



ABL ISLAMIC INCOME FUND
CONDENSED INTERIM FINANCIAL STATEMENT
FOR THE PERIOD ENDED DECEMBER 31, 2017.

HALF YEARLY REPORT



ABL Asset Management

Discover the potential

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ABL ISLAMIC INCOME FUND

FUND'S INFORMATION

Management Company:	ABL Asset Management Company Limited 14 -MB, DHA Phase-6, Lahore.	
Board of Directors	Sheikh Mukhtar Ahmed Mr. Mohammad Naeem Mukhtar Mr. Muhammad Waseem Mukhtar Mr. Tahir Hasan Qureshi Mr. Kamran Nishat Mr. Muhammad Kamran Shehzad Mr. Alee Khalid Ghaznavi	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. Alee Khalid Ghaznavi	Chairman Member Member
Chief Executive Officer of The Management Company:	Mr. Alee Khalid Ghaznavi	
Chief Financial Officer & Company Secretary:	Mr. Saqib Matin	
Chief Internal Auditor:	Mr. Kamran Shahzad	
Trustee:	Central Depository Company of Pakistan Limited. CDC-House, Shahrah-e-Faisal, Karachi	
Bankers to the Fund:	Allied Bank Limited Bank Al- Falah Limited United Bank Limited Habib Bank Limited	
Auditor:	Deloitte Yousuf Adil Chartered Accountants 134-A, Abubakar Block New Garden Town, Lahore.	
Legal Advisor:	Ijaz Ahmed & Associates Advocates & Legal Consultants No. 7, 11th Zamzama Street, Phase V DHA Karachi.	
Registrar:	ABL Asset Management Company Limited. 11 - B, Lalazar, M. T. Khan Road, Karachi.	

ABL ISLAMIC INCOME FUND

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of ABL Asset Management Company Limited, the management company of ABL Islamic Income Fund (ABL-IIF), is pleased to present the Condensed Interim Financial Statements (un-audited) of ABL Islamic Income Fund for the half year ended December 31, 2017.

ECONOMIC PERFORMANCE REVIEW

Pakistan's most economic indicators remained steady during the period despite challenges on external front. Similarly, despite a slight uptrend in December CPI, average CPI for 1HFY18 remained 3.75%YoY as compared to 3.88%YoY during SPLY. December CPI has raised expectations of inflation going forward because of rising international oil prices. This will consequently put pressure on SBP to revise up the policy rate from all-time low level of 5.75% prevalent during the period. Furthermore, Standard & Poor's has maintained Pakistan's long-term credit rating 'B' during the period but lowered its expectation on external and fiscal front.

On the flip side, country's external position continued to remain fragile as Current Account Deficit (CAD) during 5MFY18 was up by a whopping 247%YoY to USD6,430 million as compared to USD2,601 million during 5MFY17. The sharp increase in CAD was caused by +40.3%YoY increase in trade deficit owing to rising imports (+23.4% YoY) and higher services deficit (+12.3%YoY) while slight support came from workers' remittances (+1.9% YoY). Similarly, foreign exchange reserves remained under pressure standing at 2.8 months of import cover in spite of USD2.5 billion financing arranged through issuance of Eurobond/Sukuk during the period. Resultantly, PKR depreciated 5.2% against USD to 110.3 during the period.

On fiscal front, FBR provisionally collected taxes worth PKR1,722 billion during 6MFY17 compared to PKR1,466 billion in SPLY showing a healthy growth of (+17.46%YoY), though falling short of the target by PKR50 billion. In order to bridge the deficit, the government has been trying to broaden the tax net and increase tax collection by offering tax amnesty schemes. Furthermore, the government is also unlikely to absorb the impact of increasing oil prices by reducing GST on petroleum products.

Going forward, increasing international oil prices, strong imports, flattish remittances and external debt servicing are key risks to the economy. However, government is focusing on 'Export Package' to give some breather to the balance of payment as exports have seen an increase of 12.02% YoY in 5MFY18. Besides, improvement in GDP growth remains on track where it is expected to grow by 5.8%YoY in FY18 from 5.3% in FY17 led by 1) recovery in agriculture sector on the back of improved crop yield assessment, further supported by increase in agricultural loans target to PKR1 trillion for FY18 from PKR700 billion in FY17, 2) robust growth in manufacturing activity (LSM growth: 9.64%YoY in 4MFY18) driven by growing consumerism and incomes, 3) growing construction activity attributable to both infrastructure development and private housing, and 4) spillover effects of these on services sector.

MUTUAL FUND INDUSTRY REVIEW

Total assets under management (AUMs) of open end mutual fund industry posted a decline of 6.2% during 1HFY18 (from PKR 662 billion to PKR 621 billion), mainly on account of political uncertainty and economic concerns. Equity funds including Conventional and Islamic equity witnessed a substantial decline of 15.5% and 20% in AUM to close the period at PKR132.5 billion and PKR104 billion, respectively. On the flip side, the fixed income category (comprising of Income, Aggressive Income and Money Market funds) registered a decent growth of 17% in 1HFY18 to close at PKR177 billion in December 2017 compared to PKR151 billion in June 2017. Similarly, Islamic Income Category also posted a growth of 6% in AUMs to end the period at PKR46 billion.

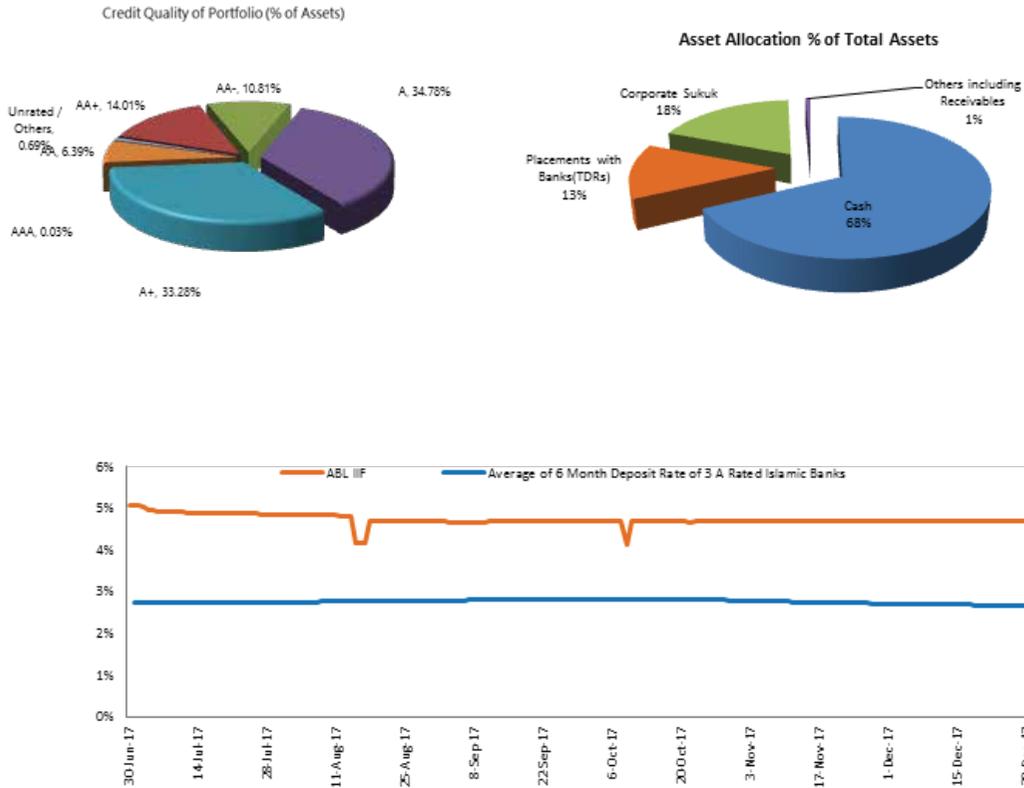
FUND PERFORMANCE

ABL Islamic Income Fund was among the best performing funds on YTD basis in Islamic Income fund category. The fund provided an annualized yield of 4.27% against the benchmark return of 2.50% thus outperforming the benchmark by 177 bps. During the period under review, fund's AUMs increased by a staggering 95.13% to close at PKR 7,741.21 million as at December 31, 2017 from PKR 3,967.79 million in June 30, 2017.

