



ABL Asset Management

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**GIPS®**  
**COMPLIANT**  
**PERFORMANCE**  
**REPORT**  
FOR THE PERIOD ENDED  
SEPTEMBER 2011

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ABL Asset Management



**FIXED  
INCOME  
COMPOSITE**

## ABL Asset Management Company Limited (ABL AMC) Fixed Income Composite

For the Period of September 20, 2008 to September 30, 2011



Composite : ABL AMC Fixed Income Composite  
Benchmark : Average 6 Month KIBOR  
Creation Date : September 27, 2010  
Reporting Currency : Pak Rupees

	Total Net Return (%)	Benchmark Return (%)	No. of Portfolios	Total Assets at end of period (mn)	Percentage of Firm's assets (%)	Total assets of the Firm at the end of Period (mn)
1QFY12	3.18	3.41	<5	4,561	23%	19,429
FY11	11.65	13.38	<5	4,879	28%	17,355
FY10	10.97	12.45	<5	8,360	69%	8,736
FY09*	11.16	10.47	<5	6,872	97%	7,090

\*Returns are from September 20, 2008 to June 30, 2009

### Compliance Statement

ABL Asset Management Co Ltd claims compliance with the Global Investment Performance Standards (GIPS) and has prepared and presented this report in compliance with the GIPS standards. ABL AMC has not been independently verified.

### Definition of the Firm

ABL Asset Management Company Limited ("ABL AMC" or the "Company" or the "Firm") is a wholly owned subsidiary of Allied Bank Limited (ABL). ABL AMC is licensed to undertake asset management and investment advisory services by Securities & Exchange Commission of Pakistan (SECP). The firm ABL AMC includes all Collective Investment Schemes under its management, Investment Plans, Separately Managed Accounts and Investment Advisory Mandates.

### Policies

ABL AMC's policies for valuing portfolios, calculating performance and preparing compliant presentations are available on request.

### Composite Description

The fixed income composite, as per the SECP defined categorization of funds, can invest in assets entailing a low to medium risk profile with a mid to long term duration. Asset classes consist of Corporate and Sovereign Debt Bonds, Bank Deposits, Treasury Bills, Margin Trading Products, Spread Transactions and Money Market placements with investment grade counters. Currently ABL AMC offers only ABL Income Fund in this composite.



### **Benchmark**

The benchmark of ABL AMC Fixed Income Composite is Average of 6 Months KIBOR and the returns of benchmark are not net of withholding taxes.

### **List of Composites**

A list of all composite descriptions is available on request.

### **Fees**

Returns are calculated net of management fees and other expenses (which mainly includes custodial fee, trustee expense, SECP Fee, WWF and other levies).

### **Fee Schedule**

Management Fee is 1.5% of Net Assets and presently there is no Front-end and Back-end load.

### **Minimum Portfolio Size**

The minimum portfolio size for inclusion in any composite is as follows:

For Collective Investment Schemes: Rs.100 million per fund  
For Separately Managed Account: Rs.50 million per Managed Account

### **Internal Dispersion**

Since number of Portfolios in the composite is only one at the moment (less than five) therefore calculation of internal dispersion is not required.

### **Ex-Post Standard Deviation**

The three-year annualized ex-post standard deviation of the composite and Benchmark is as follows:

	Composit 3-Yr	Benchmark 3-Yr
Year	St Dev	St Dev
1QFY12	0.13%	0.05%

### **Key Assumptions**

Following are the key assumptions used in portfolio valuation:

### **Financial Instruments**

All the financial assets and financial liabilities are recognized at the time when the Portfolio becomes a party to the contractual provisions of the instrument. Financial assets are de-recognized when the contractual rights to receive cash flows related to the asset expire.

Financial liabilities are de-recognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on de-recognizing of the financial assets and financial liabilities is taken to the income statement in the period in which it arises.

