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ABL ISLAMIC INCOME FUND

FUND'S INFORMATION

Management Company:	ABL Asset Management Company Limited 11 - B, Lalazar M. T. Khan Road, Karachi.	
Board of Directors	Sheikh Mukhtar Ahmed Mr. Mohammad Naeem Mukhtar Mr. Muhammad Waseem Mukhtar Mr. Tariq Mahmood Mr. Kamran Nishat Mr. Muhammad Kamran Shehzad Mr. Farid Ahmed Khan	Chairman CEO/Director
Audit Committee:	Mr. Kamran Nishat Mr. Muhammad Waseem Mukhtar Mr. Muhammad Kamran Shehzad	Chairman Member Member
Human Resource and Remuneration Committee	Mr. Muhammad Waseem Mukhtar Mr. Kamran Nishat Mr. Farid Ahmed Khan	Chairman Member Member
Chief Executive Officer of The Management Company:	Mr. Farid Ahmed Khan	
Chief Financial Officer & Company Secretary:	Mr. Saqib Matin	
Chief Internal Auditor:	Mr. Mubeen Ashraf Bhimani	
Trustee:	Central Depository Company of Pakistan Ltd. CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi - 74400	
Bankers to the Fund:	Allied Bank Limited Bank Al- Falah Limited	
Auditor:	Deloitte Yousuf Adil Chartered Accountant Cavish Court, A-35, Block 7 & 8, KCHSU Shahra-e-Faisal, Karachi.	
Legal Advisor:	Bawaney & Partners 3rd & 4th Floors, 68-C, Lane-13 Bokhari Commercial Area Phase-VI, DHA Karachi.	
Registrar:	ABL Asset Management Company Limited. 11 - B, Lalazar, M. T. Khan Road, Karachi.	

ABL ISLAMIC INCOME FUND

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of ABL Asset Management Company Limited, the management company of ABL Islamic Income Fund (ABL-IIF), is pleased to present the Condensed Interim Financial Statements (un-audited) of ABL Islamic Income Fund for the quarter ended September 30, 2015.

ECONOMIC PERFORMANCE REVIEW

New fiscal year started on a positive note for the economy with crude oil prices dropping a further 22.7% during the quarter after a steep 45.2% drop in FY15. Plummeting oil prices also had a soothing effect on inflation as the CPI average during the quarter nosedived to 1.64% YoY with September 2015 reading clocking-in at multi-year low of 1.32% YoY. In addition to contributing towards falling inflation, low oil prices further strengthened current account position with CAD dropping by 93% in 1QFY16 to USD 109mn compared to USD 1,631mn during the same quarter last year. During the period under review, Government of Pakistan closed another successful Eurobond issue of USD 500mn in the international market to refinance upcoming maturity of previous issue.

IMF's EFF program also continued smoothly with IMF granting waivers on fiscal and privatization benchmarks. Thanks to this forbearance, the country successfully completed the 8th review of the IMF program which paved way for another tranche of USD 500mn. As a result, foreign exchange reserves touched the highest ever tally of USD 20bn, translating into a comfortable import cover of more than five months. SBP, acknowledging of macroeconomic developments, further cut the policy rate by 50bps to 6% during the quarter setting a record low interest rates in the country.

The Rupee fell by 2.5% in 1QFY16 in response to a region-wide capitulation by almost all currencies triggered by Chinese Yuan devaluation. However, improving external account position helped stem this slide and by and large, Pak Rupee did well compared with its regional counterparts.

Government's fiscal performance remains a sore point amongst an otherwise positive macro scenario. Fiscal authorities, yet again, failed to meet their revenue collection target and fell short by PKR 48bn (PKR 600bn collected against target of PKR 648bn). In order to meet the deficit, government had to borrow a hefty amount of PKR 401bn from commercial banks, crowding private sector credit off-take.

In the backdrop of positive macroeconomic developments and continued economic reforms process, the economic outlook in the near to medium term remains stable. Govt. has assured IMF to achieve tangible results towards fulfilling its Indicative Targets (ITs) on privatization along with monetary Performance Criteria (PCs). Nonetheless, the government will have to walk the talk amidst ongoing war against terrorism, regional turmoil, and tensions with the neighbors apart from dull global economy. With almost halfway through its tenure, the government does not have much time to lose in taking politically tough decisions and carrying out economic reforms.

