | - | - |

5.2 Other Sukuks

| Issue | Mark-up rate / tenor | Face Value | | | | Balance as at December 31, 2018 | | | Market value as a percentage of net assets of the Fund | Market value as a percentage of total investment |
|---|-----------------------|---------------------|-----------------------------|--------------------------------------|-------------------------|---------------------------------|----------------|-----------------------------|--|--|
| | | As at July 01, 2018 | Purchased during the period | Disposed / matured during the period | As at December 31, 2018 | Carrying Value | Market value | Appreciation / (diminution) | | |
| (Rupees in 000) | | | | | | | | | | |
| Par value @ 5,000 each | | | | | | | | | | |
| K-Electric / June 17, 2015 | 3 months KIBOR + 1.00 | 4,000 | 36,537 | 17,962 | 22,575 | 22,748 | 22,839 | 91 | 0.52 | 1.78 |
| Fatima Fertilizer / November 28, 2016 | 6 months KIBOR + 1.10 | 15,904 | 154,000 | 148,976 | 20,928 | 21,022 | 21,110 | 87.30 | 0.48 | 1.64 |
| Par value @ 100,000 each | | | | | | | | | | |
| International Brands Ltd / November 15, 2017 | 1 Year KIBOR + 0.50 | 10,000 | - | - | 10,000 | 10,000 | 9,872 | (128) | 0.22 | 0.77 |
| Dawood Hercules Corporation Ltd / November 16, 2017 | 3 months KIBOR + 1.00 | 624,000 | - | 109,500 | 514,500 | 515,529 | 514,528 | (1,001) | 11.63 | 40.03 |
| Dawood Hercules Corporation Ltd II / March 16, 2017 | 3 months KIBOR + 1.00 | 186,000 | - | 41,000 | 145,000 | 145,094 | 145,000 | (94) | 3.28 | 11.28 |
| Par value @ 1,000,000 each | | | | | | | | | | |
| Meezan Bank Limited / September 6, 2016 | 6 months KIBOR + 0.5 | 1,000 | - | - | 1,000 | 1,015 | 1,000 | (15) | 0.02 | 0.08 |
| Dubai Islamic Bank Pakistan Ltd / July 14, 2017 | 6 months KIBOR + 0.5 | 266,000 | - | - | 266,000 | 270,975 | 270,975 | - | 6.13 | 21.08 |
| | | 1,106,904 | 190,537 | 317,438 | 980,003 | 986,383 | 985,324 | (1,059) | 22.27 | 76.66 |

December 31, 2018 (Un-audited) June 30, 2018 (Audited)
----- (Rupees in 000) -----

5.3 Unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss - net

| | | |
|------------------------------------|------------------|--------------------|
| Market value of securities | 985,324 | 1,111,552 |
| Less: carrying value of securities | (986,383) | (1,107,975) |
| | (1,059) | 3,577 |

(Un-audited) (Audited)
December 31, 2018 June 30, 2018
----- (Rupees in 000) -----

6 PAYABLE TO ABL ASSET MANAGEMENT COMPANY LIMITED - MANAGEMENT COMPANY

| | | | |
|---|-----|---------------|---------------|
| Remuneration of Management Company | 6.1 | 3,328 | 4,358 |
| Punjab sales tax on remuneration of Management Company | 6.2 | 1,767 | 1,932 |
| Federal excise duty on remuneration of Management Company | 6.3 | 8,366 | 8,366 |
| Sales load payable to the Management Company | | - | 24 |
| Reimbursement of operational expenses to the Management Company | 6.4 | 1,919 | 1,277 |
| Selling and Marketing expense | | 3,787 | - |
| | | 19,167 | 15,957 |

6.1 Under the provisions of the NBFC Regulations, the Management Company of the Fund is charging a remuneration at 1% of the daily net assets of the Fund.

6.2 The Government of Punjab has levied Punjab Sales Tax at the rate of 16% (June 30, 2018: 16%) on the remuneration of the Management Company through the Punjab Sales Tax on Services Act, 2012 (as amended from time to time).

6.3 Through Finance Act 2013, Federal Excise Duty (FED) was made applicable at the rate of 16% on the remuneration of the Management Company, effective from June 13, 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED results in double taxation, which does not appear to be the spirit of the law.

The matter was collectively taken up by the Management Company, along with other asset management companies and trustees of collective investment schemes (CISs), through a constitutional petition filed in the Honorable Sindh High Court (SHC) during September 2013. The SHC has issued a stay order against the recovery of FED and therefore we have not made any payments of FED since its application.

