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ABL FINANCIAL PLANNING FUND

FUND'S INFORMATION

Management Company:	ABL Asset Management Company Limited 11 - B, Lalazar M. T. Khan Road, Karachi.	
Board of Directors	Sheikh Mukhtar Ahmed Mr. Mohammad Naeem Mukhtar Mr. Muhammad Waseem Mukhtar Mr. Tariq Mahmood Mr. Kamran Nishat Mr. Muhammad Kamran Shehzad Mr. Farid Ahmed Khan	Chairman CEO/Director
Audit Committee:	Mr. Kamran Nishat Mr. Muhammad Waseem Mukhtar Mr. Muhammad Kamran Shehzad	Chairman Member Member
Human Resource and Remuneration Committee	Mr. Muhammad Waseem Mukhtar Mr. Kamran Nishat Mr. Farid Ahmed Khan	Chairman Member Member
Chief Executive Officer of The Management Company:	Mr. Farid Ahmed Khan	
Chief Financial Officer & Company Secretary:	Mr. Saqib Matin	
Chief Internal Auditor:	Mr. Mubeen Ashraf Bhimani	
Trustee:	MCB Financial Services Limited. 3rd Floor, Adamjee House, I.I. Chundigar Road Karachi - 74400	
Bankers to the Fund:	Allied Bank Limited	
Auditor:	Deloitte Yousuf Adil Saleem & Co. Cavish Court, A-35, Block 7&8 KCHSU, Shahrah-e-Faisal Karachi 75350.	
Legal Advisor:	Ijaz Ahmed & Associates Suit # 7, 11th Zamzama Steet, Phase-V, DHA Karachi.	
Registrar:	ABL Asset Management Company Limited. 11 - B, Lalazar, M. T. Khan Road, Karachi.	

ABL FINANCIAL PLANNING FUND

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of ABL Asset Management Company Limited, the management company of ABL Financial Planning Fund (ABL-FPF), is pleased to present the Condensed Interim Financial Statements (un-audited) of ABL Financial Planning Fund for the period ended March 31, 2016.

ECONOMIC PERFORMANCE REVIEW

The steep fall in crude oil prices (9MFY16: down by 44%) continued to cast a positive spell on country's macroeconomic landscape with all major indicators reporting noticeable improvements. The most discernible impact appeared on current account as the import bill continued to shrink during the year (down 5.2% YoY in 9MFY16). C/A deficit for the period posted an improvement of 18.5% YoY to USD 1,606mn compared to USD 1,971mn in the corresponding period last year. Apart from flat trade deficit (+0.06% YoY to USD 13,188mn), remittances from expats have also contributed towards healthy C/A balance. In the month of Mar-16, remittances of USD 1,711mn were recorded (+12.9% MoM) taking July-Mar 2016 total to an impressive USD 14,377mn (+5.7% YoY). On the other hand, exports have remained the only upsetting factor in the overall external account with FY16TD exports declining by 9.1% YoY to USD 16,393mn. This can be attributed to (1) loss of export competitiveness as depreciation in regional currencies remained higher than PKR, and (2) weak global demand, especially in Pakistan's traditional markets of Europe and USA. To address weak exports, government announced Strategic Trade Policy Framework (STPF 2015-18) during the quarter under review to bolster annual exports to USD35bn level by June 30, 2018.

Concerns over reversion in CPI numbers also fizzled out during 3QFY16 with better than anticipated readings – thanks to the decline in energy prices and its trickle down impact. CPI inflation for Mar-16 clocked-in at 3.94% YoY vs. Feb-16 reading of 4.0% YoY and against earlier expectations of 4.5-5% YoY. 9MFY16 CPI average now stands at a comfortable 2.64% YoY with year-end average expected to stay around 3% mark.

However, the most pleasant surprise on macro front in the last quarter has been the government's performance on the fiscal front. Revenue collection was commendable with overall collection of Rs.2.1trn (+19.7% YoY) during 9MFY16. The top line has allayed concerns over budget deficit numbers. Under IMF's insistence, a 24% cut in PSDP spending should aid the government in achieving its fiscal deficit target of 4.3%. Progress on IMF program also remained smooth and meeting of all performance criteria resulted in timely disbursement of 11th tranche under the EFF program for the quarter. With this receipt of USD500mn tranche, FX reserves at the end of quarter stood tall at USD20.9bn (almost unchanged from the end of 2QFY16 despite Eurobond maturity of USD500mn) of which USD16.0bn were held by the central bank and the rest with commercial banks. These numbers, while indicating strong import cover of more than 5 months, also indicate improvement in long term debt sustainability of the economy.

Despite tangible improvements in CPI, external accounts and fiscal deficit, the Central Bank decided to maintain a cautious stance by keeping Policy Rate unchanged at 6% during 3QFY16, citing potential pick up in inflationary pressures and leaving some cushion for external shocks. This we believe marks the end of the monetary easing era, where we witnessed discount rate coming off from 10% in Nov-14 to 6.5%.

All these developments bode well for the economic growth prospects of the country which has been suffering from anemic growth rates in the last five years. Green shoots of real activity have become visible like construction sector is thriving (cement domestic dispatches up 17% FYTD) and credit offtake is picking up (+9% FY16TD). In this backdrop, the launch of mega projects under the ambit of China Pakistan Economic Corridor (CPEC) could give a much needed boost to the economy.