During 1HFY18, Islamic money market continued to trade on lower levels due to ample liquidity in the market. Profit rates on DPA & TDRs also continued remained attractive. On corporate debt side, fresh issuance of corporate sukus at competitive yields was witnessed. Consequently demand in GoP Ijara Sukuks remained in check with and a decline in secondary market prices was witnessed as compared to June 2017.

During the period, we have actively managed our allocations and realized gains on GoP Ijara holdings. Moreover, healthy allocation in TDR placements also supported return during the period. WAM of the portfolio was reduced to 478 days compared to 572 days in June, 2017. At the end of the period, the fund comprised of Corporate Sukuks at 18.46% (up by 1.76%), TDRs at 12.94% and cash at bank deposits at 67.91% of the fund.

Allocation in bank placements (deposits + TDRs) was enhanced as high rates were offered by the banks at year end.



AUITORS

M/s. Deloitte Yousuf Adil (Chartered Accountants), have been appointed as auditors for the year ending June 30, 2018 for ABL Islamic Income Fund (ABL-IIF).

FUND STABILITY RATING

JCR-VIS Credit Rating Company Ltd. (JCR-VIS) on January 16, 2018, reaffirmed the Fund Stability Rating of ‘A+ (f)’ (Single A plus (f)) to ABL Islamic Income Fund (ABL-IIF).

MANAGEMENT QUALITY RATING

On December 29 2017, JCR-VIS Credit Rating Company Limited has reaffirmed the Management Quality Rating of ABL Asset Management Limited (ABL AMC) at ‘AM Two plus plus’ (AM2++). Outlook on the assigned rating is ‘Stable’.



FUTURE OUTLOOK

Going ahead, we can witness slight upwards pressure on interest in view of considerable reversal in international commodity prices (mainly crude oil) coupled with exchange rate devaluation may result in inflationary pressures. Headline inflation for 1HFY18 averaged at 3.75% compared to 3.88% during 1HFY17. On the domestic debt side central Bank has continued to scrap all PIBs auctions held during the period due to lack of market interest in longer tenor instruments.

On the flip side, country's external position continued to remain fragile as Current Account Deficit (CAD) during 5MFY18 was up by a whopping 247%YoY to USD6,430 million as compared to USD2,601 million during 5MFY17. The sharp increase in CAD was caused by +40.3%YoY increase in trade deficit owing to rising imports (+23.4% YoY) and higher services deficit (+12.3%YoY) while slight support came from workers' remittances (+1.9% YoY). Similarly, foreign exchange reserves remained under pressure standing at 2.8 months of import cover in spite of USD2.5 billion financing arranged through issuance of Eurobond/Sukuk during the period. Resultantly, PKR depreciated 5.2% against USD to 110.3 during the period.

Our strategy will be to divide the allocation between Cash and floating rate instruments (Corporate Sukuks) to hedge against any upwards movements in discount rate. In the short run, placements with banks as cash and TDR at attractive rates are likely to boost returns.

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 (Central Depository Company of Pakistan Limited) and the management of Karachi Stock Exchange Limited for their continued guidance and support. The Directors also appreciate the efforts put in by the management team.

For & on behalf of the Board



Alee Khalid Ghaznavi
Chief Executive Officer

Lahore, February 19, 2018

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B',
S.M.C.H.S. Main Shakra-e-Faisal,
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Email: info@cdcpak.com



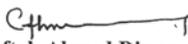
TRUSTEE REPORT TO THE UNIT HOLDERS

ABL ISLAMIC INCOME FUND

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

We Central Depository Company of Pakistan Limited, being the Trustee of ABL Islamic Income Fund (the Fund) are of the opinion that ABL Asset Management Company Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2017 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


Aftab Ahmed Diwan
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 19, 2018



AUDITORS' REPORT TO THE UNIT HOLDERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **ABL – Islamic Income Fund** (here-in-after referred to as 'the Fund') as at December 31, 2017, and the related condensed interim income statement, condensed interim statement of movement in unit holders' fund, condensed interim cash flow statement and notes to the accounts (here-in-after referred to as the 'condensed interim financial information') for the half year ended December 31, 2017. **ABL Asset Management Company Limited** (the Management Company) is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures for the quarter ended December 31, 2017 in the condensed interim income statement have not been reviewed and we do not express a conclusion on them.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the half year ended December 31, 2017 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Deloitte Yousuf Adil
Chartered Accountants

Engagement Partner

Rana M. Usman Khan

Dated: February 19, 2018

Place: Lahore

ABL ISLAMIC INCOME FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2017

		(Un-audited) December 31, 2017	(Audited) June 30, 2017
	Note	----- (Rupees in '000) -----	
ASSETS			
Balances with banks	4	5,301,151	2,553,954
Investments	5	2,450,613	1,432,394
Security deposit and prepayments		1,254	100
Profit receivable		52,552	23,517
Total assets		7,805,569	4,009,965
LIABILITIES			
Payable to ABL Asset Management Company Limited - Management Company	6	19,688	14,617
Payable to Central Depository Company of Pakistan Limited - Trustee		644	392
Payable to the Securities and Exchange Commission of Pakistan		2,153	3,300
Dividend payable		-	18
Accrued expenses and other liabilities	7	5,573	15,613
Payable against redemption of units		36,297	8,241
Total liabilities		64,355	42,181
NET ASSETS		7,741,214	3,967,784
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)			
		7,741,214	3,967,784
CONTINGENCIES AND COMMITMENTS			
	8	----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE		745,425,344	390,298,322
		----- (Rupees) -----	
NET ASSET VALUE PER UNIT		10.3850	10.1660
FACE VALUE PER UNIT		10.0000	10.0000

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

For ABL Asset Management Company Limited
(Management Company)