On June 30, 2016 the Honorable Sindh High Court had passed a Judgment that after 18th amendment in the Constitution of Pakistan, the Provinces alone have the legislative power to levy a tax on rendering or providing services, therefore, chargeability and collection of Federal Excise Duty after July 01, 2011 ultra vires to the Constitution of Pakistan. On September 23, 2016 the Federal Board of Revenue (FBR) filed an appeal in the Supreme Court of Pakistan (SCP) against above judgement, which is pending adjudication.

The Management Company, as a matter of abundant caution, has maintained full provision for FED (since June 13, 2013) aggregating to Rs. 8.366 million.

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

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

| | | December 31, 2018 | June 30, 2018 |
|---|------|----------------------|------------------|
| | Note | (Un-audited) | (Audited) |
| ------(Rupees in 000)----- | | | |
| 7 ACCRUED EXPENSES AND OTHER LIABILITIES | | | |
| Auditors' remuneration | | 265 | 370 |
| Printing charges | | 251 | 150 |
| Provision for Sindh Workers' Welfare Fund | 7.1 | 4,679 | 4,679 |
| Brokerage payable | | 61 | 30 |
| Withholding tax payable | | 961 | 1,938 |
| Shariah advisory fee payable | | 82 | 42 |
| | | <u>6,299</u> | <u>7,209</u> |

7.1 Provision for Workers' Welfare Fund (WWF) and Sindh Workers' Welfare Fund (SWWF)

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 (CISs) / mutual funds whose income exceeds Rs. 0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honourable High Court of Sindh, challenging the applicability of WWF to the CISs, which is pending adjudication.

The Finance Act 2015 incorporated an amendment in WWF Ordinance by excluding CIS from the definition of Industrial Establishment, and consequently CIS are no more liable to pay contribution to WWF with effect from July 1, 2015.

Subsequently, the Ministry of Labour and Manpower (the Ministry) vide its letter dated July 15, 2010 clarified that "Mutual Fund(s) is a product which is being managed / sold by the Asset Management Companies which are liable to contribute towards Workers Welfare Fund under Section 4 of the WWF Ordinance. However, the income on Mutual Fund(s), the product being sold, is exempted under the law *ibid*".

Further, the Secretary (Income Tax Policy) Federal Board of Revenue (FBR) issued a letter dated October 6, 2010 to the Members (Domestic Operation) North and South FBR. In the letter, reference was made to the clarification issued by the Ministry stating that mutual funds are a product and their income are exempted under the law *ibid*. The Secretary (Income Tax Policy) Federal Board of Revenue directed that the Ministry's letter may be circulated amongst field formations for necessary action. Following the issuance of FBR Letter, show cause notice which were issued by taxation office to certain mutual funds for payment of levy under WWF were withdrawn. However, the Secretary (Income Tax Policy) Federal Board of Revenue vide letter January 4, 2011 cancelled ab-initio clarificatory letter dated October 6, 2010 on applicability of WWF on mutual funds and issued show cause notices to certain mutual funds for collecting WWF. In respect of such show cause notices, certain mutual funds have been granted stay by High Court of Sindh on the basis of the pending constitutional petition in the said court as referred above.

During the year ended June 30, 2013, the Larger Bench of the Sindh High Court (SHC) issued a judgment in response to a petition in another similar case in which it is held that the amendments introduced in the WWF Ordinance through Finance Acts, 2006 and 2008 do not suffer from any constitutional or legal infirmity.

During the year ended June 30, 2014, the Peshawar High Court on a petition filed by certain aggrieved parties (other than the mutual funds) has adjudicated that the amendments introduced in the Workers Welfare Fund Ordinance, 1971 through the Finance Acts of 1996 and 2009 lacks the essential mandate to be introduced and passed through the money bill under the Constitution of Pakistan and hence have been declared as ultra vires the Constitution.

However, the Supreme Court of Pakistan (SCP) passed a judgment on November 10, 2016, deciding that amendments made through the Finance Acts through which WWF was levied are unlawful, as such are not in nature of tax; therefore, it could not be introduced through the money bill. However, the Federal Board of Revenue has filed a review petition in the SCP against the said judgment, which is pending for hearing in the SCP.