### **Revenue Recognition**

Realized/ unrealized gains (losses) arising on sale of investments are accounted for in the period in which they arise. Income on reverse repurchase, term deposit receipts, certificates of investments, placements and government securities are recognized at the rate of return implicit in the instrument/ arrangement on a time proportionate basis. Profit on bank deposits is recorded on an accrual basis.

### **Subjective Unobservable Inputs**

ABL Asset Management uses subjective unobservable inputs for valuing some of its debt instruments like Term Finance Certificates. The criteria used for valuation is in accordance with the guidelines issued by Regulator through Circular 1 of 2009 (as amended from time to time) and unobservable inputs are disclosed through "Provisioning Policy" on the website of the Company.

### **Proprietary Assets in the Composite**

Proprietary Assets in the composite contains investments of ABL Asset Management Company Limited, its Management and that of Allied Bank Limited (ABL AMC's parent company).

### **Liability for Income Tax**

Under the income tax law in Pakistan, the Fund is regarded as a public company. The income of the Fund is taxable, if the conditions stated under clause 99 of Part 1 of the Second Schedule of Income Tax ordinance, 2001 are not met, at the tax rate applicable to a public company, which is presently as under:

- (a) Dividend income is taxable at the rate of ten percent (10%) for public companies on gross basis.
- (b) Capital gains arising on sale of securities, listed on any stock exchange in Pakistan at applicable tax rates in accordance with the income tax ordinance, 2001.
- (c) Return from all other sources/ instruments are taxable at the rate of thirty five percent (35%), as applicable to a public company.

### **Liability for Income Tax, if ninety percent (90%) of the Fund's income is paid as dividend**

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realized or unrealized, is distributed amongst the unit holders.

### **Withholding Tax**

Under the provision of Clauses 47(B) of Part 4 of the Second Schedule to the Income Tax Ordinance, 2001, the Fund's income namely, profit on government securities, returns on deposits/ certificates of investment with banks/financial institutions, profits from money market placements, profit from Profit and Loss sharing accounts with Banks of the Fund will not be subject to any withholding tax.

### **Liability for Worker's Welfare Fund (WWF)**

Pursuant to the legal opinion from MUFAP's legal counsel, based on recent Judgments and in particular the Lahore High Court Judgment, the management with effect from December 1, 2011 decided to discontinue the fresh provisioning and retain earlier provision in their account till favorable outcome is announced.

Previously, the Fund was providing for the liability of Worker's Welfare Fund at the rate of two percent of accounting or taxable income, whichever was higher. The Management Company had undertaken to bear the WWF liability prior to May 27, 2010 on its books since the same has not been provided in the Fund's accounts.

### **Taxation of Unit Holders & Liability to Zakat**

#### **(a) Withholding Tax**

Unless exempted from such taxation or applied at a reduced rate under any law or under avoidance of Double Taxation Agreement, cash dividend paid to Unit holders of the Fund will be subject to withholding tax at ten percent (10%) according to the present rates, which may change in future.

#### **(b) Capital Gains**

Capital gains arising on disposition of units of the Fund before the period of one year will be subject to withholding Capital Gains Tax at the applicable rates given in the Income Tax ordinance, 2001. As per section 37(A) of the Income Tax ordinance, 2001, Capital gains shall be treated as a separate block of income and losses under this head can be adjusted by the units holder from the capital gains in the same tax year. Any unadjusted loss under this head is not allowed to be carried forward to the subsequent tax years.

#### **(c) Zakat levy**

Units held by qualifying investors (Sahib-e-Nisab) as per Zakat and Ushr Ordinance, 1980 shall be subject to Zakat (levy) at the rate of 2.5% of the Par value of the Units or repurchase value of units whichever is lower as on valuation date in each Zakat year under Zakat and Ushr Ordinance, 1980, (XVII of 1980), except those exempted or have provided valid Zakat declaration certificate on the format prescribed in the Ordinance. Zakat will be deducted at source from the dividend amount or from the redemption proceeds whichever comes earlier.



