

CONDENSED INTERIM
FINANCIAL
STATEMENTS

for the period from September 20, 2008 to September 30, 2008

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FUND'S 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	Chairman
	Mr. Mohammad Aftab Manzoor	Director
	Mr. M. Jawaid Iqbal	Director
	Mr. Muhammad Yaseen	Director
	Mr. M. Shakeb Murad	Director
	Mr. Samad Dawood	Director
	Mr. Anis ur Rahman	Director
Audit Committee:	Mr. Mohammad Aftab Manzoor	Chairman
	Muhammad Yaseen	Member
	Mr. Samad Dawood	Member
Chief Executive Officer of the Management Company:	Mr. Anis ur Rahman, CFA	
Chief Operating Officer & Company Secretary of the Management Company:	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. 13 – 16, Mezzanine Floor, Progressive Plaza, Beaumont Road, Karachi.	
Bankers to the Fund:	Allied Bank Limited Bank Al- Falah Limited United Bank Limited	
Distributor:	Allied Bank Limited	
Auditor:	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.	

REPORT OF THE DIRECTOR'S 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 condensed interim financial statements (un-audited) of ABL-IF for the period from September 20, 2008 to September 30, 2008.

FINANCIAL PERFORMANCE

Net assets under management as on September 30, 2008 were Rs.1,723 million showing a decrease of 5.5% since the launch of the fund on September 20, 2008. However the unit price increased by 0.42% from its par value of Rs.10.0 to Rs.10.0418 as on September 30, 2008 translating into an annualized return of 13.87%.

ABL Income Fund earned a total income of Rs.8.712 million for period from September 20, 2008 to September 30, 2008. 78.80% of the interest income was earned from deposits with banks amounting to Rs.6.865 million where as the remaining Rs.1.846 million income was earned from placements. After accounting for expenses of Rs.1.142 million, the net income from operating activities for the period stands at Rs.7.57 million.

MARKET PERFORMANCE

The global financial market has been experiencing unprecedented liquidity crisis. Although the local market has not been directly affected by the global financial turmoil, recently we have seen liquidity pressure resulting in higher interest rates. In addition political instability and security concerns have added to the flight of foreign exchange. This coupled with dollarization of the rupee has led to depreciation of rupee against the US Dollar and have exerted further pressure on the financial system. The manufacturing and service sectors are succumbing to the brunt of high interest rates and currency devaluation as well. We believe that the government will have to approach the multilateral lending agencies to offer a stabilization program for the country.

INVESTMENT OUTLOOK

We feel that interest rates will remain under pressure in the near future; however the SBP is expected to intervene and provide a cushion to the market in order to facilitate upcoming credit requirements. Inflation figures have reduced but growth has drastically been impaired. The floor on the stock market has curtailed flight of foreign portfolio investments and up on removal, it is expected that liquidity pressures may increase.

ASSET ALLOCATION

The asset allocation as at September 30, 2008 was as follows:

Bank Deposits	72.5%
Placements	24.7%
Others	2.8%
Total	100.0%

In concurrence to the above stated factors the fund is invested in liquid or near cash assets. Thus the fund is able to offer superior returns with low levels of risk and is liquid enough to easily manage its cash flows.

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 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 unswerving commitment and hard work

For and on behalf of the Board.



ANIS UR RAHMAN
CEO

Karachi, October 30, 2008


CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED)

AS AT SEPTEMBER 30, 2008

	Note	September 30, 2008 Rupees
ASSETS		
Bank balances	4	1,293,779,813
Placements	5	425,000,000
Mark-up accrued		5,738,352
Formation cost (net of amortization)	6	4,960,851
Prepayments		1,153,730
Security deposits		3,600,000
Total assets		1,734,232,746
LIABILITIES		
Payable to unit holders		330,497
Remuneration payable to the management company		820,933
Trustee fee payable		84,866
Annual fee payable to SECP		54,729
Accrued and other liabilities	7	9,902,620
Total liabilities		11,193,645
NET ASSETS		<u>1,723,039,101</u>
UNIT HOLDERS' FUND		
Unit holders' funds (as per statment attached)		<u>1,723,039,101</u>
Number of units in issue		<u>171,586,945</u>
Net assets value per unit		<u>10.0418</u>

The annexed notes from 1 to 10 form an integral part of these financial statements.

For ABL Asset Management Comapny Limited
(Managment Company)



ANIS UR RAHMAN
CEO



MUHAMMAD YASEEN
DIRECTOR

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)

FOR THE PERIOD FROM SEPTEMBER 20, 2008 TO SEPTEMBER 30, 2008

For the period from
September 20, 2008 to
September 30, 2008
Rupees

INCOME

Mark-up income from bank balances	6,865,230
Mark-up income from placements	1,846,439
	8,711,669

EXPENSES

Remuneration of the Management Company	820,933
Remuneration of the Trustee	84,866
Annual fee - SECP	54,729
Brokerage	88,944
Auditor's remunerations	13,706
Printing charges	9,790
Annual rating fee	7,832
Listing fee	6,270
Amortization of formation cost	39,149
Bank charges	13,205
Others	2,350
	1,141,774

Net income from operating activities 7,569,895

Element of income /(loss) and capital gains
included in prices of units sold less those in units redeemed (400,244)

Net income for the period 7,169,651

Earnings per unit 0.0418

The annexed notes from 1 to 10 form an integral part of these financial statements.