Further, the Government of Sindh also introduced levy of the Sindh Workers' Welfare Fund (SWWF) through the Sindh Workers' Welfare Act, 2014. The Mutual Fund Association of Pakistan (MUFAP), in the previous years based on opinion obtained from the tax consultants, concluded that SWWF is not applicable on mutual funds. MUFAP also wrote to the Sindh Revenue Board (SRB) that mutual funds are not establishments and are pass through vehicles; therefore, they do not have any worker and, as a result, no SWWF is payable by them. SRB responded that some funds are included in definition of financial institutions in the Financial Institutions (Recovery of Finance) Ordinance, 2001, SWWF is payable by them. MUFAP has taken up the matter with the concerned ministry (Sindh Finance Ministry) for appropriate resolution of the matter. Considering the above developments, the Management Company assessed the position of the Fund with regard to reversal of provision of WWF and recognition of provision of SWWF, and decided that:

- The Sindh Workers' Welfare Fund (SWWF) should be recognized from July 01, 2014, and
- Provision computed for SWWF should be adjusted against provision of WWF, as the SCP declared WWF unlawful. It was also decided that if any further provision is required, then it should be recognized in books of the Fund. If provision of WWF is in excess of provision required for SWWF, the remaining provision of WWF should be carried forward unless further clarification is received from the MUFAP.

As a result, the Management Company assessed that no further provision is required for SWWF and additional provision of WWF should be carried forward till the matter is cleared.

In the wake of the aforesaid developments, the MUFAP called its Extraordinary General Meeting (EOGM) on January 11, 2017, wherein the MUFAP recommended to its members that effective from January 12, 2017, Workers' Welfare Fund (WWF) recognised earlier should be reversed in light of the decision made by the Supreme Court of Pakistan; and Sindh Workers' Welfare Fund (SWWF) should be recognized effective from May 21, 2015.

MUFAP also communicated the above-mentioned decisions to the Securities and Exchange of Commission (SECP) through its letter dated January 12, 2017, and the SECP through its letter dated February 01, 2017, advised that the adjustment should be prospective and supported by adequate disclosures.

As at December 31, 2018, the provision in relation to SWWF amounted to Rs 4.679 million.

8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2018 and June 30, 2018.

9 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 as cash dividend. The Fund is exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Subsequent to the year end, the management has distributed 90 percent of the Fund's net accounting income earned by the year end as cash dividend to the unit holders. Accordingly, no provision in respect of taxation has been made in these financial statements.

10 EARNINGS PER UNIT

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

11 TOTAL EXPENSE RATIO

In Accordance with the Directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the Total expense ratio of the Fund for December 31, 2018 is 0.82% which include 0.13% representing Government Levies and SECP Fee.

12 TRANSACTIONS WITH CONNECTED PERSONS

| (Un-audited) | |
|-----------------------------|------|
| For the Half Year Ended | |
| December 31, | |
| 2018 | 2017 |
| ----- (Rupees in 000) ----- | |

12.1 Details of transactions with connected persons are as follows;

ABL Asset Management Company Limited - Management Company

| | | |
|---|---------|--------|
| Issue of 80,942,103 units (2017: 2,905,963 units) | 848,149 | 30,000 |
| Remuneration for the period | 19,333 | 28,705 |
| Punjab sales tax on remuneration of Management Company | 3,093 | 4,495 |
| Reimbursement of operational expenses to the Management Company | 1,932 | 2,880 |
| Selling and marketing expenses | 2,240 | - |
| Sales load paid | 259 | 121 |

| For the Half Year Ended December 31, | |
|---|--------------|
| 2018 | 2017 |
| (Un-audited) | (Un-audited) |
| ----- (Rupees in 000) ----- | |