MARKET OVERVIEW

The year 2016 started on a bearish note at the Pakistan Stock Exchange with the benchmark KSE-100 Index dropping by 4.6% in January. However, the market made a slow recovery in later half to end the quarter almost 1% up at 33,139 points. Healthy corporate earnings season (+13% YoY in 4QCY15) and improving macros (low single digit CPI and DR, healthy BoP and fiscal deficit position) helped market recovery but failed to build a strong sustainable rally.

This lackluster performance can be attributed to unabated foreign selling (USD 133.2mn net outflow during the quarter) amidst turmoil in global equity markets as well as uneasy political situation locally. The flight towards safer assets globally

was triggered by a host of factors such as China currency debacle, FED's changed stance on US interest rates and overall volatility in commodity prices. On the flipside however, absorption of such huge selling by the local investors (with still positive returns) is an encouraging factor which signifies strong outlook for the listed equities.

Local investors were also spooked by tightening oversight of the capital markets by regulatory watchdog (SECP) which contributed towards weaker market volumes. Average trading volumes during the quarter declined by 15.36% to a paltry 137mn shares. The bearish sentiment was tackled by decent corporate results, especially in bank and cement sectors. The lure of high dividends enticed some investors back into the market and was instrumental in pushing the index towards positive territory. Although the market currently trades at an attractive forward P/E multiple of 7.8x and offers a decent DY of 6.7%, the upcoming budget is likely to dictate market sentiment going forward. Investors should also keep an eye on the MSCI announcement regarding Pakistan's re-entry into emerging market asset class which could also serve as a strong positive catalyst next quarter.

MUTUAL FUND INDUSTRY REVIEW

Total assets under management (AUMs) of Pakistan's open end mutual fund industry grew by 2.9% in 3QFY16 (from PKR469 billion to PKR482 billion). This growth was led by Income fund and aggressive fixed income fund categories. In anticipation of further monetary easing amidst benign CPI outlook for FY16, the income fund category remained in limelight and registered an increase of 7.5% in AUMs from PKR116 billion in December 2015 to PKR 124 billion in March 2016. On the flip side, low interest rate scenario caused an outflow of PKR4 billion from money market fund category to close the period at PKR48 billion.

Persistent foreign selling coupled with lack of trigger for equities resulted into a flattish trend (-0.1%QoQ) in Equity fund's category which closed the period at PKR104 billion. Despite weak market performance, Fund of funds category posted a handsome growth of 12.7%QoQ.

FUND PERFORMANCE

ABL Financial Planning Fund has been classified into two sub-fund categories based on the risk appetite of investors i.e. "Conservative Plan", & "Active Allocation Plan".

Conservative Plan

During the period under review, ABL Financial Planning Fund – Conservative Plan's AUM increased by 7.99% to Rs. 539.99 million compared to Rs. 500.06 million as at December 31, 2015. ABL-FPF Conservative Plan posted an absolute return of 1.34% against the benchmark increase of 0.80%, an outperformance of 0.54% during the quarter.

Active Plan

ABL Financial Planning Fund – Aggressive Plan's AUM increased by 15.12% to Rs. 296.00 million in 3Q16 compared to Rs. 257.13 million as at December 31, 2015. ABL-FPF – Active Allocation Plan posted an absolute return of 0.88% against the benchmark increase of 0.14%, an out performance of 0.74% during the quarter.

AUDITORS

M/s. Deloitte Yousuf Adil Saleem & Co. (Chartered Accountants), have been appointed as auditors for the year ending June 30, 2016 for ABL Financial Planning Fund (ABL-FPF).

MANAGEMENT QUALITY RATING

On December 31 2015, JCR-VIS Credit Rating Company Limited reaffirmed the Management Quality Rating of ABL Asset Management Limited (ABL AMC) at 'AM Two' (AM2). Outlook on the assigned rating is 'Stable'.

OUTLOOK

Going forward, improvement in macro dynamics along with trickle down impact of China Pakistan Economic Corridor (CPEC) related projects could provide a good boost to the real economy and serve as an impetus for profitability of listed

equities. Apart from CPEC, near term triggers such as inclusion of Pakistan in the MSCI Emerging Markets Index may serve as a rerating factor for the local market. The final decision for inclusion is expected by the end of June-16 with formal implementation in May-17. We believe that potential for near term rerating to 10x of P/E (still 15% discount to average P/E of EM players) exists in the market as KSE-100 index is trading at an inexpensive forward P/E multiple of 7.8x and provides a lucrative dividend yield of 6.7%.

Interest rate outlook for rest of 2016 appears stable, barring an oil shock. Similarly, the outlook for most macro indicators remains healthy. Average inflation for FY16 is expected to remain in the comfortable range of 2.5-3% despite erosion of last year's low base effect as well as low fuel and food prices. Fiscal side also appears to be on the right path mainly on account of robust growth (+19%YoY) in tax revenues, which so far has jumped to 5.3% of GDP in 1HFY16 vs 4.7% in 1HFY15. Foreign exchange reserves are in comfortable position despite decline in exports due to healthy growth in remittances, increase in FDIs & net foreign assistance (IMF tranches & CSF). Growth targets also appear achievable due to improved business activity (LSM up 4.1% in Jul-Jan 16), better energy availability and lower input prices. We believe over valuation of PKR compared to regional peers, declining exports and reversal in international oil prices are the key challenges for the economic managers in CY16.