MUTUAL FUND INDUSTRY REVIEW

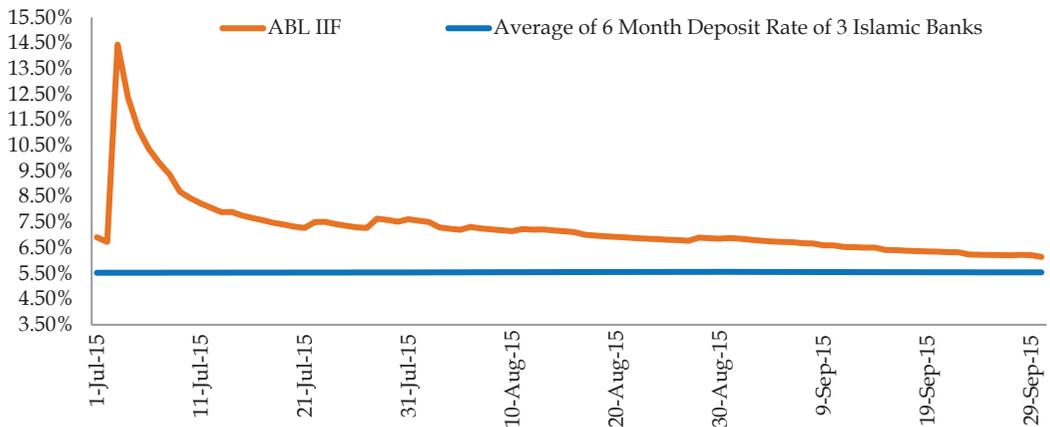
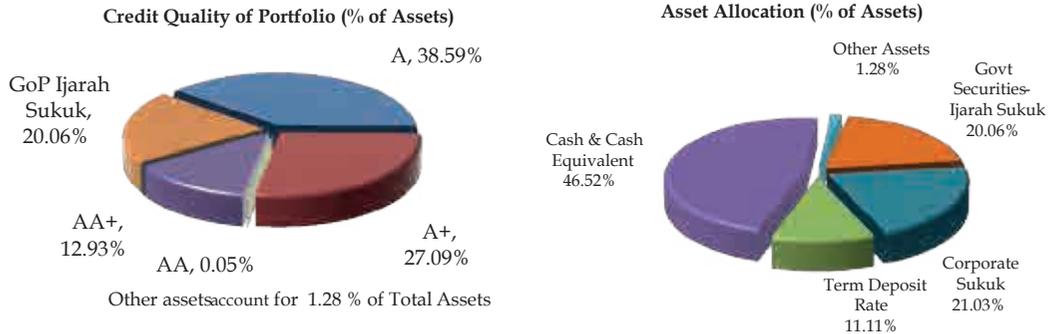
Total assets under management (AUMs) of open end mutual funds rebounded by 6% in 1QFY16 (from PKR425 billion to PKR450 billion), mainly on account of substantial flows in conventional fixed income funds. Fixed Income category improved by 29% during the quarter to PKR104 billion compared to PKR80 billion in June 15, as lucrative returns on PIBs gathered investors' attention towards government securities-oriented funds. On cumulative basis, the fixed income category (comprising of Income, Aggressive Income and Money Market funds) registered cumulative increase of 14.5% in 1QFY16 to close at PKR177 billion in September 2015 compared to PKR154 billion in June 2015. In line with conventional fixed income, Islamic Income Category also posted a handsome growth of 10.4% in AUMs to end the quarter at PKR 23 billion.

FUND PERFORMANCE

During the period under review, ABL Islamic Income Fund posted an annualized return of 6.15% against the benchmark return of 5.51%, depicting an outperformance of 64 bps. Fund return also outperformed the industry average return of 5% by 115 bps due to active portfolio management and lower exposure in GoP Ijarah Sukuks compared to peers. During the

quarter, we increased exposure in term deposits with Islamic banks in order to improve portfolio yield. Moreover, trading gains on GoP Ijarah and Corporate Sukuks also contributed towards returns. During the period under review, ABL Islamic Income Fund's AUM increased by 6.33% to PKR 1.95 billion from PKR 1.83 billion as on June 30, 2015.

Most maturing TDRs were rolled over and additional amounts were also placed with Islamic banks at much higher rates due to quarter end. As a result, TDR allocation increased to 11.1% of the total assets compared to 10.53% in June 2015. Moreover, we also added short maturity GoP Ijarah Sukuk against excess cash due to which our exposure in GoP Ijarah Sukuk increased to 20% of total assets compared to 6.17% in June 2015. Consequently, cash at bank was reduced to 46.52% of the fund compared to 59.53% in last quarter. Due to above actions and increase in fund size, weighted average maturity of ABL Islamic Income Fund reduced to 361 days from 423 days in June.



