

CONTENTS

Fund's Information	1
Report of the Directors of the Management Company	2
Condensed Interim Statement of Assets and Liabilities	4
Condensed Interim Income Statement (Un-audited)	5
Condensed Interim Distribution Statement (Un-audited)	6
Condensed Interim Statement of Movement in Unit Holders' Fund (Un-audited)	7
Condensed Interim Cash Flow Statement (Un-audited)	8
Notes to and forming part of the Condensed Interim Financial Statement (Un-audited)	9

ABL ISLAMIC STOCK FUND

FUND'S INFORMATION

Management Company:	ABL Asset Management Company Limited 11 - B, Lalazar M. T. Khan Road, Karachi.	
Board of Directors	Sheikh Mukhtar Ahmed Mr. Mohammad Naeem Mukhtar Mr. Muhammad Waseem Mukhtar Mr. Tariq Mahmood Mr. Kamran Nishat Mr. 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:	MCB Financial Services Limited. 3rd Floor, Adamjee House, I. I. Chundrigar Road, Karachi - 74000	
Bankers to the Fund:	Allied Bank Limited Bank Islami Pakistan Limited United Bank Limited	
Auditor:	A.F. Ferguson & Co Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, Karachi.	
Legal Advisor:	Bawaney & Partners 3rd & 4th Floors, 68-C, Lane-13 Bokhari Commercial Area Phase-VI, DHA Karachi.	
Registrar:	ABL Asset Management Company Limited. 11 - B, Lalazar, M. T. Khan Road, Karachi.	

ABL ISLAMIC STOCK FUND

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

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

MARKET OVERVIEW

Pressure on regional markets in the aftermath of currency devaluations as well as rumors of joint investigation by SECP and NAB against KSE brokers had a telling effect on local equities with KSE-100 Index dropping 6.1% (2,111 points) to close the quarter at 32,287 points. As a result, return generated by Pakistan's equities during CY15 now stands at a meager 0.5% against 17.7% in the corresponding period last year. Despite a slew of positive macro news (50bps policy rate cut, below expectation CPI reading of 1.32% in September 2015, USD 500mn Eurobond, USD 502mn IMF tranche), local sentiment remained depressed. KMI 30 Index, the benchmark for Shariah Compliant Equities, wasn't much different either, as it posted a drop of 5.6% (3,186 points) during the quarter under review. More than half (1,744 points) of that decline was contributed by E&Ps followed by Fertilizers (771 points) and Oil & Gas Marketing Companies (649 points). Power Generation (207 points) and Pharmaceuticals (194 points) were the major positive contributors towards the Index in 1QFY16.

Foreign investors also continued to divest and we saw net selling of USD 103mn during the quarter (9MCY15 USD 176mn) at KSE as part of global sell-off in the equity markets as investors continued to shy away from risky assets. This overall flight

towards safety, especially in the backdrop of uncertainty over FED's monetary policy decision during the quarter, kept foreign investors at bay. Consequently, lack of both foreign and local interest proved to be a double whammy for the market as volumes dried up and pessimism prevailed during the latter part of the quarter. However, average traded volumes during the period under review improved by 12.6% QoQ to 312mn while average traded value shrunk by 2.5% QoQ to USD 117mn per day.

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 the other hand, both conventional and Islamic equity categories witnessed AUM decline of 6.7% and 1.3%, to PKR 100 billion and PKR 50 billion, respectively. Volatility in equities during the quarter was the main culprit behind this drop in AUMs. In line with conventional fixed income funds, Islamic Income Category also posted a handsome growth of 10.4% in AUMs to end the quarter at PKR 23 billion.

FUND PERFORMANCE

ABL Islamic Stock Fund posted a decline of 3.6% against 5.6% decrease in benchmark return, which reflects an outperformance of 200bps during the quarter. When measured from its inception, ABL-ISF has posted a return of 50.0% against its benchmark return of 43.9%, depicting an outperformance of 6.1%.

