



**ABLICF**  
ABL Islamic Cash Fund

CONDENSED INTERIM  
**FINANCIAL  
STATEMENTS**  
FOR THE PERIOD FROM JULY 31, 2010  
TO SEPTEMBER 30, 2010

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## FUND'S INFORMATION

<b>Management Company:</b>	ABL Asset Management Company Limited 11 - B, Lalazar M. T. Khan Road, Karachi.	
<b>Board of Directors:</b>	Sheikh Mukhtar Ahmed	Chairman
	Mr. Mohammad Waseem Mukhtar	Director
	Mr. Khalid A. Sherwani	Director
	Mr. M. Jawaid Iqbal	Director
	Mr. Muhammad Yaseen	Director
	Mr. M. Shakeb Murad	Director
	Mr. Kamran Nishat	Director
<b>Audit Committee:</b>	Mr. Kamran Nishat	Chairman
	Mr. Muhammad Yaseen	Member
	Mr. M. Jawaid Iqbal	Member
<b>Chief Executive Officer of The Management Company:</b>	Mr. Farid Ahmed Khan, CFA	
<b>Chief Operating Officer &amp; Company Secretary of the Management Company:</b>	Mr. Sulaiman S. Mehdi	
<b>Chief Financial Officer:</b>	Mr. Saqib Matin	
<b>Head of Internal Audit &amp; Compliance:</b>	Mr. Faisal Nadeem Mangrora	
<b>Trustee:</b>	Central Depository Company of Pakistan Ltd. CDC House, 99-B, Block B, S.M.C.H.S., Shahra-e-Faisal, Karachi-74400.	
<b>Bankers to the Fund:</b>	UBL Ameen	
<b>Distributor:</b>	Allied Bank Limited BMA Financial Services Limited	
<b>Auditor:</b>	A.F. Ferguson & Co. Chartered Accountants State Life Building, No. 1-C I.I. Chundrigar Road, Karachi.	
<b>Legal Advisor:</b>	Bawany & Partners Room No. 404, 4th Floor Beaumont Plaza, 6 - C1 - 10, Beaumont Road, Civil Lines, Karachi.	
<b>Registrar:</b>	ABL Asset Management Company Limited. 11 - B, Lalazar, M. T. Khan Road, Karachi.	
<b>Rating:</b>	Fund Stability: AA(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 Islamic Cash Fund (ABL-ICF), is pleased to present the un-audited Condensed Interim Financial Statements of ABL-ICF for the period ended September 30, 2010.

### ECONOMIC PERFORMANCE REVIEW

Economic conditions suffered another blow during the period under review due to massive floods countrywide and its impact on macro indicators. CPI Inflation swelled to 13.77% YoY during the quarter; consequently, the Discount Rate was increased by a cumulative 100 bps by the Central Bank during the period under review. Higher oil prices and stagnant exports resulted in current account deficit widening to USD944 million in the first two months of the quarter from USD635 million a year earlier. However remittances during the period increased to USD2.65 billion which helped keep some check on the widening deficit. Fiscal picture remained challenging with Government borrowing from central bank swelling to PKR149 billion during the quarter. The money creation helped system liquidity but rising interest rates and high Government borrowing continued to crowd out private sector credit which shrank by 1.7% during the period. Discussions with IMF regarding remaining installments were also in jeopardy as Pakistan did not meet IMF conditions entailing implementation of Reformed GST, removal of power subsidies and resolution of circular debt. On the positive side, foreign exchange reserves increased to USD17 billion, supported by flows from UN, IMF and remittances received during the period.

### MUTUAL FUND INDUSTRY REVIEW

Economic uncertainties have created demand for low risk investment avenues. Due to losses and volatility suffered by corporate sector debt instruments, investors now prefer avenues entailing low risks and capital preservation. Islamic funds constitute a limited portion of the mutual fund industry primarily due to restricted investment avenues. But despite this limitation, these funds offer very competitive returns to their investors and continue to attract savers looking for shariah compliant avenues. As a result, the Islamic money market fund category grew by 19.24% to Rs.6.229 billion as on August 31, 2010 from Rs.5.224 billion in June 30, 2010.

### FUND PERFORMANCE

Since the launch of ABL-ICF on July 30, 2010, its AUM increased by 0.57% to Rs.403 million as on September 30, 2010. During the period, the unit price of ABL-ICF increased by 1.418% to close at 10.1461 (cum dividend) translating into an annualized return of 8.92% since inception to September 30, 2010.