AUDITORS

M/s. Deloitte Yousuf Adil (Chartered Accountants), have been appointed as auditors for the year ending June 30, 2016 for ABL Islamic Income Fund (ABL-IIF).

FUND STABILITY RATING

JCR-VIS Credit Rating Company LTD. (JCR-VIS) on October 16, 2013 has revised the Fund Stability of ABL Islamic Income Fund from 'A+(f)' (Single A Plus (f)) to 'A(f)' (Single A (f)).

MANAGEMENT QUALITY RATING

On December 31, 2014, 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

In the near term, we expect SBP to continue with its pro-growth stance and maintain the easing bias in monetary policy due to soft inflation numbers and improved macro indicators. However, possibility of further rate cuts will need to be weighed against the prospects of rising inflation numbers in 2H FY16 due to elimination of low-base effect. As per our estimates, inflation will remain close to SBP's estimate of 4.5-5% if international oil prices remain within \$50/barrel range and there is limited impact of floods on food inflation. Similarly we see rupee to remain stable owing to improved external account position along with all time high FX reserves due to inflows linked to CSF, IMF tranches and proceeds from Eurobond. However, any sharp upsurge in international commodity prices, further hike in gas tariff or any changes in the tax measures to increase revenue could have an inflationary impact on the economy.

Going ahead, we will continue to increase allocation in high yielding Shariah compliant corporate Sukuks to improve baseline yield. Moreover, we expect mark to market gains on corporate Sukuks due to high demand for KIBOR linked Shariah compliant instruments in a low interest rate environment. Furthermore, placements with Islamic banks at attractive rates are likely to boost return in short term.

ACKNOWLEDGEMENT

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

For & on behalf of the Board



Farid Ahmed Khan
Chief Executive Officer

Karachi, October 30, 2015

ABL ISLAMIC INCOME FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT SEPTEMBER 30, 2015

		(Un-Audited) September 30, 2015	(Audited) June 30, 2015
	Note	----- Rupees in '000 -----	
ASSETS			
Balances with banks	4	925,073	1,201,777
Investments	5	1,038,710	808,496
Security Deposit and Prepayments		317	100
Profit receivable		17,106	18,128
Total assets		1,981,206	2,028,501
LIABILITIES			
Payable to ABL Asset Management Company Limited - Management Company	6	7,808	7,637
Payable to Central Depository Company of Pakistan Limited - Trustee		237	202
Payable to Securities and Exchange Commission of Pakistan		356	1,125
Dividend payable		-	11,397
Accrued expenses and other liabilities	7	22,228	17,387
Payable against redemption of units		2,065	158,276
Total liabilities		32,694	196,024
NET ASSETS		1,948,512	1,832,477
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		1,948,512	1,832,477
CONTINGENCIES AND COMMITMENTS			
	8	----- Total number of units -----	
NUMBER OF UNITS IN ISSUE		191,338,864	182,731,960
		----- (Rupees) -----	
NET ASSETS VALUE PER UNIT		10.1836	10.0282
FACE VALUE PER UNIT		10.0000	10.0000

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

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
 Chief Executive Officer


MUHAMMAD KAMRAN SHEHZAD
 Director

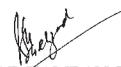
ABL ISLAMIC INCOME FUND
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2015

		For the quarter ended September 30, 2015	For the quarter ended September 30, 2014
	Note	----- Rupees in '000 -----	
INCOME			
Capital gain on sale of government securities - net		1,416	400
Profit on deposits with banks		19,340	22,336
Income from term deposit receipts		3,670	-
Income from sukuks		12,629	10,121
		37,055	32,857
Unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss - net	5.3	(109)	880
Total Income		36,946	33,737
EXPENSES			
Remuneration of ABL Asset Management Company Limited- Management Company		4,749	3,264
Sindh sales tax on remuneration of Management Company	6.1	771	568
Federal excise duty on remuneration of Management Company	6.2	760	522
Remuneration of Central Depository Company of Pakistan Limited - Trustee		617	492
Sindh sales tax on remuneration of Trustee		87	-
Annual fee - Securities and Exchange Commission of Pakistan		356	245
Auditors' remuneration		96	83
Amortisation of preliminary expenses and floatation costs		-	163
Printing charges		38	38
Annual rating fee		48	46
Listing fee		13	13
Legal and professional charges		177	-
Bank and settlement charges		35	42
Brokerage and securities transaction cost		68	22
Total operating expenses		7,815	5,498
Net income from operating activities		29,131	28,239
Element of income and capital gains included in prices of units issued less those in units redeemed		836	1,820
Provision for Workers' Welfare Fund	7.1	-	(601)
Net income for the period before taxation		29,967	29,458
Taxation	9	-	-
Net income for the period after taxation		29,967	29,458
Other comprehensive income		-	-
Total comprehensive income		29,967	29,458
Earnings per unit	10		