SAQIB MATIN
CHIEF FINANCIAL OFFICER


ALEE KHALID GHAZNAVI
CHIEF EXECUTIVE OFFICER


MUHAMMAD KAMRAN SHEHZAD
DIRECTOR

ABL ISLAMIC INCOME FUND

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2017

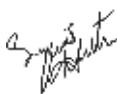
	For the Half year ended December 31, 2017	For the Half year ended December 31, 2016	For the Quarter ended December 31, 2017	For the Quarter ended December 31, 2016
Note ----- Rupees in '000 -----				
INCOME				
Profit on deposits with banks	111,811	71,084	67,199	46,422
Income from term deposit receipts	17,517	6,874	8,568	3,796
Income from sukuks	39,574	45,915	20,154	20,392
	168,902	123,873	95,921	70,610
Capital (loss) / gain on sale of government securities - net	(2,518)	9,290	107	5,046
Unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss - net	5.4 (597)	21,273	1,750	16,601
	(3,115)	30,563	1,857	21,647
Total income	165,787	154,436	97,778	92,257
EXPENSES				
Remuneration of ABL Asset Management Company Limited- Management Company Punjab / Sindh sales tax on remuneration of Management Company	6.2 28,705	20,408	15,988	11,698
Reimbursement of operational expenses to the Management Company	4,495	2,653	2,558	1,521
Remuneration of Central Depository Company of Pakistan Limited - Trustee	2,880	2,043	1,603	1,172
Sindh sales tax on remuneration of Trustee	2,811	2,163	1,522	1,208
Annual fee - Securities and Exchange Commission of Pakistan	367	283	199	158
Auditors' remuneration	2,153	1,531	1,199	878
Printing charges	252	272	149	170
Annual rating fee	176	151	88	96
Listing fee	117	117	59	60
Shariah advisory fee	18	28	11	14
Bank and settlement charges	237	282	118	140
Brokerage and securities transaction cost	118	73	40	45
	64	589	32	348
Total operating expenses	42,393	30,593	23,566	17,508
Net income for the period from operating activities	123,394	123,843	74,212	74,749
Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed - net	-	4,903	-	(10,491)
Reversal of provision for SWWF	335	-	-	-
Net income for the period before taxation	123,729	128,746	74,212	64,258
Taxation	9 -	-	-	-
Net income for the period after taxation	123,729	128,746	74,212	64,258
Allocation of Net Income for the period:				
Net income for the period after taxation	123,729	128,746	74,212	64,258
Income already paid on units redeemed	(17,454)	-	(12,668)	-
	106,275	128,746	61,544	64,258
Accounting income available for distribution:				
-Relating to capital gains	(3,881)		1,409	
-Excluding capital gains	110,185		60,135	
	106,275		61,544	

Earnings per unit

10

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

For ABL Asset Management Company Limited
(Management Company)


SAQIB MATIN
CHIEF FINANCIAL OFFICER


ALEE KHALID GHAZNAVI
CHIEF EXECUTIVE OFFICER


MUHAMMAD KAMRAN SHEHZAD
DIRECTOR

ABL ISLAMIC INCOME FUND

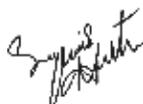
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2017

	For the Half year ended December 31, 2017	For the Half year ended December 31, 2016	For the Quarter ended December 31, 2017	For the Quarter ended December 31, 2016
----- Rupees in '000 -----				
Net income for the period after taxation	123,729	128,746	74,212	64,258
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	123,729	128,746	74,212	64,258

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

For ABL Asset Management Company Limited
(Management Company)



SAQIB MATIN
CHIEF FINANCIAL OFFICER



ALEE KHALID GHAZNAVI
CHIEF EXECUTIVE OFFICER



MUHAMMAD KAMRAN SHEHZAD
DIRECTOR

ABL ISLAMIC INCOME FUND

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

FOR THE HALF YEAR ENDED DECEMBER 31, 2017

	For the half year ended December 31, 2017				For the half year ended December 31, 2016			
	Capital Value	Undistributed income	Unrealised (losses)/ gains on investment	Total	Capital Value	Undistributed income	Unrealised (losses)/ gains on investment	Total
	----- Rupees in '000 -----				----- Rupees in '000 -----			
Net assets at the beginning of the period	3,902,987	64,797	-	3,967,784	3,270,907	-	5,729	3,276,636
Issue of 613,988,725 (2016: 340,730,398 units)								
- Capital value (at net asset value per unit at the beginning of the period)	6,241,826	-	-	6,241,826				
- Element of income	63,199	-	-	63,199				
	6,305,026	-	-	6,305,025	3,413,267	-	53,128	3,466,395
Redemption of 258,861,703 (2016: 252,619,777 units)								
- Capital value (at net asset value per unit at the beginning of the period)	2,631,595	-	-	2,631,595				
- Amount paid out of element of income								
- Relating to Net income for the period after taxation	-	17,454	-	17,454				
- Refund / adjustment on units as element of income	6,275	-	-	6,275				
Total payments on redemption of units	2,637,870	17,454	-	2,655,324	2,530,619	-	48,225	2,578,844
Element of loss and capital losses included in prices of units issued less those in units redeemed - net	-	-	-	-			(4,903)	(4,903)
Total comprehensive income for the period	-	123,729	-	123,729	-	-	128,746	128,746
Distribution for the period	-	-	-	-	-	-	-	-
Net income for the period less distribution	-	123,729	-	123,729	-	-	128,746	128,746
Net assets at the end of the period	7,570,142	171,072	-	7,741,214	4,153,555	-	134,475	4,288,030
Undistributed income brought forward								
- Realised income		40,723					8,798	
- Unrealised income		24,074					(3,069)	
		64,797					5,729	
Accounting income available for distribution								
- Relating to capital gains		3,881						
- Excluding capital gains		110,185						
		106,275						
Net income for the period after taxation		123,729					128,746	
Undistributed Income carried forward		171,072					134,475	
Undistributed Income carried forward								
- Realised income		171,669					113,202	
- Unrealised income		(597)					21,273	
		171,072					134,475	
			(Rupees)					(Rupees)
Net assets value per unit at beginning of the period			10.1660					10.0175
Net assets value per unit at end of the period			10.3850					10.3276

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

For ABL Asset Management Company Limited
(Management Company)


SAQIB MATIN
CHIEF FINANCIAL OFFICER


ALEE KHALID GHAZNAVI
CHIEF EXECUTIVE OFFICER

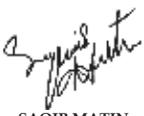

MUHAMMAD KAMRAN SHEHZAD
DIRECTOR

ABL ISLAMIC INCOME FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2017

		For the Half Year ended December 31, 2017	For the Half Year ended December 31, 2016
	Note	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period after taxation		123,729	128,746
Adjustments			
Unrealised appreciation / (diminution) on re-measurement of investments classified as financial assets at fair value through profit or loss - net		597	(21,273)
Element of income and capital gains included in prices of units sold less those in units redeemed		-	(4,903)
		597	(26,176)
(Increase) / decrease in assets			
Security deposit and prepayments		(1,154)	(142)
Profit receivable		(29,035)	(15,209)
		(30,189)	(15,351)
Increase / (decrease) in liabilities			
Remuneration payable to ABL Asset Management Company Limited -Management Company		5,071	2,938
Payable to Central Depository Company of Pakistan Limited - Trustee		252	150
Payable to Securities and Exchange Commission of Pakistan		(1,147)	(329)
Dividend payable		(18)	(32)
Accrued expenses and other liabilities		(10,040)	(8,078)
		(5,882)	(5,351)
Net amount paid on purchase / sale of investments		(8,816)	212,612
Net cash from operating activities		79,439	294,480
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts from issuance of units		6,305,025	3,433,618
Payments against redemption of units		(2,627,267)	(2,578,844)
Net cash from financing activities		3,677,758	854,774
Net increase in cash and cash equivalents		3,757,197	1,149,254
Cash and cash equivalents at the beginning of the period		2,553,954	1,958,813
Cash and cash equivalents at the end of the period	4.3	6,311,151	3,108,067

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

For ABL Asset Management Company Limited
(Management Company)


SAQIB MATIN
CHIEF FINANCIAL OFFICER


ALEE KHALID GHAZNAVI
CHIEF EXECUTIVE OFFICER


MUHAMMAD KAMRAN SHEHZAD
DIRECTOR

ABL ISLAMIC INCOME FUND

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2017

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 ABL Islamic Income Fund (the Fund) was established under a Trust Deed executed on June 23, 2010 between ABL Asset Management Company Limited (ABL AMCL) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations). The Fund commenced its operations on July 31, 2010.

The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (NBFC Rules) through a certificate issued by the Securities and Exchange Commission of Pakistan (SECP) on December 7, 2007. The registered office of the Management Company is situated at Plot No. 14, Main Boulevard, DHA Phase 6, Lahore.

1.2 The Fund is an open-ended mutual fund and is listed on the Pakistan Stock Exchange Limited. The units of the Fund are offered to the public for subscription on a continuous basis. The units are transferable and are redeemable by surrendering them to the Fund.

The Fund has been categorized as an open-end shariah compliant (Islamic) income scheme as per the criteria laid down by the SECP for categorisation of Collective Investment Schemes (CIS).