ACKNOWLEDGEMENT

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

For & on behalf of the Board



Farid Ahmed Khan
Chief Executive Officer

Karachi, April 27, 2016

ABL FINANCIAL PLANNING FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UN-AUDITED)
AS AT MARCH 31, 2016

	Note	March 31, 2016		
		Active Allocation	Conservative Allocation	Total
				----- (Rupees) -----
ASSETS				
Balances with banks	4	845,800	749,289	1,595,089
Investments	5	295,347,443	539,582,827	834,930,270
Preliminary expenses and floatation costs	6	617,467	2,067,123	2,684,590
Profit receivable	7	9,772	57,785	67,557
Prepayments	8	8,444	16,440	24,884
Total assets		296,828,926	542,473,464	839,302,390
LIABILITIES				
Payable to ABL Asset Management Company Limited - Management Company	9	650,127	2,178,276	2,828,403
Payable to MCB Financial Services Limited - Trustee	10	25,511	46,652	72,163
Payable to the Securities and Exchange Commission of Pakistan	11	54,304	98,204	152,508
Accrued expenses and other liabilities	12	96,992	158,522	255,514
Total liabilities		826,934	2,481,654	3,308,588
NET ASSETS		296,001,992	539,991,810	835,993,802
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		296,001,992	539,991,810	835,993,802
NUMBER OF UNITS IN ISSUE		2,933,775	5,327,699	
NET ASSET VALUE PER UNIT		100.8946	101.3555	
FACE VALUE PER UNIT		100.0000	100.0000	

CONTINGENCIES AND COMMITMENTS 13

The annexed notes 1 to 19 form an integral part of these Condensed Interim financial information.

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
 Chief Executive Officer


MUHAMMAD KAMRAN SHEHZAD
 Director

ABL FINANCIAL PLANNING FUND
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE PERIOD FROM 31 DECEMBER 2015 TO 31 MARCH 2016

Note	For the Period From 31 December 2015 to 31 March 2016		
	Active Allocation	Conservative Allocation	Total
	----- (Rupees) -----		
INCOME			
Capital (Loss) on sale of investments - net	(690,741)	-	(690,741)
Profit on deposits with banks	33,459	65,151	98,610
	(657,282)	65,151	(592,131)
Unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net	3,707,096	7,772,827	11,479,923
Total Income	3,049,814	7,837,978	10,887,792
EXPENSES			
Remuneration of MCB Financial Services Limited - Trustee	65,165	117,845	183,010
Sindh sales tax on Trustee Fee	9,123	16,498	25,621
Annual fee of the Securities and Exchange Commission of Pakistan	54,304	98,204	152,508
Auditors' remuneration	40,480	75,164	115,644
Amortisation of preliminary expenses and floatation costs	32,660	109,388	142,048
Printing charges	25,116	25,116	50,232
Annual rating Fee	30,820	57,224	88,044
listing fee	8,556	16,560	25,116
Bank charges	5,310	3,050	8,360
Total Expense	271,534	519,049	790,583
Net income for the period	2,778,280	7,318,929	10,097,209
Element of (loss) and Capital (losses) included in the prices of units issued less those in units redeemed - net	(154,364)	(97,112)	(251,476)
Net income for the period before taxation	2,623,916	7,221,817	9,845,733
Taxation	15	-	-
Net income for the period after taxation	2,623,916	7,221,817	9,845,733
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	2,623,916	7,221,817	9,845,733
Earnings per unit	16		

The annexed notes 1 to 19 form an integral part of these Condensed Interim financial information.

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
 Chief Executive Officer


MUHAMMAD KAMRAN SHEHZAD
 Director

ABL FINANCIAL PLANNING FUND
CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED)
FOR THE PERIOD FROM 31 DECEMBER 2015 TO 31 MARCH 2016

Note	For the Period From 31 December 2015 to 31 March 2016		
	Active Allocation	Conservative Allocation	Total
	----- (Rupees) -----		
Undistributed income at the beginning of the period			
- realised income	-	-	-
- unrealised income	-	-	-
 Net income for the period after taxation	 2,623,916	 7,221,817	 9,845,733
 Undistributed income carried forward comprising of:			
- realised (loss)	(1,083,180)	(551,010)	(1,634,190)
- unrealised income	3,707,096	7,772,827	11,479,923
	<u>2,623,916</u>	<u>7,221,817</u>	<u>9,845,733</u>

The annexed notes 1 to 19 form an integral part of these Condensed Interim financial information.