ABL-ICF outperformed its average 3-month deposit rate of three Islamic banks benchmark rate of 6.90% by 202 bps. Dearth of attractive investment opportunities led to placement of funds primarily in bank deposits during the period. Nevertheless returns were higher than the benchmark and insulated investors from volatility. Diversification of investments is underway and investments in various Shariah compliant instruments are being actively explored.

ABL Islamic Cash Fund earned total income of Rs.6.55 million for the period ended September 30, 2010 from deposits with banks. After accounting for expenses of Rs.1.05 million (comprising mainly of the management fee of Rs.0.61 million) net income from operating activities for the period ended September 30, 2010 stood at Rs.5.50 million. With the net element of income/(loss) and capital gains/(losses) of Rs.0.45 million included in the prices of units issued less those in units redeemed and Rs.0.12 million

## REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

provision for Workers' Welfare Fund, the net income for the period ended September 30, 2010 stood at Rs.5.83 million.

### OUTLOOK

Pakistan needs continued support from donors and international agencies to reconstruct infrastructure and rehabilitate flood-affecteds. At the same time, the Government needs to pursue aggressive fiscal reforms to improve tax collection, reduce subsidies and control fiscal deficit. The short term impact of such moves could be a spike in inflation and interest rates. ABL-ICF would maintain a low risk profile during this period by investing in AA and above rated instruments entailing a low duration.

### DIVIDEND

The Chief Executive Officer on behalf of the Board of Directors of ABL Asset Management Company Limited (ABL AMCL), on September 30, 2010 has approved and declared interim distribution of Rs.0.1418 per unit (1.42% of the par value of Rs.10) for ABL-ICF for the period ending September 30, 2010.

### FUND STABILITY RATING

On July 29, 2010, JCR-VIS has assigned preliminary Fund Stability Rating of AA(f)' (Double A(f)) to ABL Islamic Cash Fund (ABL-ICF).

### 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 the 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 unswerving commitment and hard work.

Karachi, October 25, 2010

For and on behalf of the Board.



FARID AHMED KHAN  
CEO

**ABL ISLAMIC CASH FUND  
CONDENSED INTERIM STATEMENT  
OF ASSETS AND LIABILITIES (UN-AUDITED)**

AS AT SEPTEMBER 30, 2010

	Note	September 30, 2010 -----Rupees-----
<b>ASSETS</b>		
Bank Balances	5	403,049,224
Prepaid and other receivables	6	3,476,355
Preliminary expenses and floatation costs	7	3,104,434
<b>Total assets</b>		<b>409,630,013</b>
<b>LIABILITIES</b>		
Payable to ABL Asset Management Company Limited - Management Company	8	3,523,616
Payable to Central Depository Company of Pakistan Limited-Trustee	9	60,004
Payable to Securities and Exchange Commission of Pakistan	10	47,126
Dividend payable		1,466,354
Accrued expenses and other liabilities		1,223,462
<b>Total liabilities</b>		<b>6,320,562</b>
<b>Net Assets</b>		<b>403,309,451</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>403,309,451</b>
<b>CONTINGENCES AND COMMITMENTS</b>	12	Number of units
<b>NUMBER OF UNITS IN ISSUE</b>	13	<b>40,313,576</b>
		Rupees
<b>NET ASSETS VALUE PER UNIT</b>	14	<b>10.0043</b>
<b>FACE VALUE PER UNIT</b>		<b>10.0000</b>

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

For ABL Asset Management Company Limited  
(Management Company)



