



ABL Islamic Income Fund

CONDENSED INTERIM FINANCIAL INFORMATION
For The Period Ended December 31, 2015

HALF YEARLY REPORT



ABL Asset Management

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ABL ISLAMIC INCOME 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:	Central Depository Company of Pakistan Ltd. CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi - 74400	
Bankers to the Fund:	Allied Bank Limited Bank Al- Falah Limited	
Auditor:	Deloitte Yousuf Adil Chartered Accountant Cavish Court, A-35, Block 7 & 8, KCHSU Shahra-e-Faisal, Karachi.	
Legal Advisor:	Bawaney & Partners 3rd & 4th Floors, 68-C, Lane-13 Bokhari Commercial Area Phase-VI, 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, 2015.

ECONOMIC PERFORMANCE REVIEW

Pakistan's macro-economic landscape got another boost from declining crude oil prices (down another 50% in 1HFY16), with all major macro indicators turning favorable during the period. CPI based inflation averaged at 2.2% YoY during 1HFY16 as opposed to 6.1% YoY in the same period last year. The low inflation reading was primarily a consequence of the global rout in oil prices. Second round impact of falling oil prices was also visible in falling food and transportation costs, which further eased inflationary pressures. Going ahead, the outlook for inflation remains soft with average for FY16 expected to stay in the range of 3%-3.5% YoY compared to 4.6% in FY15.

The decline in oil prices also proved a boon for the external account and the current account deficit fell by 48.6% to USD 1,267mn in 1HFY16 (-0.9% of GDP) compared to USD 2,463mn (-1.8% of GDP) in the corresponding period last year. Country's trade deficit further narrowed down to USD 9.1bn compared to USD 9.9bn as total imports dropped by 10.0% YoY to USD 19.8bn primarily due to global oil slump. However, lower commodity prices had a negative impact on Pakistan's exports which declined by 11.0% YoY to USD 10.8bn. Remittances continued to show a favorable trend, rising to USD 9.7bn from USD 9.2bn, showing a growth of 6.3% YoY in 1HFY16. Improving external sector account combined with some major FX inflows (clubbed IMF tranches of USD 1.1bn) helped country's FX reserves to reach an all-time high level of USD 21.1bn (import cover of 6months). Despite these developments, PKR depreciated by 2.8% during the period to reach Rs 103.73 against the greenback.

The situation on fiscal front remained challenging. Despite showing 16.9% YoY growth in revenue collection in 1HFY16, FBR yet again failed to meet its collection targets of PKR 1.39tn and managed to net only Rs 1.37tn. The government expects to bridge the revenue short fall through expanding the tax net by introducing a new tax amnesty scheme for traders. Efforts are also underway for removal of concessionary SROs and reduction in power subsidies amid falling oil prices. Despite the paucity of time and willingness, government seems confident about restricting fiscal deficit to 4.8% of GDP for FY16 compared to 5.3% in FY15.

SBP keeping the above developments into consideration further reduced the discount rate by 50bps in Sep-15, bringing it to an all-time low level of 6.5%. Going ahead, the outlook for 2HFY16 looks promising as (1) macroeconomic indicators like CPI and CAD continue to improve, (2) IMF program is progressing without major hurdles and (3) authorities reiterate their resolve and commitment to go forward with structural reforms. Icing on the cake is initiation of work on western route of CPEC which is expected to provide impetus to overall economic activity in the country. In the backdrop of these developments, stable policy environment can be expected going forward with focus mainly on internal reforms.

MUTUAL FUND INDUSTRY REVIEW

Total assets under management (AUMs) of Pakistan's open end mutual fund industry posted a decent double digit growth of 10% during 1HFY16 (from PKR 426 billion to PKR 469 billion), despite increase in taxes on corporate investors and subdued market performance. The Growth in AUMs was mainly contributed by fixed Income category which showed a jump of 43% during the period to PKR115 billion compared to PKR80 billion in June-15, as investors kept chasing PIBs gains in the last leg of monetary easing cycle. On the flip side, an outflow of PKR13 billion was reported from money market funds category which closed the period at PKR52 billion due to sharp reduction in baseline returns. On cumulative basis, the fixed income category (comprising of Income, Aggressive Income and Money Market funds) registered an increase of 15% in 1HFY16 to close at PKR178 billion in December 2015 compared to PKR154 billion in June 2015. In line with conventional fixed income, Islamic Income Category also posted a strong growth of 38% in AUMs to end the period at PKR 29 billion.