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
 Chief Executive Officer


MUHAMMAD KAMRAN SHEHZAD
 Director

ABL FINANCIAL PLANNING FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED)
FOR THE PERIOD FROM 31 DECEMBER 2015 TO 31 MARCH 2016

Note	For the Period From 31 December 2015 to 31 March 2016		
	Active Allocation	Conservative Allocation	Total
	----- (Rupees) -----		
Net assets at the beginning of the period	-	-	-
Issue of units	294,822,442	533,182,305	828,004,747
Redemption of units	(1,598,730)	(509,424)	(2,108,154)
	293,223,712	532,672,881	825,896,593
Element of income and capital gains included in the prices of units issued less those in units redeemed - net amount representing loss and capital losses transferred to distribution statement	154,364	97,112	251,476
Net capital (loss) sale of investments	(690,741)	-	(690,741)
Net unrealised appreciation on revaluation of investments 'at fair value through profit or loss' - net	3,707,096	7,772,827	11,479,923
Other net (loss) for the period	(392,439)	(551,010)	(943,449)
	2,623,916	7,221,817	9,845,733
Net assets at the end of the period	296,001,992	539,991,810	835,993,802

The annexed notes 1 to 19 form an integral part of these Condensed Interim financial information.

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
 Chief Executive Officer


MUHAMMAD KAMRAN SHEHZAD
 Director

ABL FINANCIAL PLANNING FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE PERIOD FROM 31 DECEMBER 2015 TO 31 MARCH 2016

For the Period From
31 December 2015 to 31 March 2016

Note	Active	Conservative	Total
	Allocation	Allocation	
----- (Rupees) -----			

CASH FLOWS FROM OPERATING ACTIVITIES

Net income for the period 2,623,916 7,221,817 9,845,733

Adjustments for non cash & other items

Amortisation of preliminary expenses and floatation costs	32,660	109,388	142,048
Net unrealised (appreciation) on revaluation of investments - at fair value through profit or loss' - net	(3,707,096)	(7,772,827)	(11,479,923)
Element of loss and capital losses included in prices of units issued less those in units redeemed - net	154,364	97,112	251,476
	(3,520,072)	(7,566,327)	(11,086,399)
	(896,156)	(344,510)	(1,240,666)

(Increase) in assets

Profit receivable	(9,772)	(57,785)	(67,557)
Preliminary expenses and floatation costs	(650,127)	(2,176,511)	(2,826,638)
Prepayments	(8,444)	(16,440)	(24,884)
	(668,343)	(2,250,736)	(2,919,079)

Increase in liabilities

Payable to ABL Asset Management Company Limited - Management Company	650,127	2,178,276	2,828,403
Payable to MCB Financial Services Limited - Trustee	25,511	46,652	72,163
Payable to the Securities and Exchange Commission of Pakistan	54,304	98,204	152,508
Accrued expenses and other liabilities	96,992	158,522	255,514
	826,934	2,481,654	3,308,588

Investments - net (291,640,347) (531,810,000) (823,450,347)

Net cash used in operating activities (292,377,912) (531,923,592) (824,301,504)

CASH FLOW FROM FINANCING ACTIVITIES

Receipts on issuance of units	294,822,442	533,182,305	828,004,747
Payments on redemption of units	(1,598,730)	(509,424)	(2,108,154)
Net cash generated from financing activities	293,223,712	532,672,881	825,896,593

Net increase in cash and cash equivalents during the period 845,800 749,289 1,595,089

Cash and cash equivalents at the beginning of the period - - -

Cash and cash equivalents at the end of the period 845,800 749,289 1,595,089

The annexed notes 1 to 19 form an integral part of these Condensed Interim financial information.

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
Chief Executive Officer


MUHAMMAD KAMRAN SHEHZAD
Director



ABL FINANCIAL PLANNING FUND

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD FROM 31 DECEMBER 2015 TO 31 MARCH 2016

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 ABL Financial Planning Fund of Funds (the Fund) was established under a Trust Deed executed between ABL Asset Management Company Limited (ABL AMCL) as the Management Company and MCB Financial Services Limited (MCBFSL) as the Trustee. The Securities and Exchange Commission of Pakistan (SECP) authorised constitution of the Trust Deed vide letter no. AMCW/ABLAMC/162/2015 dated November 11, 2015 in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate issued by the SECP on December 07, 2007. Title to the assets of the Fund is held in the name of MCB Financial Services Limited as the Trustee of the Fund. The registered office of the Management Company is situated at 11-B, Lalazar, MT Khan Road, Karachi.

- 1.2 The Fund is an open-end Fund of Funds Scheme listed on Pakistan Stock Exchange. Units are offered for public subscription on a continuous basis. The units of the plan are transferable and can be redeemed by surrendering them to the Fund.
- 1.3 The objective of the Fund is to generate returns on investment as per the respective Allocation Plan by investing in collective investment schemes in line with the risk tolerance of the investor. Presently, the following allocation plans are offered:
- a. ABL Financial Planning Fund - Active Allocation Plan
 - b. ABL Financial Planning Fund - Conservative Allocation Plan
- 1.4 JCR-VIS Credit Rating Company Limited has assigned Management Quality Rating of 'AM2' (stable outlook) to the Management Company.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

These interim financial statements have been prepared in accordance with the requirement of approved accounting standards as applicable in Pakistan, the Trust Deed, the NBFC rule, the NBFC Regulations and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or directives issued by SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by SECP shall prevail.

2.2 Basis of measurement

These condensed interim financial statements has been prepared under the historical cost convention, except that investments held at 'fair value through profit or loss' category are measured at fair value.