FARID AHMED KHAN  
CEO



MUHAMMAD YASEEN  
DIRECTOR

**ABL ISLAMIC CASH FUND  
CONDENSED INTERIM  
INCOME STATEMENT (UN-AUDITED)**

FOR THE PERIOD FROM JULY 31, 2010 TO SEPTEMBER 30, 2010

	Note	For the period from July 31, 2010 to September 30, 2010 -----Rupees-----
<b>INCOME</b>		
Profit on bank accounts		6,546,735
		<u>6,546,735</u>
<b>EXPENSES</b>		
Remuneration of ABL Asset Management Company Limited - Management Company		606,396
Remuneration of Central Depository Company of Pakistan Limited ' Trustee		125,841
Annual fee- Securities and Exchange Commission of Pakistan		47,127
Auditors' remuneration		69,400
Amortization of preliminary expenses and floatation cost		119,328
Printing charges		37,016
Annual rating fee		29,612
Listing fee		5,554
Other expenses		7,312
<b>Total operating expenses</b>		<u>1,047,586</u>
<b>Net income from operating activities</b>		<b>5,499,149</b>
Element of accrued income/ (loss) and capital gains/ (losses) included in prices of units issued less those in units redeemed - net		448,273
Provision for workers welfare fund	11	<u>(116,686)</u>
<b>Net income for the period before taxation</b>		<b>5,830,736</b>
Taxation	4.6	<u>-</u>
<b>Net income for the period after taxation</b>		<b>5,830,736</b>
Other comprehensive income for the period		<u>-</u>
<b>Total comprehensive income for the period</b>		<u><u>5,830,736</u></u>
<b>Earnings per unit</b>	15	

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FARID AHMED KHAN  
CEO

For ABL Asset Management Company Limited  
(Management Company)

  
MUHAMMAD YASEEN  
DIRECTOR

**ABL ISLAMIC CASH FUND  
CONDENSED INTERIM  
DISTRIBUTION STATEMENT (UN-AUDITED)**

FOR THE PERIOD FROM JULY 31, 2010 TO SEPTEMBER 30, 2010

	For the period from July 31, 2010 to September 30, 2010
	-----Rupees-----
Net income for the period	5,830,736
Interim distribution	
- Rs.0.1418 per unit on September 29, 2010	
- Issue of bonus units	(4,190,687)
- Cash distribution	(1,466,354)
Undistributed income carried forward	<u>173,695</u>

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.



FARID AHMED KHAN  
CEO

For ABL Asset Management Company Limited  
(Management Company)



MUHAMMAD YASEEN  
DIRECTOR



**ABL ISLAMIC CASH FUND  
CONDENSED INTERIM STATEMENT OF  
MOVEMENT IN UNIT HOLDERS' FUNDS (UN-AUDITED)**

FOR THE PERIOD FROM JULY 31, 2010 TO SEPTEMBER 30, 2010

For the period  
from  
July 31, 2010 to  
September 30, 2010

-----Rupees-----

Issue of 47,950,101 units for the period from July 31, 2010 to September 30, 2010	480,296,833
Redemption of 8,055,594 units for the period from July 31, 2010 to September 30, 2010	(80,903,491)
	399,393,342
Issue of 419,069 bonus units	4,190,687
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed-transferred to income statement	(448,273)
Other net income for the period	5,830,736
Interim distribution	
- Issue of 419,069 bonus units	(4,190,687)
- Cash distribution	(1,466,354)
	173,695
<b>Net assets at the end of the period</b>	<b><u>403,309,451</u></b>

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

For ABL Asset Management Company Limited  
(Management Company)



FARID AHMED KHAN  
CEO



MUHAMMAD YASEEN  
DIRECTOR

**ABL ISLAMIC CASH FUND  
CONDENSED INTERIM CASH  
FLOW STATEMENT (UN-AUDITED)**

FOR THE PERIOD FROM JULY 31, 2010 TO SEPTEMBER 30, 2010

	For the period from July 31, 2010 to September 30, 2010
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>-----Rupees-----</b>
Net income for the period before taxation	5,830,736
<b>Adjustments for non-cash charges and other items;</b>	
Remuneration of ABL Asset Management Company Limited - Management Company	606,396
Remuneration of Central Depository Company of Pakistan Limited - Trustee	125,841
Element of (income)/ loss and capital (gains)/ losses included in prices of units sold less those in units redeemed	(448,273)
Amortization of preliminary expenses and floatation cost	119,328
	<u>6,234,028</u>
<b>(Increase)/ decrease in assets</b>	
Profit receivable	(3,321,522)
Deposits and prepayments	(154,833)
	<u>(3,476,355)</u>
<b>Increase/ (decrease) in liabilities</b>	
Payable to Securities and Exchange Commission of Pakistan	47,126
Accrued expenses and other liabilities	1,223,462
	<u>1,270,588</u>
Remuneration paid to ABL Asset Management Company Limited - Management Company	(306,542)
Remuneration paid to Central Depository Company of Pakistan Limited - Trustee	(65,837)
<b>Net cash generated from operating activities</b>	<u>3,655,882</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Net receipts/ (payments) against issuance/ (redemption) of units	<u>399,393,342</u>
<b>Net cash generated from financing activities</b>	<u>399,393,342</u>
<b>Net increase in cash and cash equivalents</b>	403,049,224
Cash and cash equivalents at the beginning of the period	-
<b>Cash and cash equivalents at the end of the period</b>	<u>403,049,224</u>