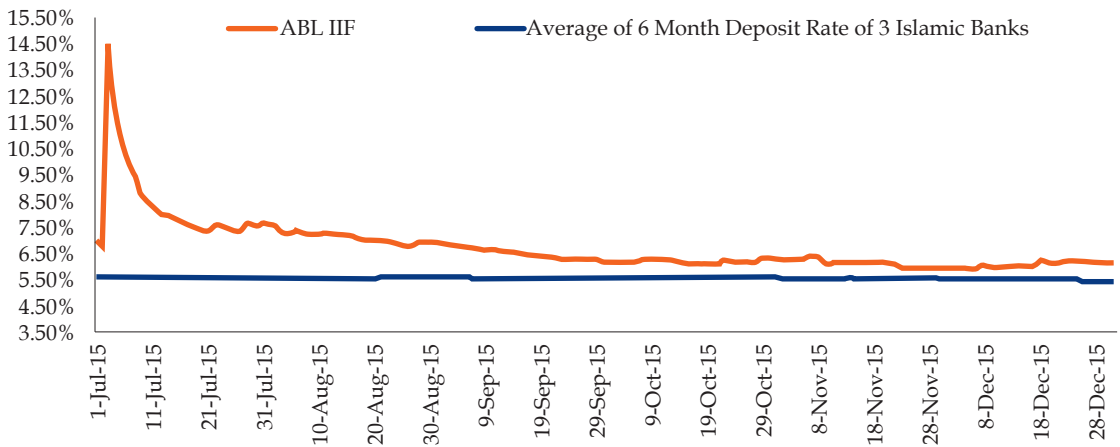
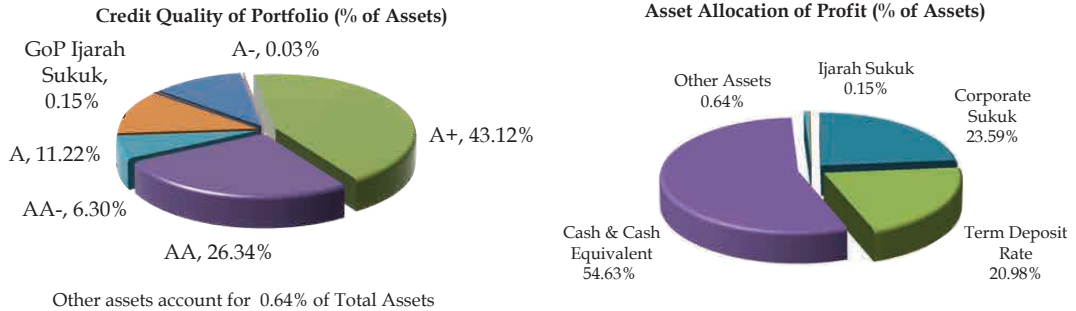
FUND PERFORMANCE

ABL Islamic Income Fund was amongst the best performing funds on YTD basis in Islamic Income fund category. With an annualized yield of 6.13%, its return was well above the industry average of 5.05%. ABL IIF also outperformed the benchmark yield of 5.32% by a handsome 81 bps. During the period under review, fund's AUMs increased significantly by 42% to close at PKR 2,600 mn as at Dec-15 from PKR 1,832 mn in June 2015. During 1HFY16, Islamic money market remained active due to outright OMO purchase of GIS on deferred payment (Bai muajjal) transaction with the Ministry of Finance worth PKR 209 billion. Moreover, against the maturity of GoP Ijarah Sukuks (9 to 13), SBP announced fresh **issuance of**

Ijarah Sukuk 16 and raised PKR 117 billion against participation of PKR 273 billion. Auction target was set at PKR 100 billion while the available value of the asset was PKR 315.083 billion.

