



CONDENSED INTERIM
**FINANCIAL
STATEMENTS**
FOR THE HALF YEAR ENDED
DECEMBER 31, 2009



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CONTENTS

<u>Fund Information</u>	1
<u>Report of the Directors of the Management Company</u>	2
<u>Trustee Report to the Unit Holders</u>	4
<u>Auditors' Report To The Unit Holders on review of Condensed Interim Financial Information</u>	5
<u>Condensed Interim Statement of Assets and Liabilities</u>	6
<u>Condensed Interim Income Statement</u>	7
<u>Condensed Interim Distribution Statement</u>	8
<u>Condensed Interim Statement of Movement in Unit Holders' Fund</u>	9
<u>Condensed Interim Cash Flow Statement</u>	10
<u>Notes to and Forming Part of the Condensed Interim Financial Statements</u>	11

FUND INFORMATION

Management Company:	ABL Asset Management Company Limited 11 – B, Lalazar, M. T. Khan Road, Karachi.	
Board of Directors of the Management Company:	Sheikh Mukhtar Ahmed Mr. Mohammad Aftab Manzoor Mr. M. Jawaid Iqbal Mr. Muhammad Yaseen Mr. M. Shakeb Murad Mr. Samad Dawood Mr. Anis ur Rahman Mr. Kamran Nishat	Chairman Director Director Director Director Director (Resigned w.e.f. October 20, 2009) Director (Resigned w.e.f. November 10, 2009) Director (Appointed w.e.f. October 20, 2009)
Audit Committee:	Mr. Mohammad Aftab Manzoor Mr. Muhammad Yaseen Mr. Samad Dawood	Chairman Member Member (Resigned w.e.f. October 20, 2009)
Chief Executive Officer:	Mr. Anis ur Rahman	(Resigned w.e.f. November 10, 2009)
Chief Operating Officer & Company Secretary:	Mr. Sulaiman S. Mehdi	
Chief Financial Officer:	Mr. Saqib Matin	
Head of Internal Audit:	Mr. Faisal Nadeem Mangroria	
Trustee:	Central Depository Company of Pakistan Ltd. CDC House, 99-B, Block-B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi.	
Bankers to the Fund:	Allied Bank Limited Bank Alfalah Limited United Bank Limited	
Distributors:	Allied Bank Limited Reliance Financials Product (Pvt.) Limited Invest Capital Investment Bank Limited Atlas Capital Markets (Pvt.) Limited IGI Investment Bank (FundSelect) Elixir Securities Pakistan (Pvt.) Limited Pyramid Financial Consultants (Pvt.) Limited	Foundation Securities (Pvt.) Limited Flow (Pvt.) Limited JS Global Capital Limited Vector Consulting (Pvt.) Limited BMA Financial Services Limited Alfalah Securities (Pvt.) Limited Cumberland (Pvt.) Limited
Auditors:	A.F Ferguson & Co. Chartered Accountants State Life Building No. 1-C, I.I. Chundrigar Road, Karachi.	
Legal Advisor:	Bawany & Partners Room No. 404, 4th Floor, Beaumont Plaza, 6 – C1 – 10, Beaumont Road, Civil Lines, Karachi.	
Registrar:	ABL Asset Management Company Limited. 11 – B, Lalazar, M. T. Khan Road, Karachi.	
Rating:	Fund Stability: A+(f) by JCR-VIS Management Company: AM3 by JCR-VIS	

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of ABL Asset Management Company Limited, the management company of ABL Income Fund (ABL-IF), is pleased to present the un-audited Condensed Interim Financial Statements of ABL-IF for the half year ended December 31, 2009.

ECONOMIC REVIEW

1HFY-10 depicted an improvement in the prospects of returning to macroeconomic stability as key indicators continued their positive trends. As a result IMF disbursed USD2.4 billion into the economy under the USD11.3 billion Stand-By Arrangement after conducting its two reviews during the period. To date IMF has disbursed USD6.5 billion under the said Arrangement. Additionally, inflows in the form of worker's remittances of USD 4.531 billion facilitated an increase in foreign currency reserves by 20.97% from USD12.425 billion in July to USD15.031 billion towards the end of 1HFY-10. Current Account Deficit has come down by 78% YoY to USD1.8 billion in 1HFY10 as well.

Improved fiscal and monetary policy management along with achievement of major targets set by the IMF enabled SBP to cut Discount Rate by 150 bps on cumulative basis during the period under review. In December 2009, SBP's stock of Net Foreign Assets (NFA) was recorded at USD4.9 billion well above the IMF floor of USD3.2 billion and Net Domestic Assets (NDA) at PKR1.277 trillion within the IMF target of PKR1.340 trillion. Introduction of interest rate corridor to curb money market rate volatility was yet another positive reform recommended by the IMF. Other harsh but healthy reforms were the phasing out of foreign exchange financing for oil import payments and rationalization of subsidies on electricity tariffs. LSM sector registered a minor growth of 65bps YoY in 5MFY10 and we did witness private sector credit off-take showing improvement as confidence in the economy grew.