The objective of the Fund is to invest in liquid shariah compliant instruments like shariah compliant government securities and cash and near cash instruments.

1.3 JCR-VIS Credit Rating Company has assigned management quality rating of AM2++ (stable outlook) to the Management Company as at December 29, 2017 and fund stability rating of A(f) to the fund as at January 16, 2018.

1.4 The title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as trustee of the Fund.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

The Companies Ordinance, 1984 has been repealed after the enactment of the Companies Act, 2017 (the Act) on 30 May 2017. However, the SECP vide its Circular no.23 of 2017 dated 4 October 2017 allowed, those Companies who are required to prepare interim financial statements for the period ending on or before 31 December 2017, to

prepare their interim financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984.

The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2017.

In compliance with Schedule V of the NBFC Regulations, the directors of the Management Company hereby declare that this condensed interim financial information gives a true and fair view of the state of the Fund's affairs as at December 31, 2017.

3. SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ESTIMATES AND JUDGMENTS AND CHANGES THEREIN

3.1 The accounting policies applied for the preparation of this condensed interim financial information are the same as those applied in the preparation of the published annual audited financial statements of the Fund for the year ended June 30, 2017. Except for change in accounting policy mention in note 3.2.

The preparation of these condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

The significant judgments made by management in applying the accounting policies and the key sources of estimation of uncertainty were the same as those that applied to the financial statements as at and for the year ended June 30, 2017.

The financial risk management objectives and policies are consistent with those disclosed in the published annual audited financial statements of the Fund for the year ended June 30, 2017.

The significant judgments made by management in applying the accounting policies and the key sources of estimation of uncertainty were the same as those that applied to the financial statements as at and for the year ended June 30, 2017.

The financial risk management objectives and policies are consistent with those disclosed in the published annual audited financial statements of the Fund for the year ended June 30, 2017.

3.2 The Securities and Exchange Commission of Pakistan through its SRO 756(I)/2017 dated August 3, 2017 has made certain amendments in the NBFC Regulations. The notification includes a definition and explanation relating to "element of income" and excludes the element of income from the determination of "accounting income" as described in regulation 63 (amount distributable to unit holders) of the NBFC Regulations. As per the notification, element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the revised regulations also specify that element of income is a transaction of capital nature and the receipt and payment of element of income shall be taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units

lying in unit holders fund will be refunded on units in the same proportion as dividend bears to accounting income available for distribution. Furthermore, the revised regulations also require certain additional disclosures with respect to 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', whereas the requirement for presentation of 'Distribution Statement' as a part of the financial statements has been deleted in the revised regulation.

Previously, an equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' was created, in order to prevent the dilution of per unit income and distribution of income already paid out on redemption. The net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during the accounting period which pertained to unrealised appreciation / (diminution) held in the Unit Holder's Fund was recorded in a separate account and any amount remaining in this reserve account at the end of the accounting period (whether gain or loss) was included in the amount available for distribution to the unitholders. The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting period was recognised in the Income Statement.

As required by IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors', a change in accounting policy requires retrospective application as if that policy had always been applied. However, the Management Company has applied the above changes in accounting policy, including the additional disclosures requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund', prospectively from July 1, 2017 as required by SECP vide its email dated February 8, 2018. Accordingly, corresponding figures have not been restated. The 'Distribution Statement' for the comparative period has not been presented as it has been deleted as a result of the amendments made in the NBFC Regulations the aforementioned SRO issued by the SECP.

Had the element of income been recognised as per the previous accounting policy, the income of the Fund would have been lower by Rs. 69.474 million respectively. However, the change in accounting policy does not have any impact on the 'Cash flow Statement', the 'net assets attributable to the unit holders' and 'net asset value per unit' as shown in the 'Statement of Assets and Liabilities' and 'Statement of Movement in Unit Holders' Fund'. The change has resulted in inclusion of certain additional disclosures / new presentation requirements in the 'Income Statement' and 'Statement of Movement in Unit Holders' Fund which have been incorporated in these statements.

		(Un-audited) December 31, 2017	(Audited) June 30, 2017
	Note	----- (Rupees in '000) -----	
4. BALANCES WITH BANKS			
Saving accounts	4.1	5,287,021	2,553,569
Current accounts	4.2	14,130	385
		5,301,151	2,553,954

- 4.1** These saving accounts carry profit at rates ranging from 2.46% to 6.00% (June 30, 2017: 4.00% to 5.8%) per annum. Deposits in saving accounts include Rs. 978.45 million (June 30, 2017: Rs. 513.9 million) maintained with Allied Bank Limited, a related party, and carry profit at the rate of 5.80% (June 30, 2017: 6.00%) per annum.

4.2 The balance is maintained in an account with Allied Bank Limited, a related party.

(Un-audited) (Audited)
December 31, June 30,
2017 2017
Note -----(Rupees in '000)-----

4.3 Cash and cash equivalents

Balances with banks	4	5,301,151	2,553,954
Term deposit receipts	5.2	1,010,000	360,000
		6,311,151	2,913,954

5. INVESTMENTS

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

- Government of Pakistan (GoP) Ijarah sukuk	5.1.1	-	402,680
- Other sukuk certificates	5.1.2	941,613	669,714
		941,613	1,072,394
Loans and receivables			
- Term deposit receipts	5.2	1,010,000	360,000
- Advance against Pre IPO subscription	5.3	499,000	-
		2,450,613	1,432,394

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

5.1.1 GoP Ijarah sukuk:

Particulars of the issue / issue date	Maturity Date	Coupon rate in %	Face Value @ Rs 5,000 each				Balance as at December 31, 2017			Market value as a percentage of net assets	Market value as a percentage of total market value of investments
			As at July 01, 2017	Purchased during the period	Disposed of / matured during the period	As at December 31, 2017	Carrying Value	Market value	Unrealized gain / (loss)		
GOPIIS-19	30-Jun-2020	5.24	400,000	525,000	925,000	-	-	-	0.00	0.00	
Total - December 31, 2017			400,000	525,000	925,000	-	-	-	0.00	0.00%	
Total-June 30, 2017						400,000	402,680	2,680			

5.1.2 Other sukuk certificates:

Particulars of the issue / issue date	Date of Maturity	Coupon rate in %	Face Value				Balance as at December 31, 2017			Market value as a percentage of net assets	Market value as a percentage of total market value of investments
			As at July 01, 2017	Purchased during the period	Disposed off / matured during the period	As at December 31, 2017	Cost	Market value	Appreciation / (diminution)		
Rupees in '000											
Par value @ 5,000 each											
K-Electric / June 17, 2015	17-Jun-2022	7.17	108,550	-	10,855	97,695	102,739	99,893	(2,846)	1.29	5.12
Fatima Fertilizer /											
28-Nov-16	28-Nov-2021	7.28	157,050	-	17,450	139,600	146,655	143,439	(3,216)	1.85	7.35
Par value @ 1,000,000 each											
Meezan Bank Limited /											
September 6, 2016	22-Sep-2016	6.65	376,000	-	-	376,000	392,015	393,009	993	5.08	20.14
Dubai Islamic Bank Pakistan Ltd											
July 14, 2017	14-Jul-2027	6.64	-	300,000	-	300,000	300,800	305,272	4,472	3.94	15.64
Total - December 31, 2017			641,600	300,000	28,305	913,295	942,210	941,613	(597)	12.16	32.61
Total - June 30, 2017						424,614	945,912	943,119	2,793		

- 5.2 Term deposit receipts carry profit rates ranging from 5.90% to 6.05% (June 30, 2017: 5.80%) per annum and maturities ranging from February 28, 2018 to June 28, 2018 (June 30, 2017 to September 28, 2017).
- 5.3 This represents advance amount paid in relation to Pre - IPO of sukuk certificates to be issued by Dawood Hercules Corporation Limited. These sukuks have been subsequently issued on January 04, 2018.