During the period, we have actively managed our allocations and booked heavy trading gains in corporate Sukuks. The fund also took some trading positions in Ijarah Sukuk 16 and was able to book gains. Moreover, healthy allocation in TDR placements also supported bottom line during the period. Due to increase in fund size, WAM of the portfolio was reduced to 373 days from 423 days in June 2015.

At the end of the period, the fund comprised of Corporate Sukuks at 23.59%, TDRs at 20.98 of total assets and cash at bank deposits at 54.63% of the fund. Allocation in bank placements (deposits + TDRs) was enhanced as high rates were offered by the banks at year end.



AUDITORS

M/s. Deloitte Yousuf Adil (Chartered Accountants), have been appointed as auditors for the year ending June 30, 2016 for ABL Islamic Income Fund (ABL-IIF).

FUND STABILITY RATING

JCR-VIS Credit Rating Company LTD. (JCR-VIS) on December 31, 2015 has reaffirmed the Fund Stability of ABL Islamic Income Fund at 'A(f)' (Single A (f)).

MANAGEMENT QUALITY RATING

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

FUTURE OUTLOOK

Lower oil prices are likely to remain the mainstay of economic recovery in the country. CPI for 1HFY16 averaged at 2.08% compared to SBP target inflation of 3.5%-4.5% for FY16. IMF has also revised its inflation estimates downward to 3.7%



compared to 4.5% owing to low oil and food prices. Real interest rate is expected to remain around +2% and with no major uptick expected in commodity prices, we believe a 50 bps cut in the discount rate cannot be ruled out in 3QFY16. Other economic indicators like current account deficit and FX reserves will continue to shine owing to sinking oil prices. However, PKR depreciation against USD will remain a threat in next six months due to global economic slowdown, strengthening dollar amid Fed's interest rate hike and pressure on regional currencies.

For ABL IIF, placements with Islamic banks at attractive rates are likely to boost returns in first quarter of CY16. Moreover, we expect gains on Sukuk portfolio due to improvement in credit ratings of Engro Fertilizer and Maple Leaf Sukuks. In addition to that, we will add new GoP and corporate Sukuks in portfolio to lift overall yield.

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 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, February 8, 2016

Head Office

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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 for the period ended December 31, 2015 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.


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

Karachi: February 17, 2016



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, 2015, and the related condensed interim income statement, condensed interim distribution 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, 2015. **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 of the condensed interim income statement for the quarters ended December 31, 2015 and 2014 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2015.

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, 2015 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Other Matter

The condensed interim financial information of the Fund for the half year ended December 31, 2014 and the annual financial statements of the Fund for the year ended June 30, 2015 were reviewed and audited by another firm of Chartered Accountant whose report dated February 23, 2015 and September 16, 2015 expressed an unqualified conclusion and opinion thereon respectively.

Deloitte Yousuf Adil
Chartered Accountants

Engagement Partner:
Nadeem Yousuf Adil

Date: February 08, 2016
Place: Karachi

Member of
Deloitte Touche Tohmatsu Limited

ABL ISLAMIC INCOME FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT DECEMBER 31, 2015

		(Un-audited) December 31, 2015	(Audited) June 30, 2015
	Note	----- Rupees in '000 -----	
ASSETS			
Balances with banks	4	1,431,942	1,201,777
Investments	5	1,172,503	808,496
Security deposit and prepayments		255	100
Profit receivable		16,499	18,128
Total assets		2,621,199	2,028,501
LIABILITIES			
Payable to ABL Asset Management Company Limited - Management Company	6	8,858	7,637
Payable to Central Depository Company of Pakistan Limited - Trustee	7	254	202
Payable to the Securities and Exchange Commission of Pakistan		722	1,125
Dividend payable		-	11,397
Accrued expenses and other liabilities	8	10,264	17,387
Payable against redemption of units		406	158,276
Total liabilities		20,504	196,024
NET ASSETS		2,600,695	1,832,477
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		2,600,695	1,832,477
CONTINGENCIES AND COMMITMENTS	9	----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE		251,566,156	182,731,960
		----- (Rupees) -----	
NET ASSET VALUE PER UNIT		10.3380	10.0282
FACE VALUE PER UNIT		10.0000	10.0000