Nevertheless, in its third review, IMF highlighted its concern that weak fiscal resource mobilization could adversely impact the Fiscal Deficit. At present the economy is plagued by heavy Defense spending on account of war in the north, unabated power shortages thereby impeding industrial output, political instability and a weak law and order situation. The above conditions are discouraging Foreign Direct Investment (FDI) at a time when FDI is imperative to the sustainability of the economy. Above all the Circular Debt Issue still stands unresolved, which is likely to put pressure on any fiscal stimulus going ahead. The USD2.2 billion pledged in Tokyo from Friends of Democratic Pakistan (FoDP) has also been reduced to USD1.6 billion. It is also expected that the government may slash PSDP for 2009-10 by 50 percent or over PKR210 billion against originally allocated amount of PKR421 billion for development projects. The government, consequently, remains under pressure with total stock of direct borrowing from the SBP standing at PKR1.236 trillion, higher than the December 2009 ceiling of PKR1.130 trillion set by the IMF.

CPI Inflation touched a low of 8.9% YoY in October, but its trajectory reversed to 10.52% YoY in December due to an increase in price of essential commodities, especially oil. Moreover, PKR depreciated by 3.37% during the period on account of USD purchase for furnishing of oil payments and delayed/non-materialization of external budgetary funding. Overall we believe that FY2010 is likely to be a comfortable year in terms of management of budget deficit and current account deficit targets agreed with the IMF. However, uncertainties related to commodity prices and external funding will make SBP take a cautious approach thereby reducing the probability of further cuts in the discount rate, at least in the near term.

MUTUAL FUND INDUSTRY REVIEW

The mutual fund industry staged a comeback with TFC prices stabilizing and the equity markets appreciating. However such sentiments were short lived as certain TFC prices were downgraded towards the end of the period due to the Issuer's inability to furnish coupon payments. Influx of capital, primarily in money market funds which entail zero exposure to TFCs was witnessed. Total AUMs of the industry increased by 14.77% from PKR204.8 billion in June 2009 to PKR235.05 billion in November 2009. However, due to year end crossing funds were battered with redemptions in December 2009, which is a norm at this time of the year.

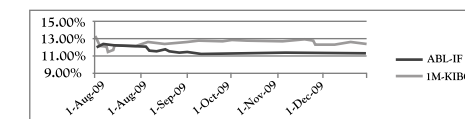
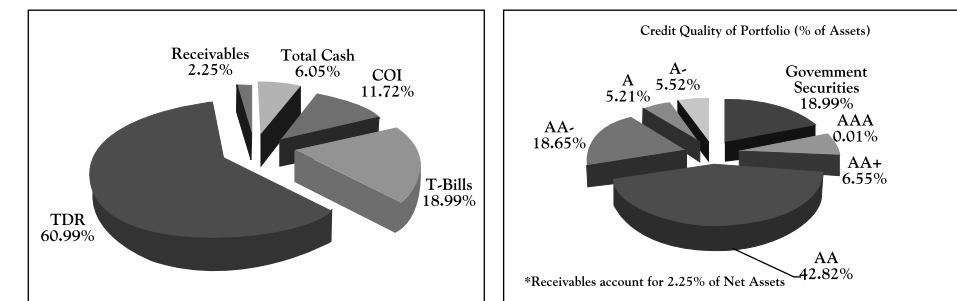
FUND PERFORMANCE

During the period under review ABL Income Fund's AUM grew by 11.79% to PKR7.682 billion. It is pertinent to note that year end redemptions brought the fund size considerably down, however this is a temporary phenomenon which is usually witnessed at this time of the year. ABL-IF's AUM grew by 286% on a Year on Year basis. During the half year period ended December 31, 2009, the unit price of ABL-IF increased by 5.43% to close at 10.5607 (cum-dividend) translating into an annualized return of 11.23%.

ABL-IF underperformed against its 1-month KIBOR average benchmark of 12.53% due to the fact that the fund was not invested in TFCs.

During the period, ABL-IF gradually built up its T-bill portfolio to 18.99% of its fund size due to expectations of interest rate cuts and subsequent capital gains. However, ABL-IF mainly focused its investments towards TDR placements due to better returns, especially during year end. Furthermore, such a stance also curtailed any NAV volatility on mark to market on its T-bill portfolio. TDRs were 60.99% of the fund size as on December 31, 2009 as compared to 77.92% on June 30, 2009. Money market placements were 11.72% as on December 31, 2009 compared to 8.43% on June 30, 2009.

ABL Income Fund earned total income of Rs.522.60 million for the half year ended December 31, 2009 mainly out of which Rs.322.60 million was earned from cash deposited with banks and fixed term deposits, Rs.68.87 million from Investment in Government Securities, Rs.113.94 million from Placements and Rs.16.58 million from Reverse Repurchase Transactions. Unrealized diminution on re-measurement of investments was to the tune of Rs.5.11 million. After accounting for expenses of Rs.72.13 million (comprising mainly of the management fee of Rs.62.83 million) net income from operating activities for the half year ended December 31, 2009 stood at Rs.445.36 million. With the net element of income of Rs.13.80 million included in the prices of units issued less those in units redeemed, the net income for the half year ended December 31, 2009 stood at Rs.459.16 million. The asset allocation and asset quality of ABL-IF as at December 31, 2009 was as follows:



FUTURE OUTLOOK

Recent rise in international commodity prices, higher domestic oil demand, power shortages and uncertain external budgetary flows are the key risks to macroeconomic stability. Although macroeconomic conditions have improved over the period with GDP growth expectation at 3%, nevertheless these key risks could slow down the path to recovery. If the much anticipated external funding does not materialize, cutbacks in PSDP and/or further augmentation of IMF loan are probable. However, workers' remittances and portfolio investment flows may continue supporting external account to a certain extent. Going ahead, essential commodity prices are also set to adjust which should tame inflation.