	(Un-audited) December 31, 2017	(Audited) June 30, 2017
Note	----- (Rupees in '000) -----	
5.4 Unrealised gain/ (loss) on re-measurement of investments classified as financial assets at fair value through profit or loss - held for trading - net		
Market value of securities	941,613	1,072,394
Less: carrying value of securities	(942,210)	(1,048,320)
	<u>(597)</u>	<u>24,074</u>

**6 PAYABLE TO ABL ASSET MANAGEMENT COMPANY LIMITED
- MANAGEMENT COMPANY**

Remuneration of the Management Company	6.1	6,194	3,262
Punjab / Sindh sales tax payable on remuneration of the Management Company	6.2	2,226	1,757
Federal Excise Duty on remuneration of the Management Company	6.3	8,366	8,366
Sales load payable to the Management Company		22	-
Reimbursement of operational expenses to the Management Company	6.4	2,880	1,232
		<u>19,688</u>	<u>14,617</u>

- 6.1 Under the provisions of the NBFC Regulations, the Management Company of the Fund is charging a remuneration at 1% of the daily net assets of the Fund.
- 6.2 The Government of Sindh and Punjab has levied Sindh and Punjab Sales Tax at the rate of 13% (June 30, 2017: 13%) and 16% (June 30, 2017: 16%) on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011 and Punjab Sales Tax on Services Act, 2012 (as amended from time to time).
- 6.3 Through Finance Act 2013, Federal Excise Duty (FED) was made applicable at the rate of 16% on the remuneration of the Management Company, effective from June 13, 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax as explained in note 6.2, further levy of FED results in double taxation, which does not appear to be the spirit of the law.

The matter has been collectively taken up by the Management Company jointly with other asset management companies and trustees of respective collective investment schemes (CISs), through a constitutional petition filed in the Honorable Sindh High Court (SHC) during September 2013. In this respect, the SHC had issued a stay order against the recovery of FED and therefore we have not made payments of FED since its application.

On June 30, 2016 the Honorable Sindh High Court of Pakistan has passed the Judgment that after 18th amendment in the Constitution of Pakistan, the Provinces alone have the legislative power to levy a tax on rendering or providing services therefore chargeability and collection of Federal Excise Duty after July 01, 2011 is Ultra Vires to the Constitution of Pakistan. consequently, we have not accrued any FED provision w. e. f. July 01, 2016.

The Management Company, as a matter of abundant caution, has not reversed the provision accrued of FED by the Funds prior to June 30, 2016, as the Federal Board of Revenue has preferred an appeal with the Honorable Supreme Court of Pakistan against the Judgment passed by SHC which is pending adjudication.

Further, through Finance Act, 2016, the FED on services rendered by Non-Banking Financial Institutions (NBFIs) including Asset Management Companies, which are already subject to provincial sales tax, has been withdrawn.

- 6.4 This represents reimbursement of certain expenses to the Management Company. As per regulation 60(3)(s) of the amended NBFC Regulations dated November 25, 2015, fee and expenses pertaining to registrar services, accounting, operations and valuation services related to a Collective Investment Scheme (CIS) are chargeable to the scheme, maximum upto 0.1% of the average annual net assets or the actual cost whichever is lower. Accordingly, the Management Company has charged 0.1% of the average annual net assets, being the lower amount, to the Fund during the period.

7	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	(Un-audited)	(Audited)
			December 31, 2017	June 30, 2017
			----- (Rupees in '000) -----	
	Auditors' remuneration		207	305
	Printing charges		216	150
	Withholding tax		314	10,104
	Shariah advisory fee		40	39
	Rating fee		117	-
	Provision for Sindh Workers' Welfare Fund (SWWF)	7.1	4,679	5,015
			5,573	15,613

7.1 Provision for Workers' Welfare Fund (WWF) and Sindh Workers' Welfare Fund (SWWF)

As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies (including the Management Company of the Fund) whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but were pass through investment vehicles and did not employ workers. The SRB held that mutual

funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have mutual funds excluded from the applicability of Sindh WWF.

Further, SWWF Act 2014 enacted in June 2015 requires every Industrial Establishment located in the province of Sindh and having total income of Rs. 0.5 million or more, to pay two percent of so much of its total income declared to SWWF. The said Act includes any concern engaged in the Banking or Financial Institution in the definition of "Industrial Undertaking" but does not define Financial Institution. The Management Company, based on the opinion obtained by MUFAP from its advisor who is of the view that Collective Investment Schemes (CIS) are not financial institutions, believes that SWWF is not applicable on the Fund.

In view of the above developments regarding the applicability of WWF and SWWF on CISs / mutual Funds, MUFAP has recommended the following to all its members on January 12, 2017:

- * based on legal opinion, the entire provision against the Federal WWF held by the CISs till June 30, 2015, to be reversed on January 12, 2017; and
- * as a matter of abundant caution, the provision in respect of SWWF should be made with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015) on January 12, 2017.

The above decisions were communicated to the SECP and the Pakistan Stock Exchange Limited on January 12, 2017 and the SECP vide its letter dated February 1, 2017 has advised MUFAP that the adjustments relating to the above should be prospective and supported by adequate disclosures in the financial statements of the CISs/ mutual funds.

The total provision for SWWF till December 31, 2017 is amounting to Rs 4.679 million. Had the provision not been made the net assets value per unit of the Fund as at December 31, 2017 would have been higher by Re 0.0063 per unit.

8 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2017 and June 30, 2017.

9 TAXATION

The income of the Fund is exempt from income tax as per clause 99 of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders as cash dividend.

The Fund is 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. Subsequent to the year end, the management has distributed 90 percent of the Fund's net accounting income earned by the year end as cash dividend to the unit holders. Accordingly, no provision in respect of taxation has been made in these financial statements.

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.

10 EARNINGS PER UNIT (EPU)

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

11 TOTAL EXPENSE RATIO

The Scheme has maintained Total expense ratio (TER) 0.74% (0.12% representing Government Levies and SECP Fee).

12 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

12.1 Details of transactions with connected persons / related parties are as follows:

	------(Un-audited)-----	
	For the Half Year ended December 31, 2017	For the Half Year ended December 31, 2016
	------(Rupees in '000)-----	
ABL Asset Management Company Limited - Management Company		
Issue of 2,905,963 units (2016: 19,191,119 units)	30,000	195,525
Redemption of Nil units (2016: 19,191,119 units)	-	197,553
Remuneration for the period		
Punjab sales tax on remuneration of the Management Company's remuneration	28,705	20,408
Sales load to the Management Company	4,495	2,653
Reimbursement of operational expenses	121	2
	2,880	2,043
Allied Bank Limited		
Bank charges	36	4
Profit on bank deposit	7,761	22,218
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	2,811	2,163
Sindh sales tax on remuneration of Trustee	367	283
ABL Government Securities Fund - Common Management		
Sale of Meezan Bank Limited Sukuk (Face Value 374,000,000)	-	374,538
ABL Asset Management Company Limited - Staff Provident Fund		
Issue of Nil units (2016: 69,485 units)	-	700
Redemption of Nil units (2016: 168,663 units)	5,000	1700
MCBFSL Trustee - ABL Islamic Financial Planning Fund - Active Allocation Plan Under Common Management		
Issue of 57,930,983 units (2016: 15,427,021 units)	593,063	157,466
Redemption of 16,103,475 units (2016: 23,494,352 units)	165,359	242,040
MCBFSL Trustee - ABL Islamic Financial Planning Fund - Strategic Allocation Plan Under Common Management		
Issue of 33,889,607 units (2016: Nil units)	346,000	-
Redemption of 6,629,706 units (2016: 5,142,723 units)	68,063	51,818
MCBFSL Trustee - ABL Islamic Financial Planning Fund - Strategic Allocation Plan II Under Common Management		
Issue of 47,107,021 units (2016: 113,680,291 units)	481,000	1,152,000
Redemption of 24,667,237 units (2016: 13,586,709 units)	252,799	139,000