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
 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, 2015

		For the half year ended December 31, 2015	For the half year ended December 31, 2014	For the quarter ended December 31, 2015	For the quarter ended December 31, 2014
	Note	----- Rupees in '000 -----			
INCOME					
Capital gain / (loss) on sale of government securities - net		1,283	970	(133)	570
Profit on deposits with banks		37,120	40,086	17,780	17,750
Income from term deposit receipts		8,274	2,673	4,604	2,673
Income from sukuks		24,944	26,346	12,315	16,225
		71,621	70,075	34,566	37,218
Unrealised gain on re-measurement of investments at "fair value through profit or loss - held for trading" - net	5.3	2,625	4,112	2,734	3,232
Total income		74,246	74,187	37,300	40,450
EXPENSES					
Remuneration of ABL Asset Management Company Limited - Management Company	6.1	9,622	6,977	4,873	3,713
Sindh sales tax on remuneration of the Management Company		1,563	1,214	792	646
Federal Excise Duty (FED) on remuneration of the Management Company	6.2	1,539	1,116	779	594
Remuneration of Central Depository Company of Pakistan Limited - Trustee		1,248	1,022	631	530
Sindh sales tax on remuneration of Trustee	7.1	175	-	88	-
Amortization of preliminary expenses and floatation costs		-	325	-	162
Annual fee - Securities and Exchange Commission of Pakistan		722	523	366	278
Auditors' remuneration		251	166	155	83
Legal and professional charges		274	-	97	-
Bank and settlement charges		87	85	52	43
Annual rating fee		97	97	49	51
Printing charges		68	83	30	45
Brokerage and securities transaction cost		232	109	164	87
Listing fee		25	25	12	12
Total operating expenses		15,903	11,742	8,088	6,244
Net income for the period from operating activities		58,343	62,445	29,212	34,206
Element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed - net		19,592	(2,485)	18,756	(4,305)
Provision for Workers' Welfare Fund	8.1	-	(1,200)	-	(599)
Net income for the period before taxation		77,935	58,760	47,968	29,302
Taxation	10	-	-	-	-
Net income for the period after taxation		77,935	58,760	47,968	29,302
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		77,935	58,760	47,968	29,302
Earnings per unit	11				

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
 Chief Executive Officer


MUHAMMAD KAMRAN SHEHZAD
 Director

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ABL ISLAMIC INCOME FUND
CONDENSED INTERIM DISTRIBUTION STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2015

	For the half year ended December 31, 2015	For the quarter ended December 31, 2014
----- Rupees in '000 -----		
Undistributed income brought forward comprising of:		
- realised income	151	3,012
- unrealised income	5,002	184
	5,153	3,196
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net	1,941	94
Net income for the period after taxation	77,935	58,760
Undistributed income carried forward	85,029	62,050
Undistributed income carried forward comprising of:		
- realised income	82,404	57,938
- unrealised income	2,625	4,112
	85,029	62,050

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
 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, 2015

	For the half year ended December 31, 2015	For the quarter ended December 31, 2014
	----- Rupees in '000 -----	
Net assets at the beginning of the period	1,832,477	1,270,261
Issue of 227,819,892 units (2014: 86,970,990 units)	2,332,657	889,780
Redemption of 158,985,696 units (2014: 83,239,725 units)	(1,622,782)	(854,893)
	709,875	34,887
Net element of (income) / loss and capital (gains) / losses included in the prices of units issued less those in units redeemed		
- amount representing (income) / loss and capital (gains) / losses transferred to income statement	(19,592)	2,485
- amount representing (income) / loss and capital (gains) / losses transferred to distribution statement	(1,941)	(94)
	(21,533)	2,391
Capital gain on sale of government securities - net	1,283	970
Unrealised gain on re-measurement of investments at "fair value through profit or loss - held for trading" - net	2,625	4,112
Other net income	74,027	53,678
	77,935	58,760
Net element of income / (loss) and capital gains / (losses) included in the prices of units issued less those in units redeemed transferred to distribution statement	1,941	94
Net assets as at the end of the period	2,600,695	1,366,393