Considering the uncertainties surrounding the economic conditions a cautious approach would be prudent. Thus investments are in sovereign debt instruments and with good rated counters with the aim of yielding better returns than conventional means.

DIVIDEND

The Board of Directors of the management company on December 30, 2009 approved and declared interim dividend distribution of Rs.0.2783 per unit (2.78% of the par value of Rs.10) for ABL-IF for the quarter ended December 31, 2009. This is in addition to interim dividend distribution of Rs.0.2731 per unit (2.73% of the par value of Rs.10) made for the quarter ended September 30, 2009.

FUND STABILITY RATING

On December 31, 2009, JCR-VIS has upgraded the Fund Stability Rating of ABL Income Fund (ABL-IF) to 'A+(f)' (Single A Plus (f)) from 'A(f)' (Single A (f)) denoting, both credit and price risk being considered manageable.

MANAGEMENT QUALITY RATING

On December 31, 2009, JCR-VIS has reaffirmed the Management Quality Rating of ABL Asset Management Company Limited (ABL AMCL) at 'AM3' (AM-Three), which denotes 'good management quality.'

ACKNOWLEDGEMENT

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

For and on behalf of the Board


SHEIKH MUKHTAR AHMED
(Chairman)

Karachi, February 24, 2010


ABL INCOME FUND TRUSTEE REPORT TO THE UNIT HOLDERS

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

The ABL Income Fund (the Fund), an open-end Fund was established under a trust deed dated June 16, 2008, executed between ABL Asset Management Company Limited, as the Management Company and Central Depository Company of Pakistan Limited, as the Trustee.

In our opinion, the Management Company has in all material respects managed the Fund during the six months period ended December 31, 2009 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) Rule, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.



Muhammad Hanif Jakhura
Chief Executive Officer
Central Depository Company
of Pakistan Limited

Karachi: February 24, 2010

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 Income Fund as at December 31, 2009, and the related condensed interim income statement, condensed interim distribution statement, condensed interim cash flow statement and condensed interim statement of movement in unit holders' fund together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial information'), for the half year ended December 31, 2009. The Management Company (ABL Asset Management Company Limited) is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim income statement, condensed interim distribution statement, condensed interim cash flow statement and condensed interim statement of movement in unit holders' fund for the quarters ended December 31, 2009 and December 31, 2008 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2009.

Scope of Review

We conducted our review in accordance with the 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, 2009 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.



Chartered Accountants
Dated: February 24, 2010
Karachi


**ABL INCOME FUND
CONDENSED INTERIM STATEMENT OF
ASSETS AND LIABILITIES**

AS AT DECEMBER 31, 2009

	Note	(Unaudited) December 31, 2009	(Audited) June 30, 2009
Rupees in '000			
ASSETS			
Bank balances	4	503,997	914,798
Investments	5	7,107,072	5,934,000
Profit receivable	6	156,392	112,863
Security deposits and prepayments		231	100
Preliminary expenses and floatation costs		3,718	4,222
Total assets		7,771,410	6,965,983
LIABILITIES			
Payable to ABL Asset Management Company Limited - Management Company	7	15,094	12,083
Payable to the Central Depository Company of Pakistan Limited - Trustee		825	622
Payable to the Securities and Exchange Commission of Pakistan		3,142	2,194
Dividend payable		70,250	77,701
Payable against redemption of units		329	760
Accrued expenses and other liabilities	8	256	447
Total liabilities		89,896	93,807
NET ASSETS		7,681,514	6,872,176
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		7,681,514	6,872,176
CONTINGENCIES AND COMMITMENTS	9		
(Number of units)			
NUMBER OF UNITS IN ISSUE		767,435,731	686,081,119
(Rupees)			
NET ASSET VALUE PER UNIT		10.0093	10.0166
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)


MR. SHAKEB MURAD
Director


MR. KAMRAN NISHAT
Director

Note: These Condensed Interim Financial Statements have been signed by two Directors, instead of the Chief Executive and one Director, as the company currently does not have a Chief Executive.