| | | |
|---|---------|---------|
| Allied Bank Limited | | |
| Bank charges | - | 36 |
| Profit on bank deposit | 1,515 | 7,761 |
| Central Depository Company of Pakistan Limited - Trustee | | |
| Remuneration for the period | 2,072 | 2,811 |
| Sindh sales tax on remuneration of Trustee | 269 | 367 |
| ABL Asset Management Company Limited - Staff Provident Fund | | |
| Redemption of Nil units (2017: 483,835 units) | - | 5,000 |
| MCBFSL Trustee - ABL Islamic Financial Planning Fund - Active Allocation Plan Under Common Management | | |
| Issue of 1,647,750 units (2017: 57,930,983 units) | 16,949 | 593,063 |
| Redemption of 5,224,788 units (2017: 16,103,475 units) | 54,288 | 165,359 |
| MCBFSL Trustee - ABL Islamic Financial Planning Fund - Aggressive Allocation Plan Under Common Management | | |
| Issue of 299,910 units (2017: 5,275,973 units) | 3,085 | 54,373 |
| Redemption of 2,646,524 units (2017: 6,824,950 units) | 27,466 | 70,062 |
| MCBFSL Trustee - ABL Islamic Financial Planning Fund - Conservative Allocation Plan Under Common Management | | |
| Issue of 459,361 units (2017: 2,678,172 units) | 4,726 | 27,453 |
| Redemption of 6,048,002 units (2017: 13,584,275 units) | 62,612 | 139,530 |
| MCBFSL Trustee - ABL Islamic Financial Planning Fund - Strategic Allocation Plan Under Common Management | | |
| Issue of 1,283,251 units (2017: 33,889,607 units) | 13,201 | 346,000 |
| Redemption of 11,865,909 units (2017: 6,629,706 units) | 123,165 | 68,063 |
| MCBFSL Trustee - ABL Islamic Financial Planning Fund - Strategic Allocation Plan II Under Common Management | | |
| Issue of 1,564,762 units (2017: 47,107,021 units) | 16,096 | 481,000 |
| Redemption of 10,294,448 units (2017: 24,667,237 units) | 106,250 | 252,799 |
| MCBFSL Trustee - ABL Islamic Financial Planning Fund - Strategic Allocation Plan III Under Common Management | | |
| Issue of 1,607,389 units (2017: 29,586,743 units) | 16,534 | 302,000 |
| Redemption of 11,464,433 units (2017: 13,492,969 units) | 118,556 | 138,231 |
| MCBFSL Trustee - ABL Islamic Financial Planning Fund - Strategic Allocation Plan IV Under Common Management | | |
| Issue of 1,956,045 units (2017: 67,847,273 units) | 20,121 | 695,732 |
| Redemption of 18,120,187 units (2017: 8,082,595 units) | 187,620 | 83,000 |
| KEY MANAGEMENT PERSONNEL | | |
| Executives | | |
| Issue of 20 units (2017: 1 units) | 0.210 | 0.012 |

12.2 Amounts outstanding at the period end;

| December 31, 2018 | June 30, 2018 |
|-----------------------------|------------------|
| (Unaudited) | (Audited) |
| ----- (Rupees in 000) ----- | |

| | | |
|--|---------|-------|
| ABL Asset Management Company Limited - Management Company | | |
| Outstanding 80,942,103 units (June 2017: Nil units) | 851,786 | - |
| Remuneration payable to Management Company | 3,328 | 4,302 |
| Punjab sales tax on remuneration of Management Company | 1,767 | 1,923 |
| Federal excise duty on remuneration of Management Company | 8,366 | 8,366 |
| Operational Expense payable to Management Company | 1,919 | 1,373 |
| Selling and Marketing expense payable to Management Company | 3,787 | 1,547 |
| Sales load | - | 8 |

| | December 31, 2018 (Unaudited) | June 30, 2018 (Audited) |
|--|-------------------------------------|-------------------------------|
| | ----- (Rupees in 000) ----- | |

Allied Bank Limited

| | | |
|--------------------------------|---------|--------|
| Balances in current accounts | 93,908 | 37,114 |
| Balance in saving accounts | 485,153 | 17 |
| Profit accrued on bank deposit | 1,625 | - |

Central Depository Company of Pakistan Limited - Trustee

| | | |
|----------------------|-----|-----|
| Remuneration payable | 385 | 489 |
| Security deposit | 100 | 100 |

MCBFSL Trustee - ABL Islamic Financial Planning Fund - Active Allocation Plan

Under Common Management

| | | |
|--|---------|---------|
| Outstanding 35,891,044 units (June 30, 2018: 39,468,082 units) | 377,696 | 418,756 |
|--|---------|---------|

MCBFSL Trustee - ABL Islamic Financial Planning Fund - Aggressive Allocation Plan

Under Common Management

| | | |
|--|--------|--------|
| Outstanding 4,847,063 units (June 30, 2018: 7,193,677 units) | 51,008 | 76,325 |
|--|--------|--------|

MCBFSL Trustee - ABL Islamic Financial Planning Fund - Conservative Allocation Plan

Under Common Management

| | | |
|---|--------|---------|
| Outstanding 5,791,520 units (June 30, 2018: 11,380,160 units) | 60,946 | 120,744 |
|---|--------|---------|

MCBFSL Trustee - ABL Islamic Financial Planning Fund - Strategic Allocation Plan

Under Common Management

| | | |
|--|---------|---------|
| Outstanding 20,392,088 units (June 30, 2018: 30,974,747 units) | 214,594 | 328,642 |
|--|---------|---------|

MCBFSL Trustee - ABL Islamic Financial Planning Fund - Strategic Allocation Plan II

Under Common Management

| | | |
|--|---------|---------|
| Outstanding 28,728,088 units (June 30, 2018: 37,457,774 units) | 302,317 | 397,427 |
|--|---------|---------|