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
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, 2015

For the half
year ended
December 31,
2015

For the
quarter ended
December 31,
2014

----- Rupees in '000 -----

CASH FLOWS FROM OPERATING ACTIVITIES

Net income for the period before taxation	77,935	58,760
Adjustments for non-cash and other items:		
Unrealised gain on re-measurement of investments at "fair value through profit or loss - held for trading" - net	(2,625)	(4,112)
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net	(19,592)	2,485
Amortization of preliminary expenses and floatation cost	-	325
Provision for Workers' Welfare Fund	-	1,200
FED on Management Company's Remuneration	1,539	1,116
	(20,678)	1,014
(Increase) / decrease in assets		
Profit receivable	1,629	(9,035)
Security deposits and prepayments	(155)	(120)
Investments	(26,382)	(653,823)
	(24,908)	(662,978)
Increase / (decrease) in liabilities		
Payable to ABL Asset Management Company Limited - Management Company	(318)	731
Payable to Central Depository Company of Pakistan Limited - Trustee	52	14
Payable to Securities and Exchange Commission of Pakistan	(403)	(373)
Accrued expenses and other liabilities	(7,123)	(3,624)
Payable against redemption of units	(157,870)	507
	(165,662)	(2,745)
Net cash used in operating activities	(133,313)	(605,949)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(11,397)	-
Receipts against issuance of units	2,332,657	889,780
Payments against redemption of units	(1,622,782)	(854,893)
Net cash generated from financing activities	698,478	34,887
Net increase / (decrease) in cash and cash equivalents	565,165	(571,062)
Cash and cash equivalents at the beginning of the period	1,416,777	1,076,800
Cash and cash equivalents at the end of the period	1,981,942	505,738

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
Chief Executive Officer


MUHAMMAD KAMRAN SHEHZAD
Director


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NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2015

1. LEGAL STATUS AND NATURE OF BUSINESS

ABL Islamic Income Fund (the Fund) was established under a Trust Deed executed between ABL Asset Management Company Limited (ABL AMCL) as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on June 11, 2010 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 7, 2007. The registered office of the Management Company is situated at 11-B, Lalazar, M.T Khan Road, Karachi.

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

The Fund has been categorised 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.

JCR-VIS Credit Rating Company has assigned management quality rating of AM2 (stable outlook) to the Management Company as at December 31, 2015 and a fund stability rating of A(f) to the Fund as at December 31, 2015.

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

This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. 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 Securities and Exchange Commission of Pakistan (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 the IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

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, 2015.

In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, 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, 2015.

2.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention, except for the investments which are stated at fair value.

2.3 Functional and presentation currency

This condensed interim financial information has been presented in Pak Rupees, which is the functional and presentation currency of the Fund.

3 SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ESTIMATE AND JUDGEMENTS AND CHANGES THEREIN

The accounting policies applied for the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual published financial statements of the Fund for the year ended June 30, 2015.

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

The significant estimates, judgments and assumptions made by management in applying the accounting policies and the key sources of estimation of uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2015.

The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2015.

Certain amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 1, 2015. None of these amendments are expected to have a significant effect on this condensed interim financial information.

4. BALANCES WITH BANKS	Note	(Un-audited)	(Audited)
		December 30, 2015	June 30, 2015
----- Rupees in '000 -----			
Saving accounts	4.1	1,428,834	1,201,220
Current account	4.2	3,108	557
		<u>1,431,942</u>	<u>1,201,777</u>

4.1 These saving accounts carry profit at rates ranging from 6.00% to 6.90 % (June 30, 2015: 5.00% to 7.00%) per annum.

4.2 The Balance is maintained with Allied Bank Limited, a related party of the Fund.

4.3 Cash and cash equivalents

Balances with banks		1,431,942	1,201,777
Term deposit receipts	5.2	550,000	215,000
		<u>1,981,942</u>	<u>1,416,777</u>