**ABL INCOME FUND
CONDENSED INTERIM INCOME STATEMENT
(UNAUDITED)**

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2009

Note	For the half year ended December 31, 2009	For the period from September 20, 2008 to December 31, 2008	For the quarter ended December 31, 2009	For the quarter ended December 31, 2008
INCOME				
	607	-	-	-
Gain on sale of investments	68,871	-	44,075	-
Income from Government Securities	235,540	71,833	105,166	65,229
Income from Term Deposit Receipts	68,152	-	44,619	-
Income from Certificates of Investment	1,306	1,304	-	1,304
Income from Certificates of Deposit	44,477	8,560	26,128	6,714
Income from Letters of Placement	16,582	-	6,820	-
Income from Reverse Repurchase transactions	87,060	2,385	43,315	2,123
Profit on bank accounts				
	522,595	84,082	270,123	75,370
Unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss - 'held for trading'	(5,109)	-	2,097	-
	517,486	84,082	272,220	75,370
EXPENSES				
Remuneration of ABL Asset Management Company Limited - Management Company	62,834	7,565	32,941	6,744
Remuneration of Central Depository Company of Pakistan Limited - Trustee	4,693	789	2,448	704
Annual fee - Securities and Exchange Commission of Pakistan	2,892	452	1,647	397
Brokerage and other transaction costs	559	155	163	66
Bank charges	273	34	80	21
Auditors' remuneration	247	134	151	120
Amortization of preliminary expenses and floatation costs	504	282	252	243
Printing charges	17	91	17	81
Listing fee	20	58	10	52
Annual rating fee	88	62	44	52
Other expenses	3	2	2	2
Total operating expenses	72,130	9,624	37,755	8,482
Net income from operating activities	445,356	74,458	234,465	66,888
Element of income/ (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net	13,801	9,442	(24,004)	9,842
Net income for the period before taxation	459,157	83,900	210,461	76,730
Taxation	11	-	-	-
Net income for the period after taxation	459,157	83,900	210,461	76,730
Other comprehensive income for the period				
Element of income/ (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed - net	3,882	-	-	-
Total comprehensive income for the period	463,039	83,900	210,461	76,730
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)


MR. SHAKEB MURAD
Director


MR. KAMRAN NISHAT
Director

Note: These Condensed Interim Financial Statements have been signed by two Directors, instead of the Chief Executive and one Director, as the company currently does not have a Chief Executive.


**ABL INCOME FUND
CONDENSED INTERIM DISTRIBUTION
STATEMENT (UNAUDITED)**

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2009

	For the half year ended December 31, 2009	For the period from September 20, 2008 to December 31, 2008	For the quarter ended December 31, 2009	For the quarter ended December 31, 2008
Rupees in'000				
Opening undistributed income - realised	11,365	-	19,920	7,170
- unrealised	-	-	(7,206)	-
	<u>11,365</u>	<u>-</u>	<u>12,714</u>	<u>7,170</u>
Interim distribution: - Re 0.2783 per unit on December 30, 2009 (2008: Re 0.4165 per unit on December 31, 2008)	(70,250)	(64,886)	(70,250)	(64,886)
Cash distribution	(145,768)	(17,261)	(145,768)	(17,261)
Issue of bonus units				
Interim distribution: - Re 0.2731 per unit on September 29 2009 (2008: Nil)	(98,392)	-	-	-
Cash distribution	(152,837)	-	-	-
Issue of bonus units				
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed	3,882	-	-	-
Net income for the period	<u>459,157</u>	<u>83,900</u>	<u>210,461</u>	<u>76,730</u>
Undistributed income carried forward	<u>7,157</u>	<u>1,753</u>	<u>7,157</u>	<u>1,753</u>
Undistributed income comprising:				
Realised income	12,266	1,753	12,266	1,753
Unrealised income	(5,109)	-	(5,109)	-
	<u>7,157</u>	<u>1,753</u>	<u>7,157</u>	<u>1,753</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)


MR. SHAKEEB MURAD
Director


MR. KAMRAN NISHAT
Director

Note: These Condensed Interim Financial Statements have been signed by two Directors, instead of the Chief Executive and one Director, as the company currently does not have a Chief Executive.