**EQUITY  
COMPOSITE**



## ABL Asset Management Company Limited (ABL AMC) Equity Composite

For the Period of June 28, 2009 to September 30, 2011



Composite : ABL AMC Equity Composite  
Benchmark : KSE-30 Index  
Creation Date : September 27, 2010  
Reporting Currency : Pak Rupees

	Total Net Return (%)	Benchmark Return (%)	No. of Portfolios	Total Assets at end of period (mn)	Percentage of Firm's assets (%)	Total assets of the Firm at the end of Period (mn)
1QFY12	1.15	-3.16	<5	385	2%	19,429
FY11	29.16	21.24	<5	642	4%	17,355
FY10	32.72	26.22	<5	376	4%	8,736
FY09*	-0.20	-0.42	<5	218	3%	7,090

\*Returns are from June 28, 2009 to June 30, 2009

### Compliance Statement

ABL Asset Management Co Ltd claims compliance with the Global Investment Performance Standards (GIPS) and has prepared and presented this report in compliance with the GIPS standards. ABL AMC has not been independently verified.

### Definition of the Firm

ABL Asset Management Company Limited ("ABL AMC" or the "Company" or the "Firm") is a wholly owned subsidiary of Allied Bank Limited (ABL). ABL AMC is licensed to undertake asset management and investment advisory services by Securities & Exchange Commission of Pakistan (SECP). The firm ABL AMC includes all Collective Investment Schemes under its management, Investment Plans, Separately Managed Accounts and Investment Advisory Mandates.

### Policies

ABL AMC's policies for valuing portfolios, calculating performance and preparing compliant presentations are available on request.

### Composite Description

ABL AMC Equity Composite includes Equity Portfolios with equity mandates that aim to provide investors long-term capital appreciation by investing primarily in a mix of listed equities that offer prospects of capital gains and/or attractive dividend potential. The composite currently comprises of only one portfolio, that is, ABL Stock Fund (ABL-SF).

The portfolios in this composite can also make temporary placements in fixed income and money market instruments, at the discretion of Fund Manager, in times of high volatility and/or bearish market outlook.

## **Benchmark**

The benchmark of ABL AMC Equity Composite is KSE-30 Index and returns of Benchmark are not net of withholding taxes. Prior to June 01, 2010 Benchmark for ABL Equity Fund was KSE-100 index.

## **List of Composites**

A list of all composite descriptions is available on request.

## **Fees**

Returns are calculated net of management fees and other expenses (which mainly includes custodial fee, trustee expense, SECP Fee, WWF and other levies).

## **Fee Schedule**

Management Fee is 3.00% of Net Assets with a discretionary 3.00% Front-end load. There is no Back-end load currently.

## **Minimum Portfolio Size**

The minimum portfolio size for inclusion in any composite is as follows:

For Collective Investment Schemes:	Rs.100 million per fund
For Separately Managed Account:	Rs.50 million per Managed Account

## **Internal Dispersion**

Since number of Portfolios in the composite is only one at the moment (less than five) therefore calculation of internal dispersion is not required.

## **Ex-Post Standard Deviation**

The three-year annualized ex-post standard deviation of the composite and Benchmark is not presented because 36 monthly returns are not yet available.

## **Key Assumptions**

Following are the key assumptions used in portfolio valuation:

## **Financial Instruments**

All the financial assets and financial liabilities are recognized at the time when the Portfolio becomes a party to the contractual provisions of the instrument. Financial assets are de-recognized when the contractual rights to receive cash flows related to the asset expire. Financial liabilities are de-recognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on de-recognizing of the financial assets and financial liabilities is taken to the income statement in the period in which it arises.

### **Revenue Recognition**

Realized/ unrealized gains (losses) arising on sale of investments are accounted for in the period in which they arise. Dividend Income is recognized when the right to receive the dividend is established. Income on government securities is recognized at the rate of return implicit in the instrument/ arrangement on a time proportionate basis. Profit on bank deposits is recorded on an accrual basis.

### **Proprietary Assets in the Composite**

Proprietary Assets in the composite contains investments of ABL Asset Management Company Limited, its Management and that of Allied Bank Limited (ABL AMC's parent company).