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

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
Chief Executive Officer


MUHAMMAD KAMRAN SHEHZAD
Director

ABL ISLAMIC INCOME FUND
CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2015

	Note	For the quarter ended September 30, 2015	For the quarter ended September 30, 2014
----- Rupees in '000 -----			
Undistributed income brought forward comprising of:			
- realised income		151	3,012
- unrealised income		5,002	184
		5,153	3,196
Net income for the period after taxation		29,967	29,458
Undistributed income carried forward		35,120	32,654
Undistributed income / (loss) carried forward comprising of:			
- realised income		35,229	31,774
- unrealised (loss) / income		(109)	880
		35,120	32,654

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

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
 Chief Executive Officer


MUHAMMAD KAMRAN SHEHZAD
 Director

ABL ISLAMIC INCOME FUND

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2015

Note	For the quarter ended September 30, 2015	For the quarter ended September 30, 2014
	----- Rupees in '000 -----	
Net assets at the beginning of the period	1,832,477	1,270,261
Issue of 88,076,160 (2014:46,565,792 units)	892,338	472,351
Redemption of 79,469,256 (2014:37,168,722 units)	(805,433)	(376,560)
	86,905	95,791
Element of income and capital gains included in prices of units issued less those in units redeemed - net		
- amount representing income and capital gains - transferred to income statement	(836)	(1,820)
Capital gain on sale of government securities - net	1,416	400
Unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss - net	(109)	880
Other net income	28,660	28,178
	29,967	29,458
Net assets at the end of the period	1,948,512	1,393,690

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

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
Chief Executive Officer


MUHAMMAD KAMRAN SHEHZAD
Director

ABL ISLAMIC INCOME FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2015

Note	For the quarter ended September 30, 2015	For the quarter ended September 30, 2014
	----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	29,967	29,458
Adjustments		
Unrealised diminution / (appreciation) on re-measurement of investments classified as financial assets at fair value through profit or loss - net	109	(880)
Element of income and capital gains included in prices of units sold less those in units redeemed	(836)	(1,820)
Amortisation of preliminary expenses and floatation costs	-	163
Provision for Workers' Welfare Fund	-	601
Federal excise duty on remuneration of Management Company	760	522
	33	(1,414)
(Increase) / decrease in assets		
Security Deposit and Prepayments	(217)	(160,037)
Profit receivable	1,022	(3,073)
	805	(163,110)
Increase / (decrease) in liabilities		
Remuneration payable to ABL Asset Management Company Limited - Management Company	171	(144)
Payable to Central Depository Company of Pakistan Limited - Trustee	35	(2)
Payable to Securities and Exchange Commission of Pakistan	(769)	(651)
Dividend payable	(11,397)	-
Accrued expenses and other liabilities	4,081	4,129
	(7,879)	3,332
Net amount (paid) / received on purchase and sale of investments	(9,323)	23,678
Net cash generated from / (used in) operating activities	13,603	(108,056)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	892,338	472,351
Payments against redemption of units	(961,644)	(372,420)
Net cash (used in) / generated from financing activities	(69,306)	99,931
Net decrease in cash and cash equivalents	(55,704)	(8,125)
Cash and cash equivalents at the beginning of the period	1,201,777	1,076,800
Cash and cash equivalents at the end of the period	4 1,146,073	1,068,675

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

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
 Chief Executive Officer


MUHAMMAD KAMRAN SHEHZAD
 Director

ABL ISLAMIC INCOME FUND

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2015

1 LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

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

JCR-VIS Credit Rating Company has assigned Management Quality Rating of AM2 (stable outlook) to the Management Company as at December 31, 2014 and a fund stability rating of A(f) to the Fund as at October 16, 2014.