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

For ABL Asset Management Company Limited  
(Management Company)

  
FARID AHMED KHAN  
CEO

  
MUHAMMAD YASEEN  
DIRECTOR

## ABL ISLAMIC CASH FUND NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE PERIOD FROM JULY 31, 2010 TO SEPTEMBER 30, 2010

### 1 LEGAL STATUS AND NATURE OF BUSINESS

ABL Islamic Cash Fund (the Fund) was established under a trust deed executed between ABL Asset Management Company Limited (ABL AMCL) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Securities and Exchange Commission of Pakistan (SECP) authorised constitution of the Trust Deed on June 11, 2010 and it was executed on June 23, 2010 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).

The Fund is an open ended fund and is listed on the Karachi Stock Exchange (Guarantee) Limited. Units of the Fund are offered for public subscription on a continuous basis. The units are transferable and redeemable by surrendering them to the Fund. The units of the Fund were initially offered for public subscription at par from July 29, 2010 to July 30, 2010 and thereafter these units are offered for public subscription on a continuous basis.

The objective of the Fund is to seek maximum possible preservation of capital and offer steady rate of return by investing in liquid Shariah compliant instruments providing Halal income like Shariah compliant short term Government Securities, cash and near cash instruments.

The JCR-VIS Credit rating company has assigned Management Quality Rating of 'AM3' to the Management Company and Fund stability rating of AA(f) to the Fund.

### 2 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 (IASB) as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Trust Deed, the NBFC Regulations or directives issued by the SECP differ with the requirements of IFRS, the requirements of the Trust Deed, 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 requirement of the International Accounting Standard 34; 'Interim Financial Reporting.'

These condensed interim financial statements are unaudited.

### 3 BASIS OF MEASUREMENT

#### 3.1 Critical accounting estimates and judgments

These condensed interim financial statements have been prepared in accordance with the process prescribed under the shariah guidelines issued by the shariah adviser and 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 the 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. The areas where various assumptions and estimates are significant to the Fund's financial statements or where judgement was exercised in the application of accounting policies are as follows:

i) **Classification and valuation of investments (notes 4.1)**

**3.2 Accounting convention**

These condensed interim financial statements have been prepared under the historical cost convention except for certain investments which are carried at fair values.

**3.3 Functional and Presentation Currency**

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

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Significant accounting policies applied in the preparation of these condensed interim financial statements are stated below:

**4.1 Financial assets**

**Classification**

The Fund classifies its financial assets in the following categories: Financial assets at fair value through profit or loss and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the appropriate classification of its financial assets at initial recognition and re-evaluates this classification on a regular basis.

a) **Financial assets at fair value through profit or loss**

Investments that are acquired principally for the purpose of generating profit from short-term fluctuations in prices are classified as 'Financial assets at fair value through profit or loss'. These investments are marked to market using the closing market rates as at the end of each day and are carried on the Statement of Assets and Liabilities at fair value. Net gains and losses arising on the changes in fair value of these investments are taken to the income statement.

b) **Loans and receivables**

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These investments are initially recognized at fair value. Subsequently, these

investments are carried at amortised cost, using the effective interest method.

#### 4.2 Basis of valuation of Government Securities

The investment of the Fund in government securities is valued on the basis of rates of these securities announced by the Financial Market Association in accordance with the requirements of Regulation 66(k) of the NBFC Regulations 2008.

#### 4.3 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company after realisation of subscription money. The offer price represents the net asset value per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable. The sales load is payable to the investment facilitators, distributors and the Management Company. Transaction costs are recorded as the income of the Fund.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption requests during business hours of that day. The redemption price represents the net asset value per unit as of the close of the business day less any back-end load, any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

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

An equalization 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 Fund records that portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period which pertains to income / gains/ (losses) held in the Unit Holder's Funds in a separate reserve account and any amount remaining in this reserve account at the end of an accounting period (whether gain or loss) is included in the amount available for distribution to the unit holders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period is recognized in the income statement.

#### 4.5 Provisions

Provisions are recognized 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 amount of the obligation can be made. Provisions, if any, are regularly reviewed and adjusted to reflect the current best estimate.