MCBFSL Trustee - ABL Islamic Financial Planning Fund - Strategic Allocation Plan III

Under Common Management

| | | |
|--|---------|---------|
| Outstanding 28,577,254 units (June 30, 2018: 38,434,298 units) | 300,730 | 407,788 |
|--|---------|---------|

MCBFSL Trustee - ABL Islamic Financial Planning Fund - Strategic Allocation Plan IV

Under Common Management

| | | |
|--|---------|---------|
| Outstanding 30,663,600 units (June 30, 2018: 46,827,742 units) | 322,685 | 496,842 |
|--|---------|---------|

KEY MANAGEMENT PERSONNEL

Executives

| | | |
|--|---|---|
| Outstanding 567 units (June 30, 2018: 547 units) | 6 | 6 |
|--|---|---|

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

13 GENERAL

13.1 Corresponding figures have been rearranged and reclassified, wherever necessary, for better presentation and disclosures.

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

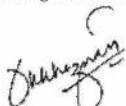
13.3 Units have been rounded off to the nearest decimal place.

14 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company on

For ABL Asset Management Company Limited
(Management Company)


SAQIB MATIN
CHIEF FINANCIAL OFFICER


ALEE KHALID GHAZNAVI
CHIEF EXECUTIVE OFFICER


MUHAMMAD KAMRAN SHEHZAD
DIRECTOR

پوائنٹس تک بڑھ گئی۔ اس کے علاوہ MOF (ملٹی آپشن فیسلٹی) سے ہم اُمید کرتے ہیں کہ آگے چل کر طویل المدتی مواقع کے ذریعے موجودہ سکلڑی ہوئی مدت کو برابر کی سطح پر لایا جاسکے گا۔

ہماری حکمت عملی یہ ہوگی کہ طویل المعیاد کے انسٹرومنٹس میں سرمایہ کاری کی جائے تاکہ یہ پورٹ فولیو بڑھے یہ اسی طرح ہو جیسے GIS کا نیا اجراء ہوا ہوتا کہ وہ زیادہ فائدہ دے سکے جبکہ فنڈ کی حکمت عملی یہ ہے کہ اس کی زیادہ سرمایہ کاری نقد اور TDR میں ہو جو ہماری رائے کے مطابق جو مارکیٹ میں زیادہ بہتر کارکردگی کی مظاہرہ کر سکے گی۔

توثیق:

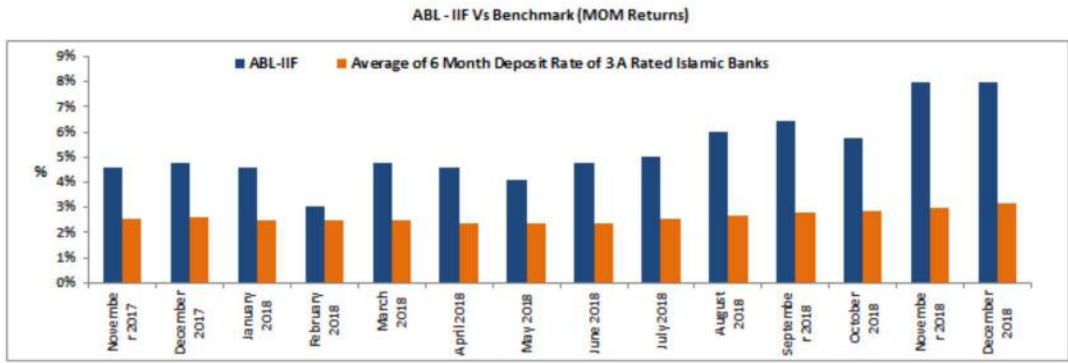
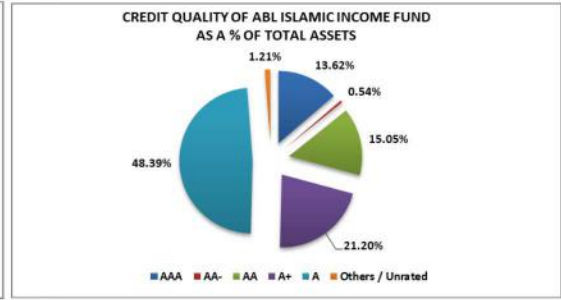
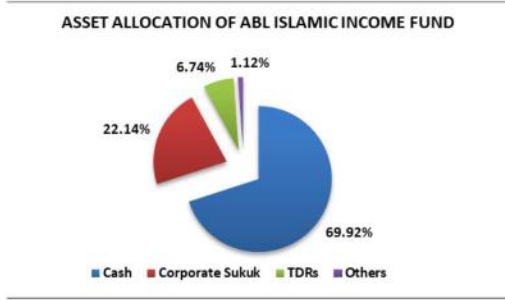
ہم اپنے گرانقدر سرمایہ کاروں کا شکر یہ ادا کرتے ہیں جنہوں نے ہم پر اپنا اعتماد کیا۔ منتظمین بھی سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کا، ٹرسٹی (سینٹرل ڈیپازٹری کمپنی آف پاکستان لمیٹڈ) کا اور پاکستان اسٹاک ایکسچینج کی انتظامیہ کا ان کی مسلسل رہنمائی اور معاونت پر مشکور ہیں۔ منتظمین انتظامی اراکین کی جانب سے کی گئی کاوشوں کو بھی سراہتے ہیں۔