**ABL INCOME FUND
CONDENSED INTERIM STATEMENT OF
MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)**

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2009

	For the half year ended December 31, 2009	For the period from September 20, 2008 to December 31, 2008	For the quarter ended December 31, 2009	For the quarter ended December 31, 2008
Rupees in'000				
Net Assets at the beginning of the period	6,872,176	-	8,773,097	1,723,039
Issue of 973,371,075 units (251,587,197 units for the half year ended December 31, 2008)	9,865,530	2,533,775	3,772,113	687,941
Redemption of 921,876,955 units (54,355,348 units for the half year ended December 31, 2008)	(9,332,906)	(552,015)	(5,027,911)	(421,650)
	<u>532,624</u>	<u>1,981,760</u>	<u>(1,255,798)</u>	<u>266,291</u>
Issue of 29,860,492 bonus units (2008: 1,726,063 units)	298,605	17,261	145,768	17,261
Net element of (income)/ loss and capital (gains) / losses included in prices of units issued less those in units redeemed				
- amount representing (income) / loss and capital (gains)/ losses - transferred to Income Statement	(13,801)	(9,442)	24,004	(9,842)
- amount representing (income)/ loss and capital(gains)/ losses - transferred to other comprehensive income	(3,882)	-	-	-
	<u>(17,683)</u>	<u>(9,442)</u>	<u>24,004</u>	<u>(9,842)</u>
Other net income for the period	463,659	83,900	208,364	76,730
Capital (loss) / gain on sale of investments	607	-	-	-
Unrealised (diminution) / appreciation on re-measurement of investments at fair value through profit or loss - net	(5,109)	-	2,097	-
Net element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed				
- amount representing income / (losses) included in other comprehensive income	3,882	-	-	-
Total comprehensive income / (loss) for the period	<u>463,039</u>	<u>83,900</u>	<u>210,461</u>	<u>76,730</u>
Interim distribution: - Re 0.2783 per unit on December 30, 2009 (2008: Re 0.4165 per unit on December 31, 2008)	(70,250)	(64,886)	(70,250)	(64,886)
Cash distribution	(145,768)	(17,261)	(145,768)	(17,261)
Issue of bonus units				
Interim distribution: - Re 0.2731 per unit on September 29 2009 (2008: Nil)	(98,392)	-	-	-
Cash distribution	(152,837)	-	-	-
Issue of bonus units				
	<u>(467,247)</u>	<u>(82,147)</u>	<u>(216,018)</u>	<u>(82,147)</u>
Net assets as at the end of the period	<u>7,681,514</u>	<u>1,991,332</u>	<u>7,681,514</u>	<u>1,991,332</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)


MR. SHAKEEB MURAD
Director


MR. KAMRAN NISHAT
Director

Note: These Condensed Interim Financial Statements have been signed by two Directors, instead of the Chief Executive and one Director, as the company currently does not have a Chief Executive.


**ABL INCOME FUND
CONDENSED INTERIM CASH FLOW STATEMENT
(UNAUDITED)**

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2009

	For the half year ended December 31, 2009	For the period from September 20, 2008 to December 31, 2008	For the quarter ended December 31, 2009	For the quarter ended December 31, 2008
Rupees in '000				
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income for the period before taxation	459,157	83,900	210,461	76,730
Adjustment for non-cash charges and other items;				
Amortisation of preliminary expenses and floatation costs	504	282	252	243
Remuneration of ABL Asset Management Company Limited - Management Company	62,834	7,565	32,941	6,744
Remuneration of Central Depository Company of Pakistan Limited - Trustee	4,693	789	2,448	704
Unrealised diminution / (appreciation) on re-measurement of investments classified as "financial assets at fair value through profit or loss"	5,109	-	(2,097)	-
Net element of (income)/ loss and capital (gains)/ losses included in prices of units issued less those in units redeemed	(13,801)	(9,442)	24,004	(9,842)
	518,496	83,094	268,009	74,579
(Increase)/ decrease in assets				
Profit receivable	(43,529)	(25,980)	(19,821)	(20,242)
Investments	(2,548,181)	(219,000)	1,203,918	206,000
Security deposits and prepayment	(131)	(310)	(101)	4,444
	(2,591,841)	(245,290)	1,183,996	190,202
Increase/ (decrease) in liabilities				
Payable to Securities and Exchange Commission of Pakistan	948	452	1,647	397
Accrued expenses and other liabilities	(191)	261	(407)	(4,642)
Payable against redemption of units	(431)	-	(126,679)	(330)
	326	713	(125,439)	(4,575)
Remuneration paid to ABL Asset Management Company Limited - Management Company	(59,823)	(5,182)	(32,723)	(5,182)
Remuneration paid to Central Depository Company of Pakistan Limited - Trustee	(4,490)	(544)	(2,431)	(544)
Net cash (used in)/ generated from operating activities	(2,137,332)	(167,209)	1,291,412	254,480
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividend paid	(176,093)	-	(98,392)	-
Net receipts/ (payments) against issuance/ (redemption) of units	532,624	1,981,760	(1,255,798)	266,291
Net cash generated from/ (used in) financing activities	356,531	1,981,760	(1,354,190)	266,291
Net (decrease) / increase in cash and cash equivalents	(1,780,801)	1,814,551	(62,778)	520,771
Cash and cash equivalents at the beginning of the period	3,814,798	-	2,096,775	1,293,780
Cash and cash equivalents at the end of the period	4.1 2,033,997	1,814,551	2,033,997	1,814,551

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

For ABL Asset Management Company Limited
(Management Company)


MR. SHAKEB MURAD
Director


MR. KAMRAN NISHAT
Director

Note: These Condensed Interim Financial Statements have been signed by two Directors, instead of the Chief Executive and one Director, as the company currently does not have a Chief Executive.

**ABL INCOME FUND
NOTES TO AND FORMING PART OF THE CONDENSED
INTERIM FINANCIAL STATEMENTS (UNAUDITED)**

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2009

1 LEGAL STATUS AND NATURE OF BUSINESS

ABL Income Fund (the Fund) was established under a Trust Deed executed on June 16, 2008 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 (Establishment and Regulations) Rules, 2003 (NBFC Rules). The Securities and Exchange Commission of Pakistan (SECP) approved the revised/ amended Trust Deed of the Fund on June 6, 2008. The Fund commenced its operations on September 20, 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 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 mutual fund and is listed on the Karachi Stock Exchange (Guarantee) Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund.