For ABL Asset Management Company Limited
(Management Company)



ANIS UR RAHMAN
CEO



MUHAMMAD YASEEN
DIRECTOR

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUNDS (UN-AUDITED)

FOR THE PERIOD FROM SEPTEMBER 20, 2008 TO SEPTEMBER 30, 2008

	For the period from September 20, 2008 to September 30, 2008	
	Units	Rupees
Net assets at the beginning of the period	-	-
Amount received on issue of units during the period	184,581,944	1,845,834,111
Amount paid on redemption of units during the period	(12,994,999)	(130,364,905)
	171,586,945	1,715,469,206
Element of income/ (loss) and capital gain included in prices of units sold less those in units redeemed	-	400,244
Net income for the period	-	7,169,651
Net assets at the end of the period	171,586,945	1,723,039,101

The annexed notes from 1 to 10 form an integral part of these financial statements.

For ABL Asset Management Company Limited
(Management Company)



ANIS UR RAHMAN
CEO



MUHAMMAD YASEEN
DIRECTOR

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE PERIOD FROM SEPTEMBER 20, 2008 TO SEPTEMBER 30, 2008

For the period from
September 20, 2008 to
September 30, 2008
Rupees

CASH FLOWS FROM OPERATING ACTIVITIES

Net income for the period 7,169,651

Adjustment for:

Element of income /(loss) and capital gains included in prices of units sold less those in units redeemed	400,244
Amortization of formation cost	39,149
	7,609,044

Increase in assets

Formation cost	(5,000,000)
Mark-up accrued	(5,738,352)
Prepayments	(1,153,730)
	(11,892,082)

Increase in liabilities

Remuneration payable to the management company	820,933
Accrued and other liabilities	9,902,620
Trustee fee payable	84,866
Annual fee payable to SECP	54,729
Payable to units holders	330,497
	11,193,645

Security deposits	(3,600,000)
Cash generated from operating activities	3,310,607

CASH FLOWS FROM INVESTING ACTIVITIES

Placements	(425,000,000)
Cash used in investing activities	(425,000,000)

CASH FLOWS FROM FINANCING ACTIVITIES

Amount received on issue of units during the period	1,845,834,111
Amount paid on redemption of units during the period	(130,364,905)

Net cash inflow from financing activities	1,715,469,206
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Net increase in cash and cash equivalents	1,293,779,813
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Cash and cash equivalents at the beginning of the period	-
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Cash and cash equivalents at the end of the period	1,293,779,813
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The annexed notes from 1 to 10 form an integral part of these financial statements.

For ABL Asset Management Company Limited
(Management Company)



ANIS UR RAHMAN
CEO



MUHAMMAD YASEEN
DIRECTOR

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE PERIOD FROM SEPTEMBER 20, 2008 TO SEPTEMBER 30, 2008

1 LEGAL STATUS AND NATURE OF BUSINESS

The ABL Income Fund (the Fund) is an open ended fund constituted by a trust deed entered into on June 16, 2008 between ABL Asset Management Company Limited (ABLAMC) as the management company and Central Depository Company of Pakistan Limited (CDC) as trustee, in accordance with the Non- Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The registered office of the management company is situated at 11-B, Lalazar, M.T. Khan Road, Karachi.

Units of the Fund are offered for public subscription on a continuous basis from September 20, 2008, and are transferable and redeemable by surrendering them to the Fund. The Fund is listed on the Karachi Stock Exchange (Guarantee) Limited.

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, both within and outside Pakistan. The Fund in line with its investment objectives will be investing primarily in money and debt markets, CFS and any other product, COI's, clean placements, spread transactions, derivatives and other absolute return instruments/ approved products.

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 Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2007 (the NBFC Regulations) and 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 directives issued by SECP differ with the requirements of IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by SECP prevail. The disclosure made in these condensed interim financial statements have, however, been limited based on requirements of the International Accounting Standard 34; 'Interim Financial Reporting'.

These condensed interim financial statements are un-audited.

The comparative information of the Balance sheet, Income Statement, Movement in Units Holders' Funds and Cash Flow Statement have not been presented in these condensed interim financial statements as this the first year of the Fund's operation.

2.2 Critical accounting estimates and judgments

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

2.3 Accounting Convention

These condensed interim financial statements have been prepared under the historical cost convention.

2.4 Functional and Presentation Currency

These condensed interim financial statements are presented in Pak Rupees which is the Fund's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these condensed interim financial statements are set out below:

3.1 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are carried in the balance sheet at cost.