برائے اور منجانب منتظمین:

علی خالد غزنوی
سربراہ

منتظم
06 فروری 2019

کارپوریٹ سکوک، 6.74% TDR اور 69.92% بینک میں موجود نقد پر مشتمل تھا۔ بینکس میں رکھی گئی رقومات (ڈیپازٹس + TDR) میں اضافہ ہو گیا کیونکہ سال کے اختتام پر بینک کی طرف سے زیادہ منافع پیش کیا گیا۔



محاسب کار:

میسرز ڈویلپمنٹ فرگن انویسٹمنٹس (چارٹرڈ اکائونٹنٹس) کو اے بی ایل اسلامک انکم فنڈ (ABL-IIF) کا برائے مالی سال 30 جون 2019 تک محاسب کار مقرر کیا گیا۔

فنڈ کے استحکام کی درجہ بندی:

16 جنوری 2018 کو JCR-VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ نے فنڈ کے استحکام کی درجہ بندی میں اے بی ایل اسلامک انکم فنڈ کو 'A(f) (Single A(f) قرار دیا ہے۔

انتظامی معیار کی درجہ بندی:

31 دسمبر 2018 کو JCR-VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ نے اے بی ایل ایسٹ مینجمنٹ کمپنی لمیٹڈ کی انتظامی معیار کی درجہ بندی کو AM two سے AM2++ قرار دیا۔ متعین کردہ حد بندی کے لحاظ سے مستحکم ہے۔

مستقبل کا خاکہ:

بقیہ مالی سال 2019 میں شرح سود میں اضافہ کی وجہ سے کسی بہتر تبدیلی کو توقع نہیں ہے کیونکہ حقیقتاً ریٹس میں پہلی اضافہ 245 بزنس پوائنٹس سے ہو چکا تھا۔ جو پالیسی ریٹ کو 10% تک لے گیا۔ 1HFY19 کے دوران اوسطاً زیادہ مہنگائی 6.08% تک رہی جس کی وجہ سے حقیقی شرح سود 392 بزنس

مشترکہ فنڈ کی صنعت کا جائزہ :

مشترکہ فنڈ کی صنعت کے زیر انتظام (اثاثہ جات-AUM) میں 1HFY19 کے دوران %3.1 کی کمی آئی ہے (648 ارب روپے سے 628 روپے تک) جس کی وجہ غیر یقینی اقتصادی صورتحال اور سال کا اختتام تھے۔ تاہم انڈسٹری نے گذشتہ سال اسی مدت کے دوران دسمبر 2018 میں %1.1 اضافہ کا مشاہدہ کیا۔ ایکویٹی فنڈز اسلامی اور غیر اسلامی ایکویٹی نے AUM میں %18.3 اور %12.2 تک خاطر خواہ کمی کا مشاہدہ کیا اور مدت کے اختتام پر بالترتیب 121 ارب روپے اور 85 ارب روپے پر تھے۔

بنیادی طور پر یہ کمی مارکیٹ کی خراب کارکردگی سے اخذ کی جاسکتی ہے۔ 1HFY19 میں %11.5 سے 100KSE انڈیکس منفی ہوا اور اس کی وجہ مارکیٹ کی غیر یقینی صورتحال ہے جس سے سرمایہ کاروں میں منفی جذبات پروان چڑھے۔ فلپ کی طرف (جارحانہ آمدنی اور کرنسی مارکیٹ کے فنڈز پر مشتمل) مقرر شدہ آمدنی والے زمرے میں 1HFY19 میں 200 ارب روپے تک بند ہونے کیلئے %4.8 اضافہ ہوا جبکہ جون 2018 میں 191 ارب تک بند ہوئے۔ اسی طرح اسلامی آمدنی کے زمرے میں AUM میں %8.3 کا اضافہ ہوا جبکہ اسکی حد 47 ارب روپے تک تھی۔