5. INVESTMENTS

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

- Government of Pakistan (GoP) Ijarah sukuk	5.1.1	4,045	125,922
- Other sukuk	5.1.2	618,458	467,574
		<u>622,503</u>	<u>593,496</u>

Loans and receivables

- Term deposit receipts	5.2	550,000	215,000
		<u>1,172,503</u>	<u>808,496</u>

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

5.1.1 GoP Ijara Sukuk

Issue date	Coupon rate in % / tenor	Face Value				Balance as at December 31, 2015			Market value as a percentage of net assets of the Fund	Market value as a percentage of total investment
		As at July 01, 2015	Purchased during the period	Disposed / matured during the period	As at December 31, 2015	Carrying Value	Market value	Appreciation / (diminution)		
----- (Rupees- in 000) -----										
December 26, 2011	6.9355 / 4 Years	73,000	2,030,000	2,103,000	-	-	-	-	-	-
June 28, 2012	6.9355 / 3.5 Years	50,000	62,800	112,800	-	-	-	-	-	-
March 28, 2013	7.5919 / 3 Years	2,000	-	2,000	-	-	-	-	-	-
December 18, 2015	5.8946 / 3 Years	-	154,000	150,000	4,000	4,037	4,045	8	0.16%	0.34%
Total - December 31, 2015		<u>125,000</u>	<u>2,246,800</u>	<u>2,367,800</u>	<u>4,000</u>	<u>4,037</u>	<u>4,045</u>	<u>8</u>	<u>0.16%</u>	<u>0.34%</u>

Issue date	Coupon rate in % / tenor	Face Value				Balance as at December 31, 2015			Market value as a percentage of net assets of the Fund	Market value as a percentage of total investment
		As at July 01, 2015	Purchased during the period	Disposed / matured during the period	As at December 31, 2015	Carrying Value	Market value	Appreciation / (diminution)		
(Rupees- in 000)										
K-Electric / March 19, 2014	8.75 / 3 Years	94,000	-	-	94,000	96,440	95,686	(754)	3.68%	8.16%
K-Electric / June 17, 2015	7.5 / 7 Years	154,435	30,000	-	184,435	216,085	220,332	4,247	8.47%	18.79%
Engro Fertilizer / July 9, 2014	8.78 / 5 Years	164,970	57,000	57,000	164,970	166,785	165,265	(1,520)	6.35%	14.10%
Engro Fertilizer / September 6, 2007	9.81 / 8 Years	2,500	-	2,500	-	-	-	-	-	-
Engro Rupiya / July 11, 2014	13 / 3 Years	40,000	-	40,000	-	-	-	-	-	-
Maple Leaf Sukuk / December 3, 2007	8.21 / 11 Years	-	144,871	-	144,871	136,531	137,175	644	5.27%	11.70%
		455,905	231,871	99,500	588,276	615,841	618,458	2,617	23.78%	52.75%

- 5.2 Term deposit receipts carry profit at rates ranging from 6.85% to 7.00% per annum and maturities ranging from March 11, 2015 to March 21, 2015 (June 30, 2015 : 7.25% per annum and matured at September 25, 2015).

(Un-audited) (Audited)
December 30, June 30,
2015 2015
Note ----- Rupees in '000 -----

- 5.3 Unrealised gain on re-measurement of investments at "fair value through profit or loss - held for trading" - net

Fair value of investment	622,503	593,496
Carrying value of investment	(619,878)	(588,494)
	<u>2,625</u>	<u>5,002</u>

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

Remuneration of the Management Company	6.1	1,775	1,553
Sindh sales tax payable on remuneration of the Management Company		1,143	912
Federal excise duty on the remuneration of the Management Company	6.2	5,938	4,399
Preliminary expenses and floatation costs		-	645
Sales load		2	128
		<u>8,858</u>	<u>7,637</u>

- 6.1 Under the provisions of the NBFC Regulations, the Management Company of the Fund is entitled to a remuneration during the first five years of the Fund, of an amount not exceeding 3 percent of the average annual net assets of the Fund and thereafter of an amount not exceeding 2 percent of such assets of the Fund. The Management Company has charged remuneration at the rate of 1% per annum based on the daily net assets of the Fund, during the half year ended December 31, 2015. The amount of remuneration is paid monthly in arrears.