AUDITORS

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

FUND PERFORMANCE RANKING

JCR-VIS Credit Rating Company Ltd. (JCR-VIS) on August 24, 2015 assigned MFR 4-Star (based on One Year ranking) to ABL-ISF, which denotes 'good performance'.

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

Looking ahead, improvement in domestic macroeconomic conditions (low interest rates, falling CPI reading and strengthening external account) as well as relative stability in regional markets should provide a breather to domestic equities. Moreover, the initiation of work on CPEC should propel overall economic activity and provide impetus for market performance. Furthermore, expected graduation of Pakistan into MSCI Emerging Markets from Frontier Markets should keep local bourse on the foreign investors' radar. With political dust settling post peaceful by-elections, the situation on political front also looks favorable going ahead. At quarter end, market was trading at 2016E P/E of 7.6x, with an attractive dividend yield of 6.7%.

ACKNOWLEDGEMENT

We thank our valued investors who have placed their confidence in us. The Board is also thankful to Securities & Exchange Commission of Pakistan, the Trustee (MCB Financial Services 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

Karachi, October 30, 2015




Farid Ahmed Khan
Chief Executive Officer



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

	Note	(Un-audited) September 30, 2015	(Audited) June 30, 2015
----- (Rupees in '000) -----			
Assets			
Bank balances	4	154,610	270,247
Investments	5	2,273,363	2,457,407
Dividend and other receivables		38,426	7,710
Security deposits and prepayments		2,708	2,600
Receivable against sale of investments		49,906	-
Preliminary expenses and floatation costs		2,697	2,948
Total assets		2,521,710	2,740,912
Liabilities			
Payable to ABL Asset Management Company Limited - Management Company	6	31,561	28,889
Payable to MCB Financial Services Limited -Trustee		169	148
Payable to the Securities and Exchange Commission of Pakistan		664	2,031
Payable against purchase of investments		-	23,491
Dividend payable		-	8,075
Accrued expenses and other liabilities	7	47,079	32,699
Total liabilities		79,473	95,333
Contingencies and commitments	8	-	-
Net assets		2,442,237	2,645,579
Unit holders' funds (as per statement attached)		2,442,237	2,645,579
----- (Number of units) -----			
Number of units in issue		196,022,205	204,151,383
----- (Rupees) -----			
Net assets value per unit		12.4590	12.9589

The annexed notes 1 to 12 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


ABLISF
 ABL Islamic Stock Fund

 **ABL Asset Management**
 Discover the potential

ABL ISLAMIC STOCK FUND
CONDENSED INTERIM INCOME 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
Income		----- (Rupees in '000) -----	
Net realised (loss) on sale of investments		(41,175)	(21,976)
Dividend income		35,354	30,516
Profit on saving accounts with banks		4,014	3,378
Unrealised (loss) / gain on re-measurement of investments 'at fair value through profit or loss' (net)		(77,677)	9,233
Total income		(79,484)	21,151
Expenses			
Remuneration of ABL Asset Management Company Limited - Management Company		20,973	12,730
Sindh Sales Tax on remuneration of Management Company		3,409	2,217
Federal Excise Duty on remuneration of Management Company		3,356	2,037
Remuneration of MCB Financial Services Limited -Trustee		475	338
Sindh Sales Tax on remuneration of Trustee		66	-
Annual fee - Securities and Exchange Commission of Pakistan		664	403
Brokerage and securities transaction costs		1,573	1,485
Bank charges		15	10
Auditors' remuneration		91	91
Amortisation of preliminary expenses and floatation costs		252	252
Legal and professional charges		177	-
Printing charges		46	36
Listing fee		12	13
Annual rating fee		54	26
Charity expense		2,080	-
Provision for Workers' Welfare Fund		-	134
Total expenses		33,243	19,772
Net (loss) / income from operating activities		(112,727)	1,379
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed (net)		(23,275)	5,189
Net (loss) / income for the period before taxation		(136,002)	6,568
Taxation	9	-	-
Net (loss) / income for the period after taxation		(136,002)	6,568
Other comprehensive income for the period		-	-
Total comprehensive (Loss) / income for the period		(136,002)	6,568