JCR-VIS Credit Rating Company Limited has assigned a management quality rating of 'AM3' to the Management Company and fund stability rating of "A+(f)" to the Fund.

The objective of the Fund is to earn superior risk adjusted rate of return by investing in a blend of short, medium and long-term instruments. The Fund, in line with its investment objectives, invests primarily in money and debt markets, certificate of investments, clean placements and other absolute return instruments.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. 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 directives issued by the Securities and Exchange Commission of Pakistan (SECP). Where ever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or 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 disclosure made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34; 'Interim Financial Reporting'.

These condensed interim financial statements are unaudited. However, limited scope review has been performed by the statutory auditors in accordance with the requirements of clause (xxi) of the Code of Corporate Governance and these condensed interim financial statements are being circulated to the unit holders as required under the NBFC Regulations.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies adopted 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, 2009 except for the change mentioned below:

IAS 1 (revised), 'Presentation of financial statements'. The revised standard prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity. It requires non-owner changes in equity to be presented separately from owner changes in equity. All non-owner changes in equity are required to be shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). Where entities restate or reclassify comparative information, they are required to present a restated statement (referred to as the statement of assets and liabilities in these condensed interim financial statements) as at the beginning of the comparative period, in addition to the current requirement to present statements of financial position at the end of the current period and comparative period.

The Fund has applied IAS 1 (revised) from July 1, 2009, and has elected to present one performance statement. As a result non-owner changes in equity which were previously credited directly in the statement of movement in unit holders' fund and the distribution statement are now shown as other comprehensive income in the performance statement (referred to as condensed interim income statement in these condensed interim financial statements). The change in presentation has not affected the values of the net assets of the Fund for either the current or any of the prior periods and hence restated statement of assets and liabilities has not been presented.

- 3.2 The following new standards and amendments to existing standards are mandatory for the first time for the financial year beginning July 1, 2009:

IAS 39 (amendment), 'Financial instruments: Recognition and measurement'. The amendment was part of the IASB's annual improvements project published in May 2008. The definition of financial asset or financial liability at fair value through profit or loss as it relates to items that are held for trading was amended. This clarifies that a financial asset or liability that is part of a portfolio of financial instruments managed together with evidence of an actual recent pattern of short-term profit taking is included in such a portfolio on initial recognition. The adoption of the amendment did not have a significant impact on the Fund's financial statements.

IFRS 7 (amendment) 'Financial instruments: Disclosures'. The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. The adoption of the amendment results in additional disclosures, which would be detailed in the financial statements for the period ending June 30, 2010, but does not have an impact on the Fund's financial position or performance.

IAS 32 (amendment), 'Financial instruments: Presentation', and IAS 1 (amendment), 'Presentation of financial statements – Puttable financial instruments and obligations arising on liquidation'. The amended standards require entities to classify puttable financial instruments, or components of instruments that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation as equity, provided the financial instruments have particular features and meet specific conditions, including that all financial instruments in the class of instruments that is subordinate to all other instruments have identical features. One of the particular features is that apart from the contractual obligation for the issuer to repurchase or redeem the instrument for cash or another financial asset, the instrument does not include any contractual obligation to deliver cash or another financial asset to another entity. In this connection, Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 mandates the payment of 90% of the Fund's profits for the year as dividends, therefore the amendment has not changed the classification of units.

- 3.3 There are other standards, amendments and interpretations that were mandatory for accounting periods beginning on or after July 1, 2009 but were considered not to be relevant or did not have any significant effect on the Fund's operations.

	Note	(Unaudited) December 31, 2009	(Audited) June 30, 2009
(Rupees in '000)			
4 BANK BALANCES			
Saving accounts		503,997	914,798
		<u>503,997</u>	<u>914,798</u>
4.1 CASH AND CASH EQUIVALENTS			
Balances with banks		503,997	914,798
Term deposit receipts		1,530,000	2,900,000
		<u>2,033,997</u>	<u>3,814,798</u>
5 INVESTMENTS			
Financial assets at fair value through profit or loss - held for trading	5.1	1,522,072	-
Loans and receivables	5.2	5,585,000	5,934,000
		<u>7,107,072</u>	<u>5,934,000</u>