	------(Un-audited)-----	
	For the Half Year ended December 31, 2017	For the Half Year ended December 31, 2016
	------(Rupees in '000)-----	
MCBFSL Trustee - ABL Islamic Financial Planning Fund - Strategic Allocation Plan III Under Common Management		
Issue of 29,586,743 units (2016: Nil units)	302,000	-
Redemption of 13,492,969 units (2016: Nil units)	138,231	-
MCBFSL Trustee - ABL Islamic Financial Planning Fund - Strategic Allocation Plan IV Under Common Management		
Issue of 67,847,273 units (2016: Nil units)	695,732	-
Redemption of 8,082,595 units (2016: Nil)	83,000	-
MCBFSL Trustee - ABL Islamic Financial Planning Fund - Aggressive Allocation Plan Under Common Management		
Issue of 5,275,973 units (2016: 7,920,440 units)	54,373	80,835
Redemption of 6,824,950 units (2016: 2,243,190 units)	70,062	22,699
MCBFSL Trustee - ABL Islamic Financial Planning Fund - Conservative Allocation Plan Under Common Management		
Issue of 2,678,172 units (2016: 33,796,401 units)	27,453	344,151
Redemption of 13,584,275 units (2016: 35,089,421 units)	139,530	357,231
KEY MANAGEMENT PERSONNEL		
Executives		
Issue of 1 unit (2016: 270,144 units)	0.012	2,729
Redemption of Nil units (2016: 278,416 units)	-	2,794

12.2 Amounts outstanding at the period end;

	(Un-audited) December 31, 2017	(Audited) June 30, 2017
	------(Rupees in '000)-----	
ABL Asset Management Company Limited - Management Company		
Outstanding 2,905,963 units (June 30, 2017: Nil)	30,178	-
Remuneration payable to Management Company	6,194	3,262
Punjab / Sindh Sales tax on Management Company's remuneration	2,226	1,757
Federal Excise Duty on Management Company's remuneration	8,366	8,366
Sales load	22	-
Operational expenses	2,880	1,232
Allied Bank Limited		
Balance in saving accounts	978,454	513,637
Balance in current accounts	14,106	385
Profit accrued on bank deposit	5,580	2,458

	(Un-audited) December 31, 2017	(Audited) June 30, 2017
	----- (Rupees in '000) -----	
Central Depository Company of Pakistan Limited - Trustee		
Remuneration for the period	644	392
Security deposit	100	100
ABL Asset Management Company Limited - Staff Provident Fund		
Outstanding 448,407 units (June 30, 2017: 932,242 units)	4,657	9,477
MCBFSL Trustee - ABL Islamic Financial Planning Fund - Active Allocation Plan Under Common Management		
Outstanding 41,985,694 units (June 30, 2017: 158,187 units)	436,021	1,608
MCBFSL Trustee - ABL Islamic Financial Planning Fund - Strategic Allocation Plan Under Common Management		
Outstanding 37,493,135 units (June 30, 2017: 10,233,235 units)	389,366	104,031
MCBFSL Trustee - ABL Islamic Financial Planning Fund - Strategic Allocation Plan II Under Common Management		
Outstanding 47,759,211 units (June 30, 2017: 25,319,427 units)	495,979	257,397
MCBFSL Trustee - ABL Islamic Financial Planning Fund - Strategic Allocation Plan III Under Common Management		
Outstanding 88,563,752 units (June 30, 2017: 72,469,977 units)	919,735	736,730
MCBFSL Trustee - ABL Islamic Financial Planning Fund - Strategic Allocation Plan IV Under Common Management		
Outstanding 59,764,677 units (June 30, 2017: Nil units)	620,656	-
MCBFSL Trustee - ABL Islamic Financial Planning Fund - Aggressive Allocation Plan Under Common Management		
Outstanding 8,949,320 units (June 30, 2017: 10,498,297 units)	92,939	106,726
MCBFSL Trustee - ABL Islamic Financial Planning Fund - Conservative Allocation Plan Under Common Management		
Outstanding 14,449,012 units (June 30, 2017: 25,355,115 units)	150,053	257,760
Muller & Phipps Pakistan (Pvt) Ltd. Officer Gratuity Fund - Common directorship		
Outstanding 3,887,919 units (June 30, 2017: 3,887,919 units)	40,376	39,525
Muller & Phipps Pakistan (Pvt) Ltd. Staff Provident Fund - Common directorship		
Outstanding 3,463,347 units (June 30, 2017: 3,463,347 units)	35,967	35,208
Millat Tractors Limited		
Outstanding Nil units (June 30, 2017: 39,669,256 units)	-	403,278
KEY MANAGEMENT PERSONNEL		
Executives		
Outstanding 547 units (June 30, 2017: 546 units)	6	6

- 12.3 The transactions with related parties / connected persons are in the normal course of business at contracted rates and terms determined in accordance with market rates.

13 FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 "Fair Value Measurement" defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active market are based on the quoted market price at the close of trading on the period end date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from the carrying values as the items are either short-term in nature or periodically repriced.

Fair value hierarchy

IFRS 13 requires the Fund to classify financial instruments using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Quoted market prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or the liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Investment of the Fund carried at fair value are categorised as follows:

	As at December 31, 2017			Total
	Level 1	Level 2	Level 3	
	----- (Rupees in '000) -----			
Assets				
Investment in securities - financial assets at fair value through profit or loss - held for trading				
- GoP Ijara Sukuks	-	-	-	-
- Other Sukuks	-	941,613	-	941,613

	As at June 30, 2017			Total
	Level 1	Level 2	Level 3	
	----- (Rupees in '000) -----			
Assets				
Investment in securities - financial assets at fair value through profit or loss - held for trading				
- GoP Ijara Sukuks	402,680		402,680	
- Other Sukuks	943,119		943,119	

14 **General**

14.1 Corresponding figures have been rearranged and reclassified, wherever necessary, for better presentation and disclosures.

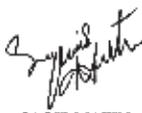
14.2 Figures have been rounded off to the nearest thousand rupees.

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

15 **DATE OF AUTHORISATION FOR ISSUE**

These condensed interim financial statements were authorised for issue on February 19, 2018 by the Board of Directors of the Management Company.