- 6.2 As per the requirements of the Finance Act 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Management Company has been applied effective June 13, 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED may result 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 together with their respective Collective Investment Schemes through their trustees, through a Constitutional Petition filed in the Honorable Sindh High Court (SHC) during September 2013 challenging the levy of FED. In this respect, the SHC has issued a stay order against the recovery of FED and the hearing of the petition is still pending.

Pending decision of the SHC, the Fund is not making payments for FED. However, the Fund, as a matter of abundant caution, has made full provision in respect of FED effective June 13, 2013 aggregating to Rs. 5.938 million (including Rs. 1.539 million for the current period). Had the provision not been made, the net asset value per unit of the Fund as at December 31, 2015 would have been higher by Re 0.0236 (June 30, 2015: Re 0.0241) per unit.

		(Un-audited) December 30, 2015	(Audited) June 30, 2015
	Note	----- Rupees in '000 -----	
7. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE			
Remuneration of the trustee fee		223	202
Sindh sales tax payable on remuneration of the trustee fee	7.1	31	-
		<u>254</u>	<u>202</u>

- 7.1 The Government of Sindh has levied Sindh sales tax at the rate of 14% (June 30, 2015: Nil) on the remuneration of the Trustee through the Finance Act, 2015.

8. ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors' remuneration		191	280
Printing charges		76	95
Provision for Workers' Welfare Fund	8.1	9,813	9,813
Withholding tax payable		88	7,037
Legal and professional fee payable		-	100
Brokerage payable		96	62
		<u>10,264</u>	<u>17,387</u>

8.1 Provision for Workers' Welfare Fund

The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment, it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs. 0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In this connection, a constitutional petition had been filed by certain CISs through their trustees in the Honorable High Court of Sindh (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication.

During the year ended June 30, 2011, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. However, on December 14, 2010, the Ministry filed its response against the constitutional petition requesting the Court to dismiss the petition. According to the legal counsel who is handling the case there is a contradiction between the aforementioned clarification issued by the Ministry and the response filed by the Ministry in the Court.

During the year ended June 30, 2012, the Honourable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance through the Finance Act, 2006 and the Finance Act, 2008, had declared the said amendments as unlawful and unconstitutional. In March 2013, a larger bench of the Honourable Sindh High Court (SHC) passed an order declaring that the amendments introduced in the WWF Ordinance through the Finance Act, 2006 and the Finance Act, 2008 do not suffer from any constitutional or legal infirmity. However, the Honourable High Court of Sindh has not addressed the other amendments made in the WWF Ordinance about applicability of WWF to the CISs which is still pending before the Court. In a judgment of May 2014, the Peshawar High Court (PHC) has also held these amendment to be ultra vires as they lacked the essential mandate to be introduced and passed through the Money Bill under the constitution. Without prejudice to the above, the Management Company, as a matter of abundant caution, has decided to retain the provision for WWF amounting to Rs 9.813 million in this condensed interim financial information. Had the same not been made, the net asset value per unit of the Fund as at December 31, 2015 would have been higher by Re 0.039 (June 30, 2015: Re 0.0537) per unit.

The Finance Act, 2015 has excluded Mutual Funds and Collective Investment Schemes from the definition of 'Industrial establishment' subject to WWF under WWF Ordinance, 1971. The provision made till June 30, 2015 has not been reversed as the above law suit is still pending in the SHC. This amendment is however applicable prospectively i.e. from tax year 2016.

9. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2015 and as at June 30, 2015.

10. 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. The management intends to distribute through cash atleast 90% of the Fund's net accounting income earned by the year end to the unit holders. Accordingly, no provision in respect of taxation has been made in this condensed interim financial information.

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.

11. 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.