5.1 Financial assets at fair value through profit or loss - Held for trading

Issue Date	Tenor	Face Value				Balance as at December 31, 2009		Market value as a percentage of net assets	Market value as a percentage of total investment
		As at July 1, 2009	Purchases during the period	Disposed/matured during the period	As at Dec 31, 2009	Cost	Market value		
January 29, 2009	12 months	-	200,000	200,000	-	-	-	-	-
February 12, 2009	12 months	-	100,000	-	100,000	98,704	98,630	1.28%	1.39%
February 12, 2009	12 months	-	100,000	-	100,000	98,696	98,630	1.28%	1.39%
March 26, 2009	12 months	-	200,000	-	200,000	194,869	194,586	2.53%	2.74%
June 18, 2009	12 months	-	200,000	-	200,000	190,012	189,432	2.47%	2.67%
July 16, 2009	12 months	-	100,000	-	100,000	94,487	93,889	1.22%	1.32%
July 30, 2009	12 months	-	400,000	400,000	-	-	-	0.00%	0.00%
July 30, 2009	12 months	-	200,000	-	200,000	187,923	186,963	2.43%	2.63%
July 30, 2009	12 months	-	400,000	-	400,000	376,082	373,926	4.87%	5.26%
August 13, 2009	12 months	-	100,000	100,000	-	-	-	0.00%	0.00%
August 13, 2009	12 months	-	100,000	100,000	-	-	-	0.00%	0.00%
August 13, 2009	12 months	-	100,000	-	100,000	93,353	93,077	1.21%	1.31%
August 27, 2009	12 months	-	50,000	-	50,000	46,406	46,338	0.60%	0.65%
September 10, 2009	6 months	-	50,000	-	50,000	48,881	48,867	0.64%	0.69%
September 10, 2009	6 months	-	50,000	-	50,000	48,883	48,867	0.64%	0.69%
September 10, 2009	6 months	-	50,000	-	50,000	48,885	48,867	0.64%	0.69%
		-	2,400,000	800,000	1,600,000	1,527,181	1,522,072		
Total - June 30, 2009									

	(Unaudited) December 31, 2009	(Audited) June 30, 2009
(Rupees in '000)		
5.2 Loans and receivables		
Certificates of Investment	900,000	500,000
Certificate of Deposit	-	79,000
Term Deposit Receipts	4,685,000	5,355,000
	<u>5,585,000</u>	<u>5,934,000</u>
6 PROFIT RECEIVABLE		
Interest accrued on Term Deposit Receipts	120,174	79,983
Interest accrued on Certificates of Investment	25,013	11,778
Interest accrued on Certificates of Deposit	-	5,648
Markup accrued on bank deposits	11,205	15,454
	<u>156,392</u>	<u>112,863</u>
7 PAYABLE TO ABL ASSET MANAGEMENT COMPANY LIMITED - MANAGEMENT COMPANY		
Management fee	11,094	8,083
Preliminary expenses and flotation costs	4,000	4,000
	<u>15,094</u>	<u>12,083</u>
8 ACCRUED EXPENSES AND OTHER LIABILITIES		
Auditors' remuneration	192	242
Brokerage	42	60
Printing charges	22	145
	<u>256</u>	<u>447</u>

9 CONTINGENCIES AND COMMITMENTS

9.1 The Finance Act 2008 introduced an amendment to the Workers Welfare Fund Ordinance, 1971 (WWF Ordinance) whereby the definition of "Industrial Establishment" was amended to include therein any establishment to which the West Pakistan Shops and Establishment Ordinance, 1969 applies. As a result of this amendment, it can be construed that all Collective Investment Schemes (CIS) whose income exceeds Rs 0.5 million in a tax year are brought within the purview and scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of 2 percent of their accounting or taxable income, whichever is higher. In case of the Fund, such contribution works out to Rs 17.151 million (including an amount of Rs 7.967 million pertaining to the period ended June 30, 2009). However, the final contribution amount will be based on the income earned by the Fund for the year ending June 30, 2010.

To avoid any claim in this regard by the relevant authorities, the Mutual Funds Association of Pakistan (MUFAP) filed a constitutional petition in the High Court of Sindh praying it to declare that CIS are not liable to pay contribution to the WWF on the ground that CIS do not have any workers or employees. The legal proceedings in respect of the aforementioned petition are currently in progress and the outcome cannot be reasonably ascertained.

The Management Company, based on the advice of the MUFAP's legal counsel is confident of favorable decision and accordingly no provision for any liability that may arise in this respect has been made in these condensed interim financial statements.

9.2 There were no other contingencies and commitments outstanding as at June 30, 2009 and December 31, 2009.

10 EARNINGS PER UNIT (EPU)

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

11 TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed among the unit holders. The fund intends to distribute such income at the year end to avail this tax exemption. Accordingly, no tax liability has been recorded for the current period.

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.

12 TRANSACTIONS WITH CONNECTED PERSONS

Connected persons/ Related parties include ABL Asset Management Company Limited being the Management Company, Allied Bank Limited, ABL Asset Management Company Limited - Staff Provident Fund, Allied Bank Limited- Employees Superannuation (Pension) Fund, ABL Staff Provident Fund being entities under common management and/ or directorship, Central Depository Company being the trustee of the fund and the directors and officers of the management company.