### **Liability for Income Tax**

Under the income tax law in Pakistan, the Fund is regarded as a public company. The income of the Fund is taxable, if the conditions stated under clause 99 of Part 1 of the Second Schedule of Income Tax ordinance, 2001 are not met, at the tax rate applicable to a public company, which is presently as under:

- (a) Dividend income is taxable at the rate of ten percent (10%) for public companies on gross basis.
- (b) Capital gains arising on sale of securities, listed on any stock exchange in Pakistan at applicable tax rates in accordance with the income tax ordinance, 2001.
- (c) Return from all other sources/ instruments are taxable at the rate of thirty five percent (35%), as applicable to a public company.

### **Liability for Income Tax, if ninety percent (90%) of the Fund's income is paid as dividend**

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realized or unrealized, is distributed amongst the unit holders.

### **Withholding Tax**

Under the provision of Clauses 47(B) of Part 4 of the Second Schedule to the Income Tax Ordinance, 2001, the Fund's income namely, dividend, profit on government securities, returns on deposits and profit from Profit and Loss sharing accounts with Banks of the Fund will not be subject to any withholding tax.

### **Liability for Worker's Welfare Fund (WWF)**

Pursuant to the legal opinion from MUFAP's legal counsel, based on recent Judgments and in particular the Lahore High Court Judgment, the management with effect from December 1, 2011 decided to discontinue the fresh provisioning and retain earlier provision in their account till favorable outcome is announced.

Previously, the Fund was providing for the liability of Worker's Welfare Fund at the rate of two percent of accounting or taxable income, whichever was higher. The Management Company had undertaken to bear the WWF liability prior to May 27, 2010 on its books since the same has not been provided in the Fund's accounts.

#### Taxation of Unit Holders & Liability to Zakat

##### **(a) Withholding Tax**

Unless exempted from such taxation or applied at a reduced rate under any law or under avoidance of Double Taxation Agreement, cash dividend paid to Unit holders of the Fund will be subject to withholding tax at ten percent (10%) according to the present rates, which may change in future.

##### **(b) Capital Gains**

Capital gains arising on disposition of units of the Fund before the period of one year will be subject to withholding Capital Gains Tax at the applicable rates given in the Income Tax ordinance, 2001. As per section 37(A) of the Income Tax ordinance, 2001, Capital gains shall be treated as a separate block of income and losses under this head can be adjusted by the units holder from the capital gains in the same tax year. Any unadjusted loss under this head is not allowed to be carried forward to the subsequent tax years.

##### **(c) Zakat levy**

Units held by qualifying investors (Sahib-e-Nisab) as per Zakat and Ushr Ordinance, 1980 shall be subject to Zakat (levy) at the rate of 2.5% of the Par value of the Units or repurchase value of units whichever is lower as on valuation date in each Zakat year under Zakat and Ushr Ordinance, 1980, (XVII of 1980), except those exempted or have provided valid Zakat declaration certificate on the format prescribed in the Ordinance. Zakat will be deducted at source from the dividend amount or from the redemption proceeds whichever comes earlier.



 A stack of papers is shown from a low angle, receding into the distance. Overlaid on the bottom left of the stack is a circular graphic with an orange border and a white center. Inside the circle, the words "MONEY MARKET COMPOSITE" are written in a bold, blue, stylized font with a white outline. The text is arranged in three lines, following the curve of the circle.

**MONEY  
MARKET  
COMPOSITE**

## ABL Asset Management Company Limited (ABL AMC) Money Market Composite

For the Period of July 30, 2010 to September 30, 2011



Composite : ABL AMC Money Market Composite  
Benchmark : Average 3 Months Deposit rates of  
AA and above rated Banks  
Creation Date : September 27, 2010  
Reporting Currency : Pak Rupees

	Total Net Return (%)	Benchmark Return (%)	No. of Portfolios	Total Assets at end of period (mn)	Percentage of Firm's assets (%)	Total assets of the Firm at the end of Period (mn)
1QFY12	2.98	1.99	<5	13,431	69%	19,429
FY11*	10.90	6.87	<5	10,651	61%	17,355

\*Returns are from July 30, 2010 to June 30, 2011

### Compliance Statement

ABL Asset Management Co Ltd claims compliance with the Global Investment Performance Standards (GIPS) and has prepared and presented this report in compliance with the GIPS standards. ABL AMC has not been independently verified.