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

4	BALANCES WITH BANKS	Note	(Un-Audited)	(Audited)
			September 30, 2015	June 30, 2015
			Rupees in '000	
	Saving accounts	4.1	923,000	1,201,220
	Current accounts	4.2	2,073	557
			925,073	1,201,777

4.1 These saving accounts carrying profit at rates ranging from 5.00% to 7.00 % per annum (June 30, 2015: 5.00% to 7.00%).

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

4.3 Cash and cash equivalents

Balances with banks	925,073	1,201,777
Term deposit receipts	221,000	215,000
	1,146,073	1,416,777

5 INVESTMENTS

Financial assets at fair value through profit or loss

- GoP Ijara Sukuks	5.1 (a)	399,178	125,922
- Other Sukuks	5.1 (b)	418,533	467,574
		817,710	593,496
Loans and receivables			
- Term deposit receipts	5.2	221,000	215,000
		1,038,710	808,496

5.1 a) GoP Ijara Sukuks

Issue date	Coupon rate in %/ tenor	Face Value				Balance as at September 30, 2015			Market value as a percentage of net assets of the Fund	Market value as a percentage of total investment
		As at July 01, 2015	Purchased during the period	Disposed/ matured during the period	As at September 30, 2015	Cost	Market value	Appreciation / (diminution)		
(Rupees- in 000)										
December 26, 2011	6.94 / 4 Years	73,000	435,000	173,000	335,000	337,091	336,139	(952)	17.25	32.36
June 28, 2012	6.94 / 4 Years	50,000	62,800	50,000	62,800	63,068	63,039	(29)	3.24	6.07
March 28, 2013		2,000	-	2,000	-	-	-	-	-	-
Total - September 30, 2015		125,000	497,800	225,000	397,800	400,159	399,178	(981)	20.49	38.43

Issue date	Mark-up rate/ tenor	Face Value				Balance as at September 30, 2015			Market value as a percentage of net assets of the Fund	Market value as a percentage of total investment
		As at July 01, 2015	Purchased during the period	Disposed/ matured during the period	As at September 30, 2015	Cost	Market value	Appreciation / (diminution)		
(Rupees- in 000)										
K-Electric / March 19, 2014.81 / 3 years		96,773	-	-	96,773	96,440	95,999	(441)	4.93	9.24
K-Electric / June 17, 2015.56 / 7 years		154,435	-	-	154,435	154,435	156,007	1,572	8.01	15.02
Engro Fertilizer / July 9, 2014.78 / 5 years		165,641	-	-	165,641	166,785	166,527	(259)	8.55	16.03
Engro Fertilizer / September 6, 2007		2,520	60,000	62,520	-	-	-	-	-	-
Engro Rupiya / July 11, 2014		43,300	-	43,300	-	-	-	-	-	-
Total - September 30, 2015		462,669	60,000	105,820	416,849	417,661	418,533	872	21.48	40.29

5.2 These term deposit receipts carry profit rate of 6.85% (June 30, 2015: 7.25%) per annum and will mature on December 24, 2015 (June 30, 2015: September 25, 2015).

5.3 Unrealised appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss - net	Note	(Un-Audited)	(Audited)
		September 30, 2015	June 30, 2015
		Rupees in '000	
Market value of securities		817,710	593,496
Less: carrying value of securities		(817,819)	(588,494)
		<u>(109)</u>	<u>5,002</u>

6 PAYABLE TO ABL ASSET MANAGEMENT COMPANY LIMITED - MANAGEMENT COMPANY

Remuneration of Management Company		1,629	1,553
Preliminary expenses and floatation costs		-	645
Sindh sales tax on remuneration of Management Company	6.1	1,014	912
Federal excise duty on remuneration of Management Company	6.2	5,158	4,399
Sales load		7	128
		<u>7,808</u>	<u>7,637</u>

- 6.1 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.
- 6.2 As per the requirements of the Finance Act 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Management Company has been applied effective June 13, 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax as explained in note 6.1, further levy of FED may result in double taxation, which does not appear to be the spirit of the law.

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

Pending decision of the SHC, the Fund is not making payments for FED. However, the Fund, as a matter of abundant caution, has made full provision in respect of FED effective June 13, 2013 aggregating to Rs 5.158 Million (including Rs 0.760 million for the current year). Had the provision not been made the net asset value per unit of the Fund as at September 30, 2015 would have been higher by Re 0.0270 (June 30, 2015: Re 0.0241) per unit.