12. TRANSACTIONS WITH CONNECTED PERSONS

Connected persons / related parties include the Management Company, its parent and the related subsidiaries of the parent, associated companies / undertakings of the Management Company, its parents and the related subsidiaries, other funds managed by the Management Company, post employment benefit funds of the Management Company, employment funds of the parent, subsidiaries and its associated undertakings. It also includes Central Depository Company being the Trustee of the Fund and the directors and key management personnel of the Management Company.

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

Remuneration to the Management Company is determined in accordance with the provisions of the NBFC Regulations.

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

12.1 Details of transactions with connected persons are as follows:	(Un-audited) For the half year ended December 31, 2015	(Un-audited) For the half year ended December 31, 2014
	----- Rupees in '000 -----	
ABL Asset Management Company Limited - Management Company		
Redemption of NIL units (2014: 7,278,218 units)	-	73,746
Preliminary expenses and floatation costs paid during the period	-	645
Remuneration for the period	9,622	6,977
Sindh sales tax on remuneration of the Management Company	1,563	1,214
Federal excise duty on remuneration of the Management Company	1,539	1,116
Allied Bank Limited - Holding Company of the Management Company		
Bank charges	23	17
Redemption of NIL units (2014: 3,986,064 units)	-	40,143
Central Depository Company of Pakistan Limited - Trustee		
Remuneration for the period	1,248	1,022
MCBFSL Trustee - ABL Islamic Planning Fund - Active Allocation Plan Under Common Management		
Issue of 43,774,797 units (2014: NIL units)	452,043	-
Redemption of 68,864 units (2014: NIL units)	712	-
DIRECTOR OF THE MANAGEMENT COMPANY		
M. Shakeb Murad		
Redemption of NIL units (2014: 49,929 units)	-	514

(Un-audited) For the half year ended December 31, 2015	(Un-audited) For the half year ended December 31, 2014
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----- Rupees in '000 -----

KEY MANAGEMENT PERSONNEL

Chief Executive Officer

Issue of 4,562 units (2014: NIL units)
Redemption of 927,120 units (2014: NIL units)

46	-
9,411	-

Executives

Issue of 276,189 units (2014: 247,897 units)
Redemption of 686,182 units (2014: 95,743 units)

2,802	2,547
6,935	984

12.2 Amounts outstanding with connected persons / related parties as at the period end are as follows:

(Un-audited) December 31, 2015	(Audited) June 30, 2015
--------------------------------------	-------------------------------

----- Rupees in '000 -----

ABL Asset Management Company Limited - Management Company

Preliminary expenses and floatation costs payable
Remuneration payable to the Management Company
Sindh Sales tax on the Management Company's remuneration
Federal excise duty on remuneration of the Management Company
Sales load

-	645
1,775	1,553
1,143	912
5,938	4,399
2	128

ABL Asset Management Company Limited - Staff Provident Fund

Outstanding 1,007,533 units (June 30, 2015: 1,007,533 units)

10,416	10,104
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Allied Bank Limited - Holding Company of the Management Company

Balances in current accounts

3,108	557
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Central Depository Company of Pakistan Limited - Trustee

Remuneration payable
Sindh Sales tax on the Central Depository Company's remuneration

223	202
31	-

MCBFSL Trustee - ABL Islamic Planning Fund - Active Allocation Plan Under Common Management

Outstanding 43,705,934 units (June 30, 2015: NIL units)

451,832	-
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KEY MANAGEMENT PERSONNEL

Chief Executive Officer

Outstanding 52,585 Units (June 30, 2015: 975,142 units)
Dividend payable

544	9,779
-	46

Executives

Outstanding 126,689 units (June 30, 2015: 436,947 units)

Dividend payable

1,310

4,382

-

21

* These include transaction and balance in relation to those directors that exist as at half year end. However, it does not include the transactions and balance where-by the director has resigned from the Management Company during the period.

13. GENERAL

13.1 Figures have been rounded off to the nearest thousand rupee.

14. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue by the Board of Directors of the Management Company on February 8, 2016.

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
Chief Executive Officer


MUHAMMAD KAMRAN SHEHZAD
Director



ABL Asset Management

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