The annexed notes 1 to 12 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 STOCK 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 / (loss) at the beginning of the period:		
- Realised	398,420	(27,016)
- Unrealised	205,646	97,375
	604,066	70,359
Disstribution during the period		
- Rs 0.0330 per unit on 24 July 2015		
Cash distribution	(7,160)	-
	-	-
Net (Loss) / income for the period	(136,002)	6,568
Undistributed income carried forward	460,904	76,927
Undistributed income at the end of the period:		
- Realised	538,581	67,694
- Unrealised	(77,677)	9,233
	460,904	76,927

The annexed notes 1 to 12 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 STOCK FUND

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

	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	2,645,579	1,727,564
Issue of 41,705,194 units (2014: 18,887,945 units)	556,966	198,432
Redemption of 50,318,137 units (2014: 23,525,385 units)	(640,422)	(239,617)
	(83,456)	(41,185)
Element of income / (loss) and capital gains / (losses) in prices of units issued less those in units redeemed - net	23,275	(5,189)
Other net income for the period	(17,150)	19,311
Capital gain on sale of investments - net	(41,175)	(21,976)
Unrealised gain on re-measurement of investments classified as financial assets at fair value through profit or loss (net)	(77,677)	9,233
Net income for the period	(136,002)	6,568
Distribution during the period		
- Rs 0.0330 per unit on 24 July 2015		
Cash distribution	(7,159)	-
Net assets at the end of the period	2,442,237	1,687,758

The annexed notes 1 to 12 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 STOCK 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 (loss) / income for the period before taxation	(136,002)	6,568
Adjustments:		
Unrealised gain on re-measurement of 'investments at fair value through profit or loss' (net)	77,677	(9,233)
Provision for Worker's Welfare Fund	-	134
Provision for Federal Excise Duty	3,356	2,037
Amortisation of preliminary expenses and floatation costs	252	252
Element of income and capital gains included in prices of units issued less those in units redeemed (net)	23,275	(5,189)
	104,560	(11,999)
	(31,442)	(5,431)
(Increase) / decrease in assets		
Investments	106,367	73,044
Dividends and other receivables	(30,716)	(22,141)
Security deposits and prepayments	(108)	10,763
Receivable against sale of investments	(49,906)	-
	25,637	61,666
Increase / (decrease) in liabilities		
Payable to ABL Asset Management Company Limited- Management Company	(684)	(541)
Payable to MCB Financial Services Limited- Trustee	21	3
Annual fee payable to Securities and Exchange Commission of Pakistan	(1,367)	(548)
Payable against purchase of investments	(23,491)	(75,522)
Accrued expenses and other liabilities	14,380	(2,285)
	(11,141)	(78,893)
Net cash used in operating activities	(16,946)	(22,658)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	556,966	198,432
Payments on redemption of units	(640,422)	(239,617)
Cash distribution paid	(15,235)	(25,670)
Net cash used in financing activities	(98,691)	(66,855)
Net decrease in cash and cash equivalents during the period	(115,637)	(89,513)
Cash and cash equivalents at beginning of the period	270,247	281,768
Cash and cash equivalents at end of the period	154,610	192,255

The annexed notes 1 to 12 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 STOCK FUND

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

1. LEGAL STATUS AND NATURE OF BUSINESS

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

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

The Fund is an open-ended fund and is listed on the Karachi Stock Exchange Limited. The units of the Fund are offered for public subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund. The objective of the Fund is to provide capital appreciation to investors through higher, long term risk adjusted returns by investing in a diversified Shariah compliant portfolio of equity instruments offering capital gains and dividends.

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

JCR - VIS Credit Rating company has assigned Management Quality Rating of 'AM2' (Stable outlook) to the Management Company as at 31 December 2014 and fund performance ranking of MFR - 4 Star for one year to the fund on 24 August, 2015.