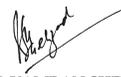
For ABL Asset Management Company Limited
(Management Company)



SAQIB MATIN
CHIEF FINANCIAL OFFICER



ALEE KHALID GHAZNAVI
CHIEF EXECUTIVE OFFICER



MUHAMMAD KAMRAN SHEHZAD
DIRECTOR

تھا جبکہ ورکرز کی جانب سے ریٹیننس (+19% YoY) میں تھوڑی بہت مدد ملی۔ اسی طرح بین الاقوامی زیرمبادلہ، دوران مدت یورو بانڈ رسلوک کے اجراء کے ذریعے 2.5 بلین امریکی ڈالر کی سرمایہ کاری کے باوجود 2.8 ماہ کے امپورٹ کو رکھ کر سطح پر رہتے ہوئے دباؤ کا شکار رہا۔ نتیجے کے طور پر اس مدت کے دوران ڈالر کے مقابلے میں پاکستانی روپیہ 5.2% کمی کے ساتھ 110.3 پاکستانی روپے پر رہا۔

ہماری حکمت عملی آنے والی TDR میچورٹیز کے خلاف قلیل المدتی بلز میں سرمایہ کاری کے ذریعے کم پورٹ فولیو دورانیکو برقرار رکھنا ہوگی۔ کیوں کہ ہم آنے والے مہینوں میں افراط زر کے دباؤ کے ساتھ ثانوی مارکیٹ کے نفع جات کی اوپر کی جانب پیش قدمی کر رہے ہیں۔ قلیل مدت میں بینک کی پلیٹفم سنس پر کشش شرح کے ساتھ منافع جات میں اضافے کا سبب بنیں گی۔

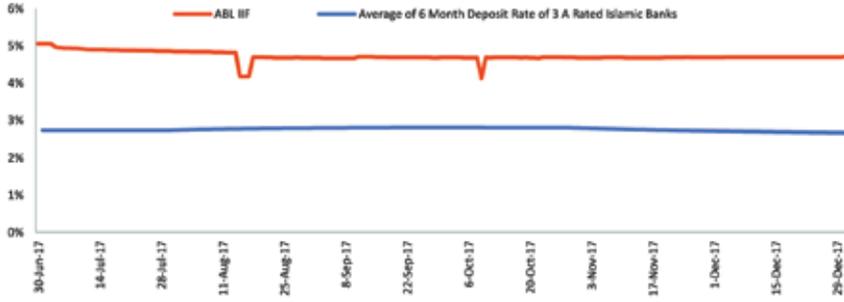
اظہار تشکر

ہم اپنے معزز سرمایہ کاروں کا اُن کے ہم پر اعتماد کا شکریہ ادا کرتے ہیں۔ بورڈ، سیکریٹریز اینڈ ایگزیکٹو کمیٹی آف پاکستان، ٹرسٹی (سینٹرل ڈپازٹری کمیٹی آف پاکستان لمیٹڈ) اور مینجمنٹ آف کراچی اسٹاک ایکسچینج لمیٹڈ کا بھی، ان کی راہنمائی اور معاونت پر تہ دل سے مشکور ہے۔ ڈائریکٹرز نے انتظامی ٹیم کی جانب سے کی جانے والے کاوشوں کو بھی سراہا ہے۔

برائے و مخائب بورڈ

علی خالد غزنوی
چیف ایگزیکٹو آفیسر

لاہور، 19 فروری، 2018



آڈیٹرز

سال ختم 30 جون، 2018 کے لیے ABL اسلامک انکم فنڈ (ABL-IIF) کے لیے بطور آڈیٹر تقرری کے حوالے سے میسرز Deloitte Yousuf Adil (چارٹرڈ اکاؤنٹنٹس) کا تقرر کیا گیا ہے۔

فنڈ کے استحکام کی درجہ بندی

18 جنوری، 2018 کو JCR-VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ نے (JCR-VIS) نے ABL گورنمنٹ سیکورٹیز فنڈ کی (Single) "A+ (f)" کی درجہ بندی کی۔ A Plus (f) کی فنڈ کے استحکام کی ریٹنگ کی دوبارہ توثیق (اعادہ) کی ہے۔

انتظامی معیار کی درجہ بندی

29 دسمبر، 2017 کو JCR-VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ نے ABL ایسٹس مینجمنٹ لمیٹڈ (ABL AMC) کی "AM Two Plus Plus" کی درجہ بندی کی۔ AM2++ کی مینجمنٹ کو ایڑی ریٹنگ کی دوبارہ توثیق (اعادہ) کیا ہے۔ مختص شدہ ریٹنگ کی پوزیشن مستحکم ہے۔

مستقبل کے بارے میں پیش بینی

ہم پیش قدمی کے ساتھ اجناس کے نرخوں (بالخصوص بین الاقوامی خام تیل کے نرخ) میں حالیہ اوپری جانب منسوخی کے ردعمل میں شرح سود پر تھوڑا بہت دباؤ دیکھ سکتے ہیں اور ساتھ ہی زرمبادلہ کی شرح میں کمی کے نتیجے میں افراط زر پر دباؤ ہو سکتا ہے۔ 18HFY کے حوالے سے سرفہرست افراط زر 18HFY کے دوران 3.88% کے مقابلے میں اوسطاً 3.75% پر رہا۔ دوران سال مرکزی بینک نے ابتدائی طور پر طویل مدت کے انسٹرومنٹس میں مارکیٹ کی عدم دلچسپی کے باعث تمام PIBs آکٹوبر کو اسکرپ کرنے کا عمل جاری رکھا ہے۔

دوسری طرف ملک کی بیرونی صورتحال کرنٹ اکاؤنٹ ڈیفیسیٹ (CAD) کے باعث خراب رہی، جو کہ 17MFY کے دوران 5,601 امریکی ڈالر کے مقابلے میں 18MFY کے دوران 6,430 امریکی ڈالر کے ساتھ 247% YoY کی اوپری سطح تک تھا۔ CAD میں یہ تیزی، بڑھتی ہوئی درآمدات (23.4% YOY) اور ہائرسروس ڈیفیسیٹ (12.3% YoY) کے کاروباری خسارہ میں 40.3% YoY تک اضافے کی وجہ سے

اضافہ (4) سروسیکلر پیمان کے پھیلنے ہوئے اثرات، شامل ہیں۔

میوچل فنڈ انڈسٹری کا جائزہ

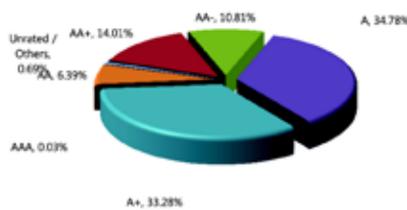
اوپن اینڈ میوچل فنڈ انڈسٹری کے مجموعی ایسٹس انڈر منیجمنٹ (AUMs) بالخصوص غیر یقینی سیاسی صورتحال اور معاشی معاملات کی وجہ سے 1HFY18 کے دوران 6.2% کی کمی (662 بلین پاکستانی روپے سے 621 بلین پاکستانی روپے) کے ساتھ درج کئے گئے۔ ایکویٹی فنڈز بشمول روایتی (کنویوشنل) اور اسلامک ایکویٹی کے AUM میں مدت کے اختتام پر 132.5 بلین پاکستانی روپے اور 104 بلین پاکستانی روپے کیساتھ بالترتیب 15.5% اور 20% کی شدید مندی دیکھنے میں آئی۔ دوسری طرف مقررہ آمدنی کی کیٹیگری (آمدن، جارحانہ آمدنی اور مینی مارکیٹ فنڈز) نے 1HFY18 میں 17% کی موزوں بڑھوتری ظاہر کرتے ہوئے جون 2017 کے 151 بلین پاکستانی روپے کے مقابلے میں دسمبر 2017 میں 117 بلین پاکستانی روپے پر بند ہوئی۔ اسی طرح اسلامک آمدن کی کیٹیگری بھی 6% کی بڑھوتری ظاہر کرتے ہوئے مدت کے اختتام پر 46 بلین پاکستانی روپے پر بند ہوئی۔

فنڈ کی کارکردگی

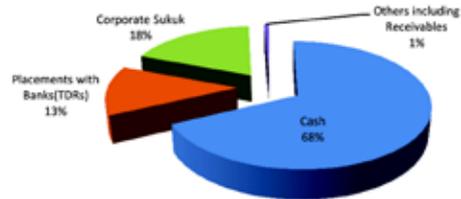
ABL اسلامک انکم فنڈ، YTD کی بنیاد پر اسلامک انکم فنڈ کی قسم میں بہتر کارکردگی کا مظاہرہ کرنے والا فنڈ ہے۔ اس فنڈ نے 2.50% کے اہدائی نفع کے مقابلے میں سالانہ 4.27% نفع فراہم کیا اور اپنے ہدف سے 177bps تک بہتر کارکردگی کا مظاہرہ کیا۔ زیر بحث مدت کے دوران 31 دسمبر، 2017 کو فنڈ کے AUMs حیرت انگیز طور پر 7,741.21 بلین پاکستانی روپے کے ساتھ 95.13% پر بند ہوئے جو کہ جون 2017 میں 3,967.79 بلین پاکستانی روپے تھے۔