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

12.1 Details of transactions with connected persons are as follows:

	(Unaudited)			
	For the half year ended December 31, 2009	For the period from September 20, 2008 to December 31, 2008	For the Quarter ended December 31, 2009	For the Quarter ended December 31, 2008
Rupees in '000				
ABL Asset Management Company Limited - Management Company				
Issue of 21,731,421 units (2008: 15,413,415 units)	220,372	155,000	70,000	25,000
Bonus of 725,440 units (2008: 397,965 units)	7,254	166	3,955	166
Redemption of 15,865,068 units (2008: 5,858,427 units)	161,300	60,000	28,600	60,000
Remuneration for the period	62,834	7,565	32,941	6,744
Allied Bank Limited				
Issue of 97,568,591 units (2008: 75,000,000 units)	1,000,000	750,000	-	-
Cash dividend	68,001	31,238	20,872	31,238
Markup income	36,883	115	27,558	115
Bank charges	80	-	46	-
Redemption of 97,568,591 units (2008: Nil)	976,798	-	-	-
ABL Asset Management Company Limited - Staff Provident Fund				
Issue of 111,692 units (2008: 86,223 units)	1,127	879	548	619
Bonus of 4,482 units (2008: 2,059 units)	45	21	17	21
Redemption of 69,712 units (2008: 36,767 units)	710	376	710	-
ABL- Employees Superannuation (Pension) Fund				
Issue of: Nil (2008: 39,880,238 units)	-	405,000	-	155,000
Cash dividend	21,990	16,610	11,099	16,610
ABL- Staff Provident Fund				
Issue of: Nil (2008: 2,644,829 units)	-	27,000	-	27,000
Cash dividend	1,458	1,102	736	1,102
CHAIRMAN OF THE MANAGEMENT COMPANY				
Sheikh Mukhtar Ahmad				
Bonus of 602 units (2008: Nil)	6	-	3	-
DIRECTORS OF THE MANAGEMENT COMPANY				
Mr. Muhammad Javaid Iqbal				
Bonus of 1,685 units (2008: Nil)	17	-	9	-
Mr. Shakeb Murad				
Bonus of 1,675 units (2008: Nil)	17	-	9	-

	(Unaudited)			
	For the half year ended December 31, 2009	For the period from September 20, 2008 to December 31, 2008	For the Quarter ended December 31, 2009	For the Quarter ended December 31, 2008
		Rupees in '000		

KEY MANAGEMENT PERSONNEL**Executives**

Issue of 159,563 units (2008: 259,978 units)	1,620	2,645	921	2,405
Bonus of 8,316 units (2008: 5,494 units)	83	55	30	55
Redemption of 205,748 units (2008: 128,060 units)	2,084	1,302	2,004	1,302

TRUSTEE

Central Depository Company of Pakistan Limited Remuneration for the period	4,693	789	2448	704
CDS Connection Fee	3	-	1	-

	(Unaudited) December 31, 2009	(Audited) June 30, 2009
	Rupees in '000	

12.2 Amounts outstanding as at period / year end

ABL Asset Management Company Limited - Management Company		
Outstanding 14,608,873 units (June 30 2009: 8,017,080 units)	146,225	80,304
Preliminary expenses and floatation costs payable	4,000	4,000
Remuneration payable to management company	11,094	8,083
Allied Bank Limited		
Outstanding 75,000,000 units (June 30 2009: 75,000,000 units)	750,698	751,245
Cash dividend payable	20,873	51,284
Bank balances	69,785	153,685
Mark up accrued	38,105	1,801
Term Deposit Receipts	1,155,000	155,000
ABL Asset Management Company Limited - Staff Provident Fund		
Outstanding 93,213 units (June 30 2009: 46,751 units)	933	468
ABL- Employees Superannuation (Pension) Fund		
Outstanding 39,880,238 units (June 30, 2009: 39,880,238 units)	399,173	399,464
Cash dividend payable	11,091	11,848
ABL- Staff Provident Fund		
Outstanding 2,644,829 units (June 30, 2009: 2,644,829 units)	26,473	26,492
Cash dividend payable	736	786
CHAIRMAN OF THE MANAGEMENT COMPANY		
Sheikh Mukhtar Ahmad		
Outstanding 11,373 units (June 30, 2009: 10,771 units)	114	108

	(Unaudited) December 31, 2009	(Audited) June 30, 2009
	Rupees in '000	

DIRECTORS OF THE MANAGEMENT COMPANY

Mr. Muhammad Javaid Iqbal		
Outstanding 31,830 units (June 30, 2009: 30,145 units)	319	302

Mr. Shakeb Murad		
Outstanding 31,636 units (June 30, 2009: 29,961 units)	317	300

KEY MANAGEMENT PERSONNEL

Executives		
Outstanding 103,113 units (June 30, 2009: 140,982 units)	1,032	1,412

Central Depository Company of Pakistan Limited - Trustee		
Remuneration and CDC connection fee payable	825	622

13 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on February 24, 2010 by the Board of Directors of the Management Company.


14 GENERAL

14.1 Figures have been rounded off to the nearest thousand rupees unless otherwise specified.

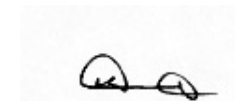
14.2 Corresponding figures have been rearranged and reclassified, where necessary, for the purpose of comparison. Significant reclassifications include the following:

- an amount of Rs 2,900 million has been reclassified from bank balances to investments under the head 'loans and receivables'.

- no other significant rearrangements or reclassifications were made except as required because of the change in accounting policy as more fully explained in note 3.1.

**For ABL Asset Management Company Limited
(Management Company)**


MR. SHAKEB MURAD
Director



MR. KAMRAN NISHAT
Director

Note: These Condensed Interim Financial Statements have been signed by two Directors, instead of the Chief Executive and one Director, as the company currently does not have a Chief Executive.