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

2. BASIS OF PRESENTATION

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

2.1 Statement of compliance

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

The disclosures made in these condensed interim financial statements have, however, been limited based on the

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

	Note	(Un-audited) September 30, 2015	(Audited) June 30, 2015
----- (Rupees in '000) -----			
4. BANK BALANCES			
Balances with banks in:			
- Current accounts	4.1	990	12,083
- Saving accounts	4.2	153,620	258,164
		154,610	270,247
4.1	This balance is maintained with Allied Bank Limited (related party of the Fund).		
4.2	Saving accounts carry profit rates ranging from 6.0% to 6.8% (2014: 5% to 9.45%) per annum.		
5. INVESTMENTS			
Investments at fair value through profit or loss - held for trading			
Listed equity securities	5.1	2,273,362	2,457,407

5.1 Listed equity securities

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

Name of the investee company	Number of shares / certificates					As at 30 September 2015			Market value as a % of net assets	Market value as total % of investment
	As at 1 July 2015	Purchased during the Period	Bonus/ Rights received during the Period	Sold during the Period	As at 30 Sep 2015	Carrying Value	Market Value	Unrealised gain/ (loss)		
----- (Rupees in '000) -----										
Automobile Assembler										
Indus Motor Company	54,000	11,000	-	13,860	51,140	64,083	51,212	(12,872)	1.94%	2.25%
Millat Tractors Limited	81,500	-	-	-	81,500	55,894	50,911	(4,983)	1.92%	2.24%
Honda Cars Limited	-	107,500	-	-	107,500	24,546	24,762	216	0.94%	1.09%
						144,523	126,885	(17,639)	4.80%	5.58%
Cable & Electrical Goods										
Pak Elektron Limited	700,000	350,000	-	-	1,050,000	85,153	75,695	(9,459)	2.86%	3.33%
Cement										
D.G. Khan Cement Limited	940,500	526,900	-	397,000	1,070,400	155,276	146,666	(8,610)	5.54%	6.45%
Fauji Cement Company Limited	1,300,000	1,455,000	-	1,250,000	1,505,000	53,502	50,387	(3,115)	1.90%	2.22%
Lucky Cement Limited	473,800	52,000	-	174,000	351,800	184,333	185,293	960	7.00%	8.15%
Maple Leaf Cement Limited	562,000	350,000	-	912,000	-	-	-	-	-	-
Pioneer Cement Limited	309,000	300,000	-	-	609,000	53,558	52,825	(734)	2.00%	2.32%
						446,669	435,171	(11,498)	16.44%	19.14%
Commercial Banks										
Meezan Bank Limited	1,303,000	-	-	-	1,303,000	53,423	65,775	12,352	2.49%	2.89%
Engineering										
Crescent Steel & Allied Products Limited	-	100,000	25,000	-	125,000	13,450	10,377	(3,073)	0.39%	0.46%
Fertilizer										
Engro Fertilizers Limited	1,722,000	150,000	-	575,000	1,297,000	115,429	116,471	1,042	4.40%	5.12%
Engro Corporation Limited	751,500	113,000	-	288,000	576,500	173,093	172,016	(1,077)	6.50%	7.57%
Fatima Fertilizer Company Limited	1,426,500	346,500	-	500,000	1,273,000	52,056	58,914	6,858	2.23%	2.59%
Fauji Fertilizer Company Limited	527,700	100,000	-	-	627,700	92,133	77,490	(14,643)	2.93%	3.41%
						432,711	424,891	(7,820)	16.06%	18.69%
Glass & Ceramics										
Tariq Glass Industries Limited	605,500	-	-	-	605,500	35,416	43,868	8,453	1.66%	1.93%
Leather & Tanneries										
Bata (Pakistan) Limited	60	-	-	-	60	224	178	(46)	0.01%	0.01%
Service Industries Limited	56,750	-	-	-	56,750	47,975	45,684	(2,291)	1.73%	2.01%
						48,199	45,862	(2,337)	1.74%	2.02%
Oil & Gas Exploration Companies										
Oil & Gas Development Company Limited	20,800	550,000	-	-	570,800	86,782	71,162	(15,621)	2.69%	3.13%
Pakistan Oilfields Limited	379,600	-	-	167,900	211,700	85,489	62,225	(23,264)	2.35%	2.74%
Pakistan Petroleum Limited (Note 5.3)	527,480	-	-	200,000	327,480	53,792	39,016	(14,776)	1.47%	1.72%
						226,063	172,403	(53,660)	6.51%	7.59%
Oil & Gas Marketing Companies										
Attock Petroleum Limited	123,000	-	-	-	123,000	69,768	61,531	(8,237)	2.33%	2.71%
Hascol Petroleum Limited (Note 5.4)	1,149,880	211,000	232,176	310,400	1,282,656	123,979	153,393	29,413	5.80%	6.75%
Pakistan State Oil Company Limited	599,820	67,000	-	515,000	151,820	58,764	43,783	(14,980)	1.65%	1.93%
						252,511	258,707	6,196	9.78%	11.39%
Paper & Board										
Packages Limited	29,000	155,000	-	-	184,000	109,453	98,164	(11,289)	3.71%	4.32%
Pharmaceuticals										
Searle Company Limited (Note 5.4)	1,400	148,700	-	-	150,100	56,693	60,088	3,395	2.27%	2.64%
Power Generation & Distribution										
Hub Power Company Limited	1,972,500	-	-	350,000	1,622,500	151,817	159,394	7,577	6.02%	7.01%
Lalpir Power Limited	3,009,000	131,500	-	331,500	2,809,000	86,032	81,939	(4,093)	3.10%	3.60%
Pakgen Power Limited	2,320,500	-	-	437,000	1,883,500	56,524	52,644	(3,880)	1.99%	2.32%
Kot Addu Power Company Limited	765,500	671,500	-	-	1,437,000	125,977	136,156	10,179	5.15%	5.99%
						420,350	430,133	9,783	16.26%	18.92%
Real Estate Investment Trust										
Dolmen City Reit	2,400,000	-	-	-	2,400,000	26,424	25,344	(1,080)	0.96%	1.11%
Total - 30 September 2015	24,112,290	5,896,600	257,176	6,421,660	23,844,406	2,351,039	2,273,362	(77,677)	85.93%	100.00%