2.3 Functional and presentation currency

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

2.4 Critical accounting estimates and judgments

The preparation of these condensed interim financial statements is in conformity with the approved accounting standards which requires the use of certain critical accounting estimates. It also requires the management to exercise their judgment in the process of applying the Fund's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Fund's financial statements or where judgment was exercised in application of accounting policies principally relate to:

- Classification and valuation of investments (note 3.2 and 5)
- Taxation (note 3.8 and 15)
- Amortization of preliminary expenses and floatation cost (note 3.7 and 6)

2.5 Standards, interpretations and amendments to published approved accounting standards that are not yet effective The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning from the date specified below:

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning from the date specified below:

Amendments to IAS 19 "Employee Benefits" Employee contributions – a practical approach (effective for annual periods beginning on or after 1 July 2014). The practical expedient addresses an issue that arose when amendments were made in 2011 to the previous pension accounting requirements. The amendments introduce a relief that will reduce the complexity and burden of accounting for certain contributions from employees or third parties. The amendments are relevant only to defined benefit plans that involve contributions from employees or third parties meeting certain criteria. This interpretation has no impact on the Fund's financial statements.

Amendments to IAS 27 "Consolidated and Separate Financial Statements" – consolidation relief for investments funds (effective for annual periods beginning on or after 1 January 2014). A qualifying investment entity is required to account for investments as well as investments in associates and joint ventures - at fair value through profit or loss (FVTPL); the only exception would be subsidiaries that are considered an extension the investment entity's investing activities. The consolidation exception is mandatory - not optional. This interpretation has no impact on the Fund's financial Statements.

IFRIC 21- Levies 'an Interpretation on the accounting for levies imposed by governments' (effective for annual periods beginning on or after 1 January 2014). IFRIC 21 is an interpretation of IAS 37 Provisions, Contingent Liabilities and Contingent Assets. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The Interpretation clarifies that the obligating event that rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.

Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32) – (effective for annual periods beginning on or after 1 January 2014). The amendments address inconsistencies in current practice when applying the offsetting criteria in IAS 32 Financial Instruments: Presentation. The amendments clarify the

meaning of 'currently has a legally enforceable right of set-off'; and that some gross settlement systems may be considered equivalent to net settlement.

Amendments to IAS 39 "Financial Instruments: Recognition and Measurement" Continuing hedge accounting after derivative novations (effective for annual periods beginning on or after 1 January 2014). The amendments add a limited exception to IAS 39, to provide relief from discontinuing an existing hedging relationship when a novation that was not contemplated in the original hedging documentation meets specific criteria. This interpretation has no impact on the Fund's financial statements.

Amendment to IAS 36 "Impairment of Assets" Recoverable Amount Disclosures for Non-Financial Assets (effective for annual periods beginning on or after 1 January 2014). These narrow-scope amendments to IAS 36 Impairment of Assets address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. This interpretation has no impact on the Fund's financial statements.

Annual Improvements 2010-2012 and 2011-2013 cycles (most amendments will apply prospectively for annual period beginning on or after 1 July 2014). The new cycle of improvements contain amendments to the following standards:

- IFRS 2 'Share-based Payment'. IFRS 2 has been amended to clarify the definition of 'vesting condition' by separately defining 'performance condition' and 'service condition'. The amendment also clarifies both: how to distinguish between a market condition and a non-market performance condition and the basis on which a performance condition can be differentiated from a vesting condition. This interpretation has no impact on the Fund's financial statements.
- Amendments to IAS 16 'Property, plant and equipment' and IAS 38 'Intangible Assets'. The amendments clarify the requirements of the revaluation model in IAS 16 and IAS 38, recognizing that the restatement of accumulated depreciation (amortization) is not always proportionate to the change in the gross carrying amount of the asset. This interpretation has no impact on the Fund's financial statements.
- IFRS 3 'Business Combinations'. These amendments clarify the classification and measurement of contingent consideration in a business combination. Further IFRS 3 has also been amended to clarify that the standard does not apply to the accounting for the formation of all types of joint arrangements including joint operations in the financial statements of the joint arrangement themselves. This interpretation has no impact on the Fund's financial statements.
- IFRS 8 'Operating Segments' has been amended to explicitly require the disclosure of judgments made by management in applying the aggregation criteria. In addition this amendment clarifies that a reconciliation of the total of the reportable segment's assets to the entity assets is required only if this information is regularly provided to the entity's chief operating decision maker. This change aligns the disclosure requirements with those for segment liabilities. This interpretation has no impact on the Fund's financial statements.
- IAS 24 'Related Party Disclosure'. The definition of related party is extended to include a management entity that provides key management personnel services to the reporting entity, either directly or through a group entity.
- IAS 40 'Investment Property'. IAS 40 has been amended to clarify that an entity should: assess whether an acquired property is an investment property under IAS 40 and perform a separate assessment under IFRS 3 to determine whether the acquisition of the investment property constitutes a business combination. This

interpretation has no impact on the Fund's financial statements.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied unless otherwise stated.

3.1 Cash and cash equivalents

Cash and cash equivalents comprise balances with banks and are carried in the statement of assets and liabilities at cost.