کرنسی مارکیٹ کا جائزہ:

بڑھتی ہوئی مہنگائی اور زرمبادلہ کم ہوتے ہوئے ذخائر جو ملک کے بیرونی معاہدوں کو پورا کر سکتے تھے کی وجہ سے ملک کو سخت صورتحال کا سامنا رہا۔ افراط زر کی قابو میں رکھنے کے لیے اسٹیٹ بینک آف پاکستان نے گذشتہ بارہ ماہ کے دوران ڈسکاؤنٹ کی شرح میں %10.5 کمی کی۔ ٹریڈری بل کے لئے صرف تین ماہ میں ایک مضبوط شمولیت دیکھنے میں آئی جبکہ 6 ماہ اور 12 ماہ کی مدت میں یہ بالکل محدود رہ گئی کیونکہ مارکیٹ میں پالیسی ریٹ میں بڑھنے کی اُمید تھی۔ اسی طرح لمبی مدت کے بانڈز (3، 5 اور 10 سال) میں بھی شمولیت بہت کم رہی۔ اسٹیٹ بینک نے بالترتیب %12.25، %10.98 اور %13.51 کے اوسط کٹ آف ریٹ سے 3، 5 اور 10 سال کی مدت میں بھی 7 ارب روپے، 6 ارب اور 11 ارب روپے وصول کئے ہیں۔ اس مدت کے دوران اسٹیٹ بینک ہی صرف قرض فراہم کرنے والا رہا، مارکیٹ کو اپن مارکیٹ آپریشن OMO (23 مرتبہ) کے تحت پیسہ دیا گیا۔ مزید برآں ثانوی مارکیٹ میں روپے کی قدر میں مختلف مدتوں کے دوران 3.52 بزنس پوائنٹس سے 3.98 بزنس پوائنٹس کا اضافہ ہوا۔

فنڈ کی کارکردگی:

اے بی ایل اسلامک آمدنی فنڈ اسلامی فنڈ کی درجہ بندی میں سب سے زیادہ منافع دینے والا فنڈ تھا۔ فنڈ نے سالانہ %6.62 کا منافع ظاہر کیا جو کہ مقرر معیار سے %2.85 زیادہ تھا۔ لہذا اس کی بہتر کارکردگی 377 بزنس پوائنٹس زیادہ رہی۔ زیر جائزہ مدت کے دوران فنڈ کے زیر انتظام اثاثہ جات AUM 30 جون 2018 میں 5019.58 ملین روپے کے مقابلے میں 31 دسمبر 2018 میں %11.87 کی کمی کے ساتھ 4423.78 ملین روپے تک رہ گئے۔

1HFY19 کے دوران اسلامی کرنسی مارکیٹ نے کثیر سرمایہ کے باعث نچلے درجے پر تجارت (خرید و فروخت) کی۔ منافع کے ریٹس DPA & TDR میں پرکشش رہے۔ جبکہ کارپوریٹ ڈیٹ میں کوئی خاطر خواہ نئی اجراء دیکھنے میں نہیں آئی۔ کم منافع کی وجہ سے حکومت کے اجارہ سکوک کی طلب محدود رہی۔ اس مدت کے دوران ہم نے حکومتی اجارہ سکوک میں Exposure برقرار نہیں رکھا۔ کارپوریٹ اجارہ سکوک برقرار رکھا گیا کیونکہ فنڈ نے اعلیٰ معیار کے تیزی سے پھیلتے ہوئے انسٹرومنٹ کو Hold رکھا تا کہ فنڈ کے بنیادی منافع کو سپورٹ کیا جاسکے۔ مزید یہ کہ TDR میں صحت مند سرمایہ کاری نے اس مدت میں منافع دیا۔ جون 2018 میں 457 دن کے مقابلے میں WAM کارپوریٹ فالو 541 دن تک بڑھ گیا مدت کے اختتام تک فنڈ %22.14

آگاہی منجانب سے منظمین کمپنی

اے بی ایل اسلامک انکم فنڈ (ABL-IIF) کی انتظامی کمپنی ABL ایسٹ منیجمنٹ کمپنی لمیٹیڈ کے بورڈ آف ڈائریکٹرز نے اے بی ایل اسلامک انکم فنڈ کے جامع مالیاتی (غیر محاسبی) حسابات برائے ششماہی 31 دسمبر 2018 پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