Note	(Un-audited) September 30, 2015	(Audited) June 30, 2015
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----- (Rupees in '000) -----

5.2 Net unrealised appreciation in the value of investments classified as 'at fair value through profit or loss'

Fair value of investments	2,273,362	2,457,407
Carrying value of investments		
Net unrealised appreciation in the value of investments 'at fair value through profit or loss'	<u>2,351,039</u>	<u>(2,251,761)</u>
	<u>(77,677)</u>	<u>205,646</u>

5.3 327,480 shares (2015: 500,000) of Pakistan Petroleum Limited having market value of Rs 39.02 (2015: Rs. 82.13) million as at 30 Sep 2015 have been pledged with National Clearing Company of Pakistan for guaranteeing settlement of the Fund's trades in accordance with Circular no. 11 dated 23 October 2007 issued by the Securities & Exchange Commission of Pakistan.

5.4 The Finance Act 2014 introduced amendments to Income Tax Ordinance 2001. As a result of these amendments, companies are liable to withhold bonus shares at the rate of 5 percent. These shares will be released upon payments of tax by shareholders. The value of tax will be computed on the basis of day-end price on the first day of book closure.

In this regard, a constitution petition has been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs, which is pending adjudication. The petition is based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the income Tax Ordinance 2001, the withholding tax provision should not be applicable on bonus shares received by CISs. A stay order has been granted by the High Court of Sindh in favour of CISs.