3.2 Impairment Loss

The carrying value of the Fund's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the assets recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the income statement.

3.3 Accrued and other liabilities

Accrued and other liabilities are recognised initially at fair value and subsequently carried at amortized cost.

3.4 Provisions

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.5 Issue and redemption of units

Units issued are recorded at the offer price, determined by the management company for the application received by the distribution company/ management company during business hours on that day. Units redeemed are recorded at the redemption price applicable to units for which the distribution company/ management company receives redemption application during business hours of that day.

3.6 Revenue recognition

- Mark-up on term finance certificates, government securities, letter of placements, commercial paper, certificates of deposits and term deposits are recognised on an accrual basis.
- Profit on bank deposits is recognised on an accrual basis.

3.7 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

An equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' is created, in order to prevent the dilution of income per unit and distribution of income already paid out on redemption.

The "element of income and capital gains in prices of units sold less those in units redeemed" account is created with the amount representing net income and capital gains accounted for in net asset value and included in the sale proceeds of units. Upon redemption of units, the "element of income and capital gains in prices of units sold less those in units redeemed" account is debited with the amount representing net income and capital gains accounted for in net asset value and included in the redemption price.

The net "element of income and capital gains in the price of units sold less those in units redeemed" during an accounting period is transferred to the income statement.

3.8 Taxation

The Fund is exempt from taxation under clause 99 of the Part I of the 2nd Schedule of the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income excluding realised and unrealised capital gains for the year is distributed amongst the Fund's unit

holders. The Fund intends to avail this exemption for current and future periods. Accordingly, no provision is made for current and deferred taxation in these condensed interim financial statements.

3.9 Financial Assets and Financial Liabilities

Financial assets carried on the statement of assets and liabilities include balances with banks, placements and other receivables.

Financial liabilities carried on the statement of assets and liabilities include, payable to ABL Asset Management Company Limited - Management Company, Payable to Central Depository Company of Pakistan Limited -Trustee, payable against redemption of units, and accrued and other liabilities.

At the time of initial recognition, all financial assets and financial liabilities are measured at fair value. The particular recognition method adopted for measurement of financial assets and financial liabilities subsequent to the initial recognition is disclosed in the policy statements associated with each item.

3.10 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

		September 30, 2008 Rupees (Un-Audited)
4	BANK BALANCES	Note
	In PLS deposit accounts	4.1 43,779,813
	In Term deposit accounts	4.2 1,250,000,000
		<u>1,293,779,813</u>

4.1 These PLS accounts carry mark-up at rates ranging from 11.50% to 12.50% per annum and include Rs.5,617,530 with Allied Bank Ltd, related party.

4.2 Term deposit account carry mark-up at rates ranging from 15.50% to 17% and will mature by December 2008.

5 PLACEMENTS

5.1 Letter of Placements carry markup at rates ranging from 14.50% to 19% per annum and will mature by October 2008.

6 FORMATION COST (NET OF AMORTIZATION)

6.1 Formation cost means preliminary expenses relating to regulatory and registration fee of the Fund and all other expenses incurred until the end of the Initial Period. These cost are being amortised over a period of five years commencing from September 20, 2008, as per the requirement of the Trust Deed of the Fund.

		September 30, 2008 Rupees (Un-Audited)
7	ACCRUED AND OTHER LIABILITIES	
	Payable to the Management Company	9,782,350
	Auditors' remuneration payable	13,706
	Brokerage payable	88,942
	Other payable	17,622
		<u>9,902,620</u>

For the period from
September 20, 2008 to
September 30, 2008
Rupees
(Un-Audited)

8 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

ABL Asset Management Company Limited (Management Company)

Remuneration	820,933
Sale of 13,000,000 units	130,000,000
Outstanding 13,000,000 units	130,543,400

ABL Asset Management Company Limited - Staff Provident Fund

Sale of 26,000 units	260,000
Outstanding 26,000 units	261,087

Allied Bank Limited

Sale of 75,000,000 units	750,000,000
Outstanding 75,000,000 units	753,135,000

Allied Bank Limited- Employees Superannuation (Pension Fund)

Sale of 25,000,000 units	250,000,000
Outstanding 25,000,000 units	251,045,000

Key Management personnel

Chief Executive Officer

Sale of 10,000 units	100,000
Outstanding 10,000 units	100,418

Executives

Sale of 23,997 units	240,000
Redemption of 17,500 units	175,394
Outstanding 6,497 units	65,244

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

8.2 The outstanding balance of connected persons/related parties are included in the respective notes to the condensed interim financial statements.

9 GENERAL

9.1 Figures have been rounded off to the nearest rupee.

10 DATE OF AUTHOURISATION FOR ISSUE

10.1 These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on October 30th, 2008.

For ABL Asset Management Comapny Limited
(Managment Company)



ANIS UR RAHMAN
CEO



MUHAMMAD YASEEN
DIRECTOR