7	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	(Un-Audited)	(Audited)
			September 30, 2015	June 30, 2015
			----- Rupees in '000 -----	
	Auditors' remuneration		376	280
	Printing charges		133	95
	Provision for Workers' Welfare Fund	7.1	9,813	9,813
	Withholding tax payable		45	7,037
	Legal and professional fee payable		-	100
	Advance against issuance of units		11,730	-
	Brokerage payable		131	62
			22,228	17,387

7.1 Provision for Workers' Welfare Fund

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

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

During the year ended June 30, 2012, the Honourable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006 and the Finance Act, 2008, had declared the said amendments as unlawful and unconstitutional. In March 2013, a larger bench of the Honourable Sindh High Court (SHC) passed an order declaring that the amendments introduced in the WWF Ordinance, 1971 through the Finance Act, 2006 and Finance Act, 2008 do not suffer from any constitutional or legal infirmity. However, the Honourable High Court of Sindh has not addressed the other amendments made in the WWF Ordinance, 1971 about applicability of WWF to the CISs which is still pending before the Court.

In a judgement of May 2014, Peshawar High Court (PHC) had also held these amendment 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 9.813 million in these financial statements. Had the same not been made the net asset value per unit of the Fund as at September 30, 2015 would have been higher by Re 0.0537 (June 30, 2015: Re 0.0537) per unit.

The Finance Act, 2015 has excluded Mutual Funds and Collective Investment Schemes from the definition of 'Industrial establishment' subject to WWF under WWF Ordinance, 1971. The provision made till June 30, 2015 has not been reversed as the above law suit is still pending in the SHC. This amendment is however applicable prospectively i.e. from tax year 2016.

8 CONTINGENCIES AND COMMITMENTS

8.1 There were no contingencies and commitments outstanding as at September 30, 2015 and June 30, 2015.

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. The management has already distributed 90% of the Fund's net accounting income earned by the year end to the unit holders. Accordingly, no provision in respect of taxation has been made in these financial statements.

The Fund is also exempt from the provision of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

10 EARNINGS PER UNIT

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

11 TRANSACTIONS WITH CONNECTED PERSONS

	For the quarter ended September 30, 2015	For the quarter ended September 30, 2014
	----- Rupees in '000 -----	
11.1 Details of transactions with connected persons are as follows;		
ABL Asset Management Company Limited - Management Company		
Redemption of Nil units (2014: 7,278,218 units)	-	73,746
Remuneration for the year	4,749	3,264
Sindh sales tax payable on remuneration of the Management Company	771	568
Federal excise duty on remuneration of Management Company	760	522
Central Depository Company of Pakistan Limited - Trustee		
Remuneration for the period	617	492
Sindh sales tax on remuneration of Trustee	87	-
Allied Bank Limited		
Bank charges	10	13
Redemption of Nil units (2014: 3,986,064 units)	-	40,143
KEY MANAGEMENT PERSONNEL		
Chief Executive Officer		
Issue of 4,562 units (2014: Nil units)	46	-
Redemption of 927,120 units (2014: Nil units)	9,411	-
Executives		
Issue of 181,649 units (2014: 76,432 units)	1,832	775
Redemption of 686,182 units (2014: Nil units)	6,935	-
11.2 Amounts outstanding at the period end;	(Un-Audited) September 30, 2015	(Audited) June 30, 2015
	----- Rupees in '000 -----	
ABL Asset Management Company Limited - Management Company		
Preliminary expenses and floatation costs	-	645
Remuneration payable to Management Company	1,629	1,883
Sindh Sales tax on Management Company's remuneration	1,014	912
Federal excise duty on remuneration of Management Company	5,158	4,399
Sales load	7	128
Allied Bank Limited		
Balances in current accounts	2,154	557
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	208	202
Sindh sales tax on remuneration of Trustee	29	-
ABL Asset Management Company Limited - Staff Provident Fund		
Outstanding 1,007,534 units (June 30, 2015: 1,007,534 units)	10,260	10,104

KEY MANAGEMENT PERSONNEL	(Un-Audited)	(Audited)
	September 30, 2015	June 30, 2015
	----- Rupees in '000 -----	
Chief Executive Officer		
Outstanding 52,585 Units (June 30, 2015: 975,142 units)	536	9,779
Dividend payable	-	46
Executives		
Outstanding 32,149 units (June 30, 2015: 436,947 units)	327	4,382
Dividend payable	-	21

12 GENERAL

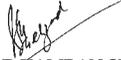
12.1 Figures have been rounded to the nearest thousand rupees.

13 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on October 30, 2015 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