During the current period Hascol Petroleum Company Limited issued 232,176 bonus shares after withholding 5 percent of bonus shares (i.e. 11,609 shares). Hascol Petroleum Company Limited instructed the fund to pay withholding tax of Rs. 1.502 million, in order to release withheld bonus shares. Based on the stay order, the Fund has not paid the amount of tax. Further, shares against withholding tax held by the Hascol Petroleum Company Limited have neither been released nor deposited with the Government Treasury. However, the Fund has included the withheld bonus shares in the portfolio on the basis of the aforementioned stay order.

Note	(Un-audited) September 30, 2015	(Audited) June 30, 2015
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----- (Rupees in '000) -----

6 PAYABLE TO ABL ASSET MANAGEMENT COMPANY LIMITED - MANAGEMENT COMPANY

Management fee		6,399	6,396
Sindh sales tax payable on remuneration of Management Company	6.1	3,677	3,268
FED payable on remuneration of Management Company	6.2	18,421	15,065
Sales load payable		64	160
Preliminary expenses and floatation costs		3,000	4,000
		<u>31,561</u>	<u>28,889</u>

- 6.1 The Provincial Government of Sindh levied Sindh Sales Tax at the rate of 14% (2015: 15%) on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.
- 6.2 As per the requirement of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Management Company has been applied effective 13 June 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED may result in double taxation, which does not appear to be the spirit of the law. The matter has been taken up collectively by the Mutual Fund Association of Pakistan where various options are being considered. During the period, the Honourable High Court Sindh in a Constitutional petition relating to levy of Federal Excise Duty (FED) on Mutual Fund has granted stay order for the recovery of Federal Excise Duty (FED). As a matter of abundant caution, the Management Company has made a provision with effect from 13 June 2013, aggregating to Rs. 18.421 million (including Rs. 3.36 million for the current period). Had the provision not being made, the Net Asset Value per unit of the Fund as at September 30, 2015 would have been higher by Rs. 0.0940 per unit (June 2015: 0.0445)

	Note	(Un-audited) September 30, 2015	(Audited) June 30, 2015
----- (Rupees in '000) -----			
7. ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration		351	260
Brokerage and other charges		1,049	874
Printing Charges		127	81
Provision for Worker's welfare Fund	7.1	18,422	18,422
Charity payable		2,080	7,028
Redemption Payable		25,000	107
Advance against issuance of units		-	4,201
Withholding tax payable		50	1,626
legal fee		-	100
		47,079	32,699

7.1 PROVISION FOR WORKERS' WELFARE FUND

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

During the year ended 30 June 2010, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF. This clarification was forwarded by the Federal Board of Revenue (FBR) (being the collecting agency of WWF on behalf of the Ministry) to its collectorates for necessary action. Based on this clarification, FBR also withdrew notice of demand which it had earlier issued to one of the funds managed by ABL Asset Management Company Limited for collection of WWF.

During the year ended 30 June 2012, the Honourable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006 and the Finance Act, 2008 declared the said amendments as unlawful and unconstitutional. In March 2013, a large bench of Sindh High Court (SHC) in various Constitutional Petitions declared that amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006 and the Finance Act, 2008 do not suffer from any constitutional or legal infirmity.

However, the Honourable High Court of Sindh has not addressed the other amendments made in WWF Ordinance 1971 about applicability of WWF to the CISs which is still pending before the court.

The Management Company believes that the aforementioned constitutional petition pending in SHC has strong grounds for decision in favour of the mutual funds. However, the management as a matter of abundant caution has recognised WWF charge amounting to Rs. 18.422 million during the period. Had the WWF not been provided, the NAV per unit of the Fund would have been higher by Rs. 0.0940 per unit (June 2015: Rs. 0.0902)

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.

7.2 According to the instructions of the Shariah Supervisory Council, if any income is earned by the Fund from the investments whereby a portion of income of such investees has been derived from prohibited sources, such proportion of income of the Fund should be donated to charitable purposes.