جائزہ برائے اقتصادی کارکردگی

1HFY19 میں پاکستان کے اقتصادی اور سیاسی افریقہ پر وفاق میں حکومت کی تبدیلی اور اسی طرح ملک کے سب سے بڑے صوبے میں حکومت کی تبدیلی سے ایک نئے دور کا آغاز ہوا۔ 25 جولائی 2018 کے عام انتخابات کے بعد اقتدار اور جمہوری عمل کے تسلسل کی کامیاب منتقلی نے سیاسی شور کو کم کر دیا ہے لیکن معاشی محاذ پر چیلنج ابھی موجود ہیں۔

اگرچہ نئی حکومت نے ادائیگی کے توازن پر قابو پانے کیلئے کئی اقدامات کئے ہیں لیکن ان اقدامات کے نتائج کے اثرات تعداد کے لحاظ سے آنا باقی ہیں۔ بیرونی محاذ کے چیلنجوں کی وجہ سے پاکستان کے اقتصادی حالات نے اس عرصے میں اہم تبدیلیوں کا مشاہدہ کیا۔ پچھلے سال کی ششماہی کے مقابلے میں CPI (کنزیومر پرائزنڈیکس) جو کہ 3.75% تھا اس میں 6.05% اضافہ ہوا۔

2HFY19 کے دوران CPI میں مزید اضافے کی توقع ہے۔ کیونکہ کرنسی میں رد و بدل کا زیادہ اثر ہوا اور پاکستانی روپے میں 14% کمی کی گئی۔ اسٹیٹ بینک آف پاکستان نے اس طرح کا موقف اپنایا ہے۔ جس سے پالیسی ریٹ میں 350 بزنس پوائنٹ سے 10% تک اضافہ ہوا ہے۔

حیرت انگیز طور پر ملک کی بیرونی حیثیت مندرجہ بالا اقدامات اٹھانے کے باوجود نازک ہے۔ کیونکہ موجودہ اکاؤنٹ کا خسارہ (CAD) مالی سال 1HFY18 کے دوران 4.4% YoY تک 7.9 امریکی ارب ڈالر تک کم ہوا جبکہ 1HFY18 میں یہ خسارہ 8.4 ارب امریکی ڈالر تھا۔ اشد ضروری بیرون ملک کارکنوں کی ترسیلات زر 10% YoY امریکی ڈالرتھیں جن سے بھی مدد حاصل ہوئی تھی۔ سعودی عرب سے 2 ارب ڈالر موصول ہونے کے باوجود زر مبادلہ کے ذخائر پر جو صرف 2.9 ماہ کی درآمدات کو پورا کرنے کیلئے تھے دباؤ برقرار رہا۔ امید ہے کہ موجودہ مالی خسارہ (CAD) جنوری سے ملنے والے 3 ارب ڈالر کے ادھارتیل کی وجہ سے مزید کم ہو جائیگا۔ مزید یہ کہ بین الاقوامی طور پر ایشیاء کی کمزور قیمتیں خاص طور پر تیل کی قیمت ادائیگی کے توازن میں دباؤ میں کمی کر دیگی۔








مالیاتی مجوزہ پرائیف بی آر نے 1763 ارب روپے کے محصولات وصول کئے ہیں جبکہ ہدف 1960 ارب روپے کا تھا جس میں 175 ارب روپے سے زیادہ کمی ہے۔ مالیاتی خسارے کو کم کرنے کیلئے حکومت کے ایک منی بجٹ جس کا اعلان جو جنوری 2019 میں متوقع ہے میں 200 ارب میں محصولات بھی لگائے گئے۔ اور یہ کہ مالی امداد کے لیے IMF سے بھی معاملات طے ہونے کی توقع اسی ماہ میں ہے۔ آگے تیل کی بین الاقوامی (عالمی) گرتی ہوئی قیمتیں، محدود درآمدات، ترسیلات زر اور برآمدات میں اضافہ معیشت کو لاحق خطرات کا مقابلہ کرینگے حکومت درآمدات / محصولات اور ڈیویڈنڈ میں اضافہ کر کے اور پاکستانی برآمدی صنعت کو چھوٹ دے کر برآمدات میں اضافے کے لئے کوشاں ہے۔ یہ بھی امید ہے کہ پاکستان IMF کے پروگرام میں 2018-19 کے مالی سال کی دوسری ششماہی میں شامل ہو جائیگا جس سے زر مبادلہ کے کم ہوتے ہوئے ذخائر میں مدد ملے گی اور دیگر قرض فراہم کرنے والوں کے اعتماد میں اضافہ ہوگا۔







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