3.2 Financial assets

3.2.1 Classification

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

Investments are classified as follows:

a) Financial instruments at fair value through profit or loss

Financial assets 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 category.

b) Loans and receivables

These are non-derivatives financial assets with fixed or determinable payments that are not quoted in an active market.

c) Available for sale

Available for sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as (a) loans and receivables, (b) held to maturity investments or (c) financial assets at fair value through profit or loss.

3.2.2 Initial recognition and measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed out in the income statement.

3.2.3 Subsequent measurement

a) Financial assets at fair value through profit or loss and available for sale

Subsequent to initial recognition, financial assets designated by the management as at fair value through profit

or loss and available for sale are valued as follows:

- **Basis of valuation of units of mutual funds**

The investment of the fund in units of mutual funds is valued by reference to the net asset values (redemption prices) declared by the respective funds.

Net gains and losses arising from changes in the fair value and on sale of financial assets carried at fair value through profit or loss are taken to the income statement.

Net gains and losses arising from changes in fair value of available for sale financial assets are taken to other comprehensive income until these are derecognised or impaired.

b) Loans and receivables

Subsequent to initial recognition financial assets classified as loans and receivables are carried at amortised cost using the effective interest rate method.

Gains or losses are recognised in the income statement when financial assets carried at amortised cost are derecognised or impaired.

3.2.4 Impairment

The Fund assesses at each reporting date whether there is an objective evidence that the financial asset or a group of financial assets is impaired. The carrying value of the Fund's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

In case of investment classified as 'available for sale', a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the securities are impaired. If any such evidence exists for 'available for sale' financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the Income Statement is transferred from Other Comprehensive Income and recognised in the Income Statement. However, the decrease in impairment loss on equity securities classified as 'available for sale' is recognised in Other Comprehensive Income.

For certain other financial assets, a provision for impairment is established when there is an objective evidence that the Fund will not be able to collect all amounts due according to the original terms. The provision against these amounts is made as per the provisioning policy duly formulated and approved by the Board of Directors of the Management Company in accordance with the requirements of the Securities and Exchange Commission of Pakistan.

3.2.5 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

3.3 Financial Liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognised at fair value and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

3.4 Offsetting of financial instruments

Financial assets and financial 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 realise the assets and settle the liabilities simultaneously.

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

3.6 Collateral

Cash collateral provided by the Fund is identified in the statement of assets and liabilities as margin cash and is not included as a component of cash and cash equivalents. For collateral other than cash, if the party to whom the collateral is provided has the right by contract or custom to sell or re-pledge the collateral, the Fund classifies that asset in its statement of assets and liabilities separately from other assets and identifies the asset as pledged collateral. Where the party to whom the collateral is provided does not have the right to sell or re-pledge, a disclosure of the collateral provided is made in the notes to the financial statements.

3.7 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund. These costs are being amortised over a period years as per the requirements set out in the constitutive documents of the Fund.

3.8 Taxation

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

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.

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 unutilised tax losses to the extent that it is no longer probable that the related tax benefit will be realised. However, the Fund has not recognised any amount in

respect of deferred tax in these 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 realised or unrealised, to its unit holders.

3.9 Proposed distributions

Distributions declared subsequent to the reporting date are considered as non-adjusting events and are recognised in the year in which such distributions are declared.

3.10 Issue and redemption of units

Units issued are recorded at the offer price as per constitutive documents. The offer price is 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 allowance for sales load, provision for transaction costs and any provision for duties and charges, if applicable.

Units redeemed are recorded at the redemption price, as per constitutive documents, 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, provision for transaction costs and any provision for duties and charges, if applicable, back end loads are recorded as income of the Fund/Plan.

3.11 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 the prices of the units issued less those units redeemed is created, in order to prevent the dilution of per unit income 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 the accounting year which pertains to unrealised income / (loss) held in the unit holder's fund and undistributed income / (loss) of the Fund in a separate reserve account and any amount remaining in this reserve account at the end of accounting year (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 year is recognised in the income statement.

3.12 Net asset value per unit

The Net Asset Value (NAV) per unit, as disclosed in the statement of assets and liabilities, is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

		As at March 31, 2016 (Un-Audited)			
	Note	Active Allocation	Conservative Allocation	Total	
		----- (Rupees) -----			
4	BANK BALANCES				
	Profit and loss sharing accounts	4.1 & 4.2	845,800	749,289	1,595,089

4.1 Deposits in profit and loss sharing accounts include aggregate balance of Rs. 1,595,089 with Allied Bank Limited, a related party and carry profit rate of 5.00% to 5.35% per annum.

4.2 These profit and loss sharing accounts carry profit rates ranging from 5.00% to 5.35% per annum.

5 INVESTMENTS	Note	As at March 31, 2016 (Un-Audited)		
		Active Allocation	Conservative Allocation	Total
		----- (Rupees) -----		
Financial assets 'at fair value through profit or loss' - net				
Units of Mutual Funds - open ended	5.1	295,347,442	539,582,828	834,930,270
		<u>295,347,442</u>	<u>539,582,828</u>	<u>834,930,270</u>