During the current period, Non shariah compliant income amounting to Rs. 2.080 million (2014 : nil) was charged as an expense of the Fund (a portion of dividend income, rest of which is considered as Halal). This will be distributed for Charity with the approval of Shariah Supervisory Council.

8. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments at September 30, 2015 & June 30, 2015.

9. TAXATION

The Fund's income is exempt from Income Tax as per clause 99 of part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than capital gains to the unit holders. The management intends to distribute at least 90% of the Fund's accounting income for the year ending 30 June 2015 as reduced by capital gain (whether realised or unrealised) to the unit holders. The Fund is also 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. Accordingly, no provision for taxation has been made in this financial statements.

10. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

Detail of transactions with related parties / connected persons during the period:

	For the Quarter ended September 30, 2015	For the Quarter ended September 30, 2014
	----- (Rupees in '000) -----	
ABL Asset Management Company Limited - Management Company		
Issue of 1,026,352 units (2014: Nil units)	13,786	-

For the Quarter ended September 30, 2015	For the Quarter ended September 30, 2014
----- (Rupees in '000) -----	

Remuneration of the Management Company	20,973	12,730
Sindh Sales Tax on remuneration of Management Company	3,409	2,217
FED on remuneration of Management Company	3,356	2,037
Cash distribution	214	-
 ABL AMC Staff Provident Fund		
Issue of 1992 units (2014: Nil units)	27	-
 MCBFSL Trustee ABL Islamic Principal Preservation Fund		
Issue of 10,739,040 units (2014: 6,037,179 units)	142,714	64,000
Redemption of 23,480,533 units (2014: 7,901,280 units)	298,700	80,000
Cash distribution	1,714	-
 MCBFSL Trustee ABL Islamic Principal Preservation Fund II		
Issue of 10,971,126 units (2014: 6,224,922 units)	145,822	66,000
Redemption of 19,456,619 units (2014: 7,901,280 units)	247,200	75,000
Cash distribution	1,822	-
 MCB Financial Services Limited - Trustee		
Remuneration for the period	475	338
Sindh Sales Tax on remuneration of Trustee	66	-
 EXECUTIVES		
Issue of 167 units (2014: Nil units)	2	-
Redemption of 77,876 units	1,017	-
Cash distribution	2	-

Note	(Un-audited) September 30, 2015	(Audited) June 30, 2015
	----- (Rupees in '000) -----	

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

ABL Asset Management Company Limited

Outstanding of 7,437,835 units (June 2015: 6,411,483 units)	92,668	83,086
Remuneration payable to the Management Company	6,399	6,396
Sindh sales tax payable on remuneration of Management Company	3,677	3,268
FED payable on remuneration of Management Company	18,421	15,065
Preliminary expenses and floatation cost payable	3,000	4,000
Sales load payable	63	160

	(Un-audited) September 30, 2015	(Audited) June 30, 2015
	----- (Rupees in '000) -----	

Allied Bank Limited

Outstanding of 11,206,388 units (June 2015: 11,206,388 units)
Dividend Payable
Bank balances

139,620	145,222
-	5,603
2,050	12,083

ABL AMCL Staff Provident Fund

Outstanding of 811,066 units (June 2015: 809,073 units)

10,105	10,485
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MCBFSL Trustee ABL Islamic Principal Preservation Fund

Outstanding of 35,238,178 units (June 2015: 47,979,670 units)

439,032	621,764
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MCBFSL Trustee ABL Islamic Principal Preservation Fund-II

Outstanding of 42,540,975 units (June 2015: 51,026,467 units)

530,018	661,247
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MCB Financial Services Limited - Trustee

Remuneration payable to Trustee
Sindh sales tax payable on remuneration of Trustee

148	148
21	-

CHIEF EXECUTIVE OFFICER

Outstanding of 2,995 units (June 2015: 2,989 units)

37	39
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EXECUTIVE

Outstanding of nil units (June 2015: 77,709 units)

-	1,007
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11 GENERAL

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

12 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on 30 October 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