مارکیٹ میں وافر مقدار میں سیالیت کی وجہ سے 1HFY18 کے دوران اسلامک منی مارکیٹ نے زیریں سطحوں پر کاروبار کو جاری رکھا۔ DPA اور TDRs پر نفع کی شرح بھی مسلسل پرکشش رہی۔ کارپوریٹ قرضہ جات کی جانب، مسابقتی نفع پر کارپوریٹ صکوک کا تازہ ترین اجراء دیکھنے میں آیا۔ اسی تسلسل میں GoPljara صکوک کی طلب جانچ سے مشروط رہی اور جون 2017 کے مقابلے میں ثانوی مارکیٹ کے نزخوں میں مندی دیکھنے میں آئی۔ اس مدت کے دوران، ہم نے اپنی ایلوکیشنز کو مؤثر انداز میں منظم کیا اور GoPljara ہولڈنگز پر نفع حاصل کیا۔ مزید یہ کہ اس مدت کے دوران TDR میں صحت مندانہ پلیمینٹ کی سرگرمی سے بھی نفع میں مدد ملی۔ پورٹ فولیو کا WAM جون 2017 کے 572 ایام کے مقابلے میں کم ہو کر 478 ایام ہو گیا۔ مدت کے اختتام پر فنڈ کے کارپوریٹ صکوک 18.46% (1.76% تک اوپر)، TDRs، 12.94% اور بینک میں جمع شدہ زرنفند 67.91% پر مشتمل رہے۔ بینک پلیمینٹس (ڈپازٹس + TDRs) میں ایلوکیشن سال کے اختتام پر بینکوں کو پیش کردہ بلند شرح کی وجہ سے بڑھ گئے۔

Credit Quality of Portfolio (% of Assets)



Asset Allocation % of Total Assets



میجمنٹ کمپنی کے ڈائریکٹرز کی رپورٹ

ABL اسٹیشن میجمنٹ کمپنی لمیٹڈ، ABL اسلامک انکم فنڈ (ABL-IIF) کی میجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز 31 دسمبر، 2017 کو ختم شدہ ششماہی کے حوالے سے ABL اسلامک انکم فنڈ کے منجملہ عبوری مالی گوشواروں (غیر آڈٹ شدہ) کا نظریہ اعلان کرتے ہیں۔

اقتصادی کارکردگی کا جائزہ

اس مدت کے دوران بیرونی سطح پر درپیش چیلنجز کے باوجود پاکستان کے زیادہ تر اقتصادی عوامل مستحکم رہے۔ اسی طرح، دسمبر میں CPI کی معمولی بڑھوتری کے رجحان کے باوجود 1HFY18 کے لیے اوسط CPI، YoY 3.75% رہا، جو کہ SPLY کے دوران 3.88% تھا۔ دسمبر CPI نے بین الاقوامی مارکیٹ میں تیل کے نرخوں میں اضافے کی وجہ سے افراط زر کی توقعات کو بڑھا دیا ہے۔ دوران مدت اس کی وجہ سے SBP پر پالیسی کی 5.75% کی کم ترین شرح پر نظر ثانی کرنے کے لیے مستقل دباؤ رہا۔ مزید برآں اسٹیٹرزڈ اور Poor نے پاکستان کی طویل المدت کریڈٹ ریٹنگ بی "کو برقرار رکھا تاہم بیرونی اور مالی سطح پر اس کی توقعات کم ہوئی۔

دوسری جانب، 5MFY18 کے دوران کرنٹ اکاؤنٹ ڈیفیسیٹ (CAD) کے 6,430 ملین امریکی ڈالر کے ساتھ YoY 247% بڑھوتری سے ملک کی بیرونی صورتحال مسلسل خراب رہی، جو کہ 5MFY17 کے دوران 2,601 ملین امریکی ڈالر تھی۔ CAD میں تیزی سے اس اضافے کی وجہ بڑھتی ہوئی درآمدات (YoY +23.4%) کے باعث تجارتی خسارے میں +3.0% YoY تک اضافہ اور سروسز کے بلند خسارے (YoY +12.3%) کی وجہ سے تھا، جبکہ ملازمین کے ریٹینینس سے معمولی سپورٹ (YoY 1.9% میسر آئی۔ اسی طرح دوران مدت زرمبادلہ کے ذخائر، یوروبانڈ اسکوک کے اجراء کے ذریعے 2.5 بلین امریکی ڈالر کی سرمایہ کاری کے باوجود ڈیپوٹ کور کے 2.8 ماہ کی سطح پر رہتے ہوئے دباؤ کا شکار رہے۔ جس کے نتیجے میں دوران مدت پاکستانی روپے کی قدر 5.2% کمی کے ساتھ 110.3 پر آگئی۔

مالیاتی سطح پر، FBR نے 6MFY17 کے دوران 1,722 بلین پاکستانی روپے مالیت کے محصولات وصول کئے، جو کہ SPLY میں 1,466 بلین پاکستانی روپے تھے، جس سے 50 بلین پاکستانی روپے کے ہدف کی کمی کے باوجود (YoY +17.46%) کی سحت مندانہ سرگرمی ظاہر ہوئی۔ اس خسارے کو پورا کرنے کے لیے حکومت نے محصولات کے حلقے کو وسیع کرنے اور ٹیکس ایمنٹی اسکیمز کی پیشکش کے ذریعے ٹیکس میں اضافے کی کوشش کی ہے۔ مزید برآں، حکومت پٹرولیم کی مصنوعات پر GST کو کم کر کے تیل کے بڑھتے ہوئے نرخوں کے اثرات کو ضمن کرنے پر بھی شکوک و شبہات کا شکار ہے۔

اس پیش قدمی کے ساتھ، بین الاقوامی سطح پر تیل کے بڑھتے ہوئے نرخوں، مستحکم درآمدات، سطحی ریٹینینسز اور بیرونی قرضوں کی سروسنگ معیشت کے لیے اہم خدشات کا باعث ہیں۔ ہر چند یہ کہ حکومت ادائیگی کو متوازن رکھنے اور آسانی کی غرض سے ایک سپورٹ پیکیج "پر توجہ دے رہی ہے، کیوں کہ 5MFY18 میں برآمدات (ایکسپورٹ) میں YoY 12.02% کا اضافہ مشاہدے میں آیا ہے۔ اس کے علاوہ، GDP میں بڑھوتری FY18 میں متوقع YoY 5.8% کی سطح پر قرار ہے جو کہ FY17 میں 5.3% تھی، جس کی بنیادی وجوہات میں (1) فصل کے بہتر نفع جاتی تجزیہ کی مدد سے زرعی شعبے سے وصولی ہے جسے بعد ازاں FY18 میں 1 ٹریلین پاکستانی روپے کے امدانی زرعی قرضہ جات میں اضافے کے ذریعے مدد دی گئی، جو کہ FY17 میں 700 بلین پاکستانی روپے تھے۔ (2) صارفین کی تعداد اور آمدن میں اضافے کے ذریعے مینوفیکچرنگ کی سرگرمیوں میں مستحکم انداز میں اضافہ (LSM بڑھوتری: 4MFY18 میں 9.64%)۔ (3) انفراسٹرکچر کے ترقیاتی کاموں اور نجی ہاؤسنگ کے کاموں کے فروغ کے ذریعے تعمیراتی سرگرمی میں



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