5.1 Units of Mutual Funds - open ended

Name of the investee company	As at December 31, 2015	Purchased during the Period	Sold during the Period	As at March 31, 2016	Carrying value of holding as at March 31, 2016	Market value as at March 31, 2016	Market value as a percentage of net assets of the Plan	Market value as a percentage of total Market value of investment
	----- (Number of Units) -----				----- (Rupees) -----		----- %age -----	
Units of Mutual Funds - open ended Active Allocation Plan								
CDC Trustee ABL Income Fund	-	17,761,197	90,328	17,670,869	183,940,115	186,839,397	63.12	63.26
CDC Trustee ABL Stock Fund	-	8,891,755	741,834	8,149,921	107,700,231	108,508,045	36.66	36.74
					<u>291,640,346</u>	<u>295,347,442</u>	99.78	
Units of Mutual Funds - open ended Conservative Allocation Plan								
CDC Trustee ABL Income Fund	-	40,889,123	-	40,889,123	425,448,000	432,332,968	80.06	80.12
CDC Trustee ABL Stock Fund	-	8,055,420	-	8,055,420	106,362,000	107,249,860	19.86	19.88
					<u>531,810,000</u>	<u>539,582,828</u>	99.92	

6 PRELIMINARY EXPENSES AND FLOATATION COSTS

	As at March 31, 2016 (Un-Audited)		
	Active Allocation	Conservative Allocation	Total
	----- (Rupees) -----		
Formation cost incurred	650,127	2,176,511	2,826,638
Amortised to the income statement during the period	(32,660)	(109,388)	(142,048)
Unamortised cost at the end of the period	<u>617,467</u>	<u>2,067,123</u>	<u>2,684,590.00</u>

This represents expenses incurred on the formation of the Fund. The offering document of the Fund, approved by the Securities and Exchange Commission of Pakistan, permits the deferral exceeding five years. Accordingly the said expenses are being amortised over a period of five years effective from December 31, 2015, i.e. after the end of initial period of the Fund.

Formation cost is divided amongst the allocation plans according to the ratios of their Pre-IPO investments

As at March 31, 2016 (Un-Audited)

	Active Allocation	Conservative Allocation	Total
	----- (Rupees) -----		
7 PROFIT RECEIVABLE			
Profit receivable on bank deposits	9,772	57,785	67,557
	<u>9,772</u>	<u>57,785</u>	<u>67,557</u>
8 PREPAYMENTS			
Listing Fee	8,444	16,440	24,884
	<u>8,444</u>	<u>16,440</u>	<u>24,884</u>
9 PAYABLE TO ABL ASSET MANAGEMENT COMPANY LIMITED - MANAGEMENT COMPANY			
Formation cost payable	650,127	2,176,511	2,826,638
Sale load Payable	-	1,765	1,765
	<u>650,127</u>	<u>2,178,276</u>	<u>2,828,403</u>

9.1 The Management Company is entitled to remuneration for services rendered to the Fund under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, of an amount not exceeding one percent per annum during the life of the Fund. Further, as per the requirement of NBFC regulations, the management company shall not charge any fee if the Fund makes investment in the Collective investment Schemes (CIS) managed by the same management company. During the period, the Fund has mainly invested in the CIS managed by the same Management Company, resulting in a very nominal amount of fee charged on account of management fee.

	Active Allocation	Conservative Allocation	Total
	----- (Rupees) -----		
10 PAYABLE TO MCB FINANCIAL SERVICES LIMITED - TRUSTEE			
Trustee fee	22,377	40,923	63,300
SST on Trustee Fee	3,134	5,729	8,863
	<u>25,511</u>	<u>46,652</u>	<u>72,163</u>

Under the provisions of the Trust Deed , the trustee (MCBFSL) is entitled to a remuneration, to be paid monthly in arrears, as per the following tariff structure.

Net Assets	Tariff Per Annum
Upto Rupees 1 Billion	Rs.0.09% per annum of the Daily Average Net Assets
Over Rupees 1 Billion	Rs0.9 million plus 0.065% exceeding One Billion per annum of the Daily Average Net Assets

As at March 31, 2016 (Un-Audited)

11 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

	Active Allocation	Conservative Allocation	Total
----- (Rupees) -----			
Annual fee	54,304	98,204	152,508
	<u>54,304</u>	<u>98,204</u>	<u>152,508</u>

This represents annual fee payable to Securities and Exchange Commission of Pakistan (SECP) in accordance with Regulation 62 of the NBFC Regulations, 2008, whereby the Fund is required to pay SECP an amount at the rate of 0.075% of the average daily net assets of the Fund. Annual fee to the SECP has been calculated after the end of initial period (i.e. December 31, 2015).

As at March 31, 2016 (Un-Audited)

12 ACCRUED EXPENSES AND OTHER LIABILITIES

	Active Allocation	Conservative Allocation	Total
----- (Rupees) -----			
Printing charges	25,116	25,116	50,232
Withholding tax payable	576	1,018	1,594
Rating Fee Payable	30,820	57,224	88,044
Auditors' remuneration	40,480	75,164	115,644
Payable against sale of units	-	-	-
	<u>96,992</u>	<u>158,522</u>	<u>255,514</u>

13 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at 31 March 2016

As at March 31, 2016 (Un-Audited)

14 NUMBER OF UNITS IN ISSUE

	Active Allocation	Conservative Allocation	Total
----- Number of Units -----			
Issue of units during the period	2,949,846	5,332,787	8,282,633
Units redeemed during the period	(16,071)	(5,088)	(21,159)
Total units in issue at the end of the period	<u>2,933,775</u>	<u>5,327,699</u>	<u>8,261,474</u>

15 TAXATION

No provision for taxation has been made in these condensed interim financial statements in view of the exemption available to the Fund under clause 57(3)(viii) of Part-1 of the second schedule to the Income Tax Ordinance, 2001. The Fund is also exempt from the provision of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

16 EARNING / (LOSS) PER UNIT

Earning / (Loss) per unit calculated based on the number of units outstanding as at period end as in the opinion of the management, the determination of the cumulative weighted average number of outstanding units for calculating Earning / (Loss) per unit is not practicable.