#### 4.6 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 realized or

unrealized, is distributed amongst the unit holders. Accordingly, no provision has been made for current and deferred taxation in these condensed interim financial statements.

The Fund provides for deferred taxation using the balance sheet liability method on all major temporary differences between the amounts used for financial reporting purposes and amounts used for taxation purposes. In addition, the Fund also records deferred tax asset on unutilized tax losses to the extent that it is no longer probable that the related tax benefit will be realized. However, the Fund has not recognized any amount in respect of deferred tax in these condensed interim financial statements as the Fund intends to continue availing the tax exemption in future years by distributing at least ninety percent of its accounting income for the year as reduced by capital gains, whether realized or unrealized, to its unit holders every year.

#### 4.7 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund and include underwriting commission, commission to the bankers to the issue, brokerage paid to the members of the stock exchanges and other expenses. These costs are being amortised over a period of five years starting from the commencement of operations of the Fund.

#### 4.8 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the Statement of Assets and Liabilities when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

#### 4.9 Financial assets and financial liabilities

Financial assets carried on the Statement of Assets and Liabilities include bank balances, investments, profit receivable and other receivables.

Financial liabilities carried on the Statement of Assets and Liabilities include payable to the Management Company, payable to the Trustee, dividend payable, payable on redemption of units and accrued expenses and other liabilities.

At the time of initial recognition, all financial assets and financial liabilities are measured at cost, which is the fair value of the consideration given or received. Transaction costs are included in the initial measurement of all financial assets and liabilities except for transaction costs incurred for the acquisition of investments classified as 'financial assets at fair value through profit or loss' and transaction costs that may be incurred on disposal which are charged as expense when incurred. The particular recognition method adopted for measurement of financial assets and financial liabilities subsequent to initial recognition is disclosed in the individual policy statement associated with each item.

#### 4.10 Impairment

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 recoverable amount of such

asset is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the income statement.

#### 4.11 Revenue recognition

- Realized capital gains/ (losses) arising on sale of investments are included in the income statement on the date at which the transaction takes place.
- Unrealized capital gains/ (losses) arising on marking to market of investments classified as ' Financial assets at fair value through profit or loss ' are included in the income statement in the period in which they arise.
- Profit on bank deposits is recognized on an accrual basis.
- Profit on investments is recognized on an accrual basis.

#### 4.12 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances in saving accounts and other deposits with banks having original maturities of three months or less. Cash and cash equivalents are carried in the statement of assets and liabilities at cost.

	Note	(Un-audited) September 30, 2010
<b>5 BANK BALANCES</b>		~~~~~Rupees~~~~~
Saving accounts	5.1	402,086,586
Current account		962,638
		<u>403,049,224</u>

5.1 These saving accounts carry profit at rates ranging from 5.00% to 10.50% per annum. Deposits in current accounts include Rs. 962,638 /- maintained with Allied Bank Limited, a related party.

#### 6 PREPAID AND OTHER RECEIVABLES

Prepaid annual listing fee	24,446
Prepaid rating fee	130,387
Profit accrued on savings accounts	3,321,522
	<u>3,476,355</u>

#### 7 PRELIMINARY EXPENSES AND FLOATATION COSTS

Incurring during the period	3,223,762
Less: amortized during the period	(119,328)
Balance as at September 30, 2010	<u>3,104,434</u>

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund. As per the requirement of the Trust Deed, these costs are being amortized over a period not exceeding five years.

<b>8 PAYABLE TO ABL ASSET MANAGEMENT COMPNAY LIMITED</b>	Note	(Un-audited) September 30, 2010
<b>- MANAGEMENT COMPANY</b>		-----Rupees-----
Management fee	8.1	299,854
Preliminary expenses and floatation cost		3,223,762
		<u>3,523,616</u>

8.1 Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Management Company of the Fund is entitled to a remuneration during the first five years of the Fund, of an amount not exceeding 3 percent of the average annual net assets of the Fund and thereafter of an amount equal to 2 percent of such assets of the Fund. In the current period, the Management Company has charged remuneration at the rate of 1 percent of the average annual net assets of the Fund. The amount of remuneration is being paid monthly in arrears.

**9 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED**  
**- TRUSTEE**

Trustee fee	9.1	60,004
		<u>60,004</u>

9.1 Under the provisions of the Trust Deed, the Trustee is entitled to a remuneration, to be paid monthly in arrears, as per the following tariff structure:

Net Assets	Tariff per annum
Upto Rs. 1,000 million	Rs. 0.7 million or 0.20% per annum of Net Asset Value whichever is higher.
Exceeding Rs. 1,000 million	Rs. 2 million plus 0.10% per annum of Net Asset Value exceeding Rs. 1,000 million.