17 TRANSACTIONS WITH CONNECTED PERSONS

17.1 Connected person / related parties include ABL Asset Management Company Limited being the Management Company, MCB Financial Services Limited being the Trustee, other collective investment schemes managed by the Management Company, Allied Bank Limited , retirement funds of Allied Bank Limited, Ibrahim Fibres Limited, Ibrahim Agencies (Pvt.) Limited , Arabian Sea Country Club, Cyan Limited, Muller and Phipps Pakistan (Private) Limited, Bench Matrix (Pvt.) Limited, National Management Foundation - LUMS being entities under common control and / or directorship, directors and key management personnel of the Management Company and any person or Company beneficially owning directly or indirectly 10% or more of the units in issue / net assets of the Fund.

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

17.3 Remuneration to the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

17.4 Remuneration payable to the Trustee is determined in accordance with the provisions of the Trust Deed.

17.5 Details of transactions with connected persons / related parties during the period are as follows:	Note	(Un-Audited)		
		For the Period From		
		31 December 2015 to 31 March 2016		
	Active Allocation	Conservative Allocation	Total	
		(Rupees)		
ABL Asset Management Company Limited - Management Company				
Preliminary expenses and floatation costs	32,660	109,388		142,048
MCB Financial Services Limited - Trustee				
Trustee fee	65,165	117,845		183,010
Sindh sales tax on trustee fee	9,123	16,498		25,621
Investment in ABL Income Fund				
Units purchased 17,761,197 in Active Allocation	184,880,179	-		184,880,179
Unit Sold 90,328 in Active Allocation	950,000	-		950,000
Units purchased 40,889,123 in Conservative Allocation	-	425,448,000		425,448,000
Investment in ABL Stock Fund				
Units purchased 8,891,755 in Active Allocation	117,503,935	-		117,503,935
Unit Sold 741,834 in Active Allocation	9,103,026	-		9,103,026
Units purchased 8,055,420 in Conservative Allocation	-	106,362,000		106,362,000
Allied Bank Limited				
Mark up income	33,459	65,151		98,610
Bank Charges	5,310	3,050		8,360

Details of balances with connected persons / related parties as at period end are as follows:

	As at March 31, 2016 (Un-Audited)		
	Active Allocation	Conservative Allocation	Total
ABL Asset Management Company Limited - Management Company			
Formation cost payable	650,127	2,176,511	2,826,638
Sale load Payable	-	1,765	1,765
MCB Financial Services Limited - Trustee			
Trustee fee payable	22,377	40,923	63,300
Sindh Sales Tax Payable on trustee fee	3,134	5,729	8,863
Investment in ABL Income Fund			
Unit held 17,670,869 in Active Allocation	186,839,397	-	186,839,397
Unit held 40,889,123 in Conservative Allocation	-	432,332,968	432,332,968
Investment in ABL Stock Fund			
Unit held 8,149,921 in Active Allocation	108,508,045	-	108,508,045
Unit held 8,055,420 in Conservative Allocation	-	107,249,860	107,249,860
Allied Bank Limited			
Balances in profit and loss sharing accounts	845,800	749,289	1,595,089
Profit receivable	9,772	57,785	67,557

(Un-Audited)

Active Allocation Plan:	As at	Issued	Redemption	As at	As at	Issued	Redemption	As at
	December	during	during	March	December	during	during	March
	31, 2015	the period	the period	31, 2016	31, 2015	the period	the period	31, 2016
	Units			Rupees				
Unit holder holding 10% or more Units								
Pakistan State Oil Company Ltd Employees Provident Fund	-	400,000	-	400,000	-	40,000,000	-	40,357,840
Pakistan State Oil Company Ltd Staff Provident Fund	-	600,000	-	600,000	-	60,000,000	-	60,536,760
Pakistan State Oil Company Ltd Workmen Staff Pension Fund	-	500,000	-	500,000	-	50,000,000	-	50,447,300
English Biscuit Manufacturers (Pvt)Ltd.	-	496,569	-	496,569	-	49,656,895	-	50,101,131
Coronet Foods (Pvt) Ltd.	-	497,273	-	497,273	-	49,727,288	-	50,172,160
Conservative Allocation Plan								
Associated companies / undertakings								
ABL Asset Management Co. Ltd.	-	5,000,000	-	5,000,000	-	500,000,000	-	506,777,500

18 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on April 27, 2016 by the Board of Directors of the Pension Fund Manager.

19 GENERAL

19.1 Figures have been rounded off to the nearest rupee.

19.2 Units have been rounded off to the nearest decimal place.

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
Chief Executive Officer


MUHAMMAD KAMRAN SHEHZAD
Director