**10 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN**

Under the provisions of the Non Banking Finance Companies and Notified Entities Regulations, 2008, a collective investment scheme is required to pay as an annual fee to the SECP, an amount equal to 0.075% of the average annual net assets of the scheme.

**11 PROVISION FOR WORKERS' WELFARE FUND**

Through the Finance Act, 2008, an amendment was made in section 2(f) of the Workers' Welfare Fund Ordinance, 1971 (the WWF Ordinance), whereby the definition of 'Industrial Establishment' has been made applicable to any establishment to which West Pakistan Shops and Establishment Ordinance, 1969 applies. The issue is subjudice in the Honorable High Court of Sindh and a stay has been granted to one of MUFAP's members. MUFAP has received a clarification from Ministry of Labour that WWF is not applicable on mutual funds and in the light of the legal opinion of the counsel appointed by MUFAP; the management company believes that this levy may not be applicable on funds under its management.

However, various legal opinions are available on this matter. Some legal advisors are of the view



that this levy is not applicable on CIS and therefore provision is not required to be created while there is also a contrary view according to which this levy has become applicable on the fund and the letter issued by the Ministry of Labour & Manpower, Government of Pakistan has no legal significance.

Keeping in view the legal ambiguity on this matter and in case of any adverse developments, the management company has maintained provision at the rate of two percent of the profit in the books of fund for the current period.

## 12 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments outstanding as at September 30, 2010.

## 13 NUMBER OF UNITS IN ISSUE

As at September 30, 2010 ABL - Employees Superannuation (Pension) Fund (core investor) held 10,000,000 units. These units were subscribed towards subscription of seed capital of the Fund.

## 14 NET ASSET VALUE PER UNIT

The net asset value (NAV) per unit is calculated by dividing the net assets of the Fund by the number of units in circulation as at the period end.

## 15 EARNINGS PER UNIT (EPU)

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

## 16 TRANSACTIONS WITH CONNECTED PERSONS/ RELATED PARTIES

Connected persons/ Related parties include ABL Asset Management Company Limited being the Management Company, Allied Bank Limited, Allied Bank Limited- Employees Superannuation (Pension) 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.

Detail of transactions and balances with connected persons are as follows:

	(Un-audited) For the period from July 31, 2010 to September 30, 2010
	~~~~~Rupees~~~~~
<b>ABL Asset Management Company Limited - Management Company</b>	
Issue of 20,000,000 units	200,000,000
Bonus of 277,960 units	2,779,600
Redemption of 397,729 units	4,000,000
Remuneration for the period	606,396
<b>Allied Bank Limited</b>	
Bank charges	1,979

	(Un-audited) For the period from July 31, 2010 to September 30, 2010
	~~~~~Rupees~~~~~
<b>ABL Employees Superannuation (Pension) Fund</b>	
Issue of 10,000,000 units (Investment in seed capital of the fund)	100,000,000
Cash dividend	1,418,000
<b>Central Depository Company of Pakistan Limited - Trustee</b>	
Remuneration for the period	125,841
<b>Key Management personnel</b>	
<b>Executives</b>	
Issue of 210,323 units	2,110,000
Redemption of 9,860 units	100,000
Bonus of 2,843 units	28,430
<b>Detail of balances outstanding as at September 30, 2010 with connected persons are as follows:</b>	
<b>ABL Asset Management Company Limited - Management Company</b>	
Management fee payable	299,854
Preliminary expenses and floatation costs	3,223,762
Units held 19,880,231	198,887,797
<b>Allied Bank Limited</b>	
Bank balance	962,638
<b>ABL Employees Superannuation (Pension) Fund</b>	
Units held 10,000,000	100,043,000
<b>Central Depository Company of Pakistan Limited - Trustee</b>	
Trustee fee payable	60,004
<b>Key Management personnel</b>	
<b>Executives</b>	
Units held 203,305	2,033,925

## 17 GENERAL

Figures have been rounded off to the nearest rupees.

## 18 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on October 25, 2010.

For ABL Asset Management Company Limited  
(Management Company)

  
FARID AHMED KHAN  
CEO

  
MUHAMMAD YASEEN  
DIRECTOR