### Definition of the Firm

ABL Asset Management Company Limited ("ABL AMC" or the "Company" or the "Firm") is a wholly owned subsidiary of Allied Bank Limited (ABL). ABL AMC is licensed to undertake asset management and investment advisory services by Securities & Exchange Commission of Pakistan (SECP). The firm ABL AMC includes all Collective Investment Schemes under its management, Investment Plans, Separately Managed Accounts and Investment Advisory Mandates.

### Policies

ABL AMC's policies for valuing portfolios, calculating performance and preparing compliant presentations are available on request.

### Composite Description

The money market composite consists of low risk, highly liquid money market instruments according to the SECP defined categorization of funds. Asset classes primarily entail short term money market and sovereign debt instruments and short term placement with AA and above rated Financial Institutions. This composite offers stable yet competitive returns consistent with its low duration. Currently ABL AMC offers only ABL Cash Fund in this composite.

**Benchmark**

The benchmark of ABL AMC Money Market composite is Average 3 Month Deposit rates of AA and above rated Banks and the returns of Benchmark are not net of withholding taxes.

**List of Composites**

A list of all composite descriptions is available on request.

**Fees**

Returns are calculated net of management fees and other expenses (which mainly includes custodial fee, trustee expense, SECP Fee, WWF and other levies).

**Fee Schedule**

Management Fee is 1.25% of Net Assets and presently there is no Front-end and Back-end load.

**Minimum Portfolio Size**

The minimum portfolio size for inclusion in any composite is as follows:

For Collective Investment Schemes:	Rs.100 million per fund
For Separately Managed Account:	Rs.50 million per Managed Account

**Internal Dispersion**

Since number of Portfolios in the composite is only one at the moment (less than five) therefore calculation of internal dispersion is not required.

**Ex-Post Standard Deviation**

The three-year annualized ex-post standard deviation of the composite and benchmark is not presented because 36 monthly returns are not yet available.

**Key Assumptions**

Following are the key assumptions used in portfolio valuation:

**Financial Instruments**

All the financial assets and financial liabilities are recognized at the time when the Portfolio becomes a party to the contractual provisions of the instrument. Financial assets are de-recognized when the contractual rights to receive cash flows related to the asset expire. Financial liabilities are de-recognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on de-recognizing of the financial assets and financial liabilities is taken to the income statement in the period in which it arises.

### **Revenue Recognition**

Realized/ unrealized gains (losses) arising on sale of investments are accounted for in the period in which they arise. Income on reverse repurchase, term deposit receipts, certificates of investments, placements and government securities are recognized at the rate of return implicit in the instrument/ arrangement on a time proportionate basis. Profit on bank deposits is recorded on an accrual basis.

### **Proprietary Assets in the Composite**

Proprietary Assets in the composite contains investments of ABL Asset Management Company Limited, its Management and that of Allied Bank Limited (ABL AMC's parent company).

### **Liability for Income Tax**

Under the income tax law in Pakistan, the Fund is regarded as a public company. The income of the CIS is taxable, if the conditions stated under clause 99 of Part 1 of the Second Schedule of Income Tax ordinance, 2001 are not met, at the tax rate applicable to a public company, which is presently as under:

- (a) Dividend income is taxable at the rate of ten percent (10%) for public companies on gross basis.
- (b) Capital gains arising on sale of securities, listed on any stock exchange in Pakistan at applicable tax rates in accordance with the income tax ordinance, 2001.
- (c) Return from all other sources/ instruments are taxable at the rate of thirty five percent (35%), as applicable to a public company.

### **Liability for Income Tax, if ninety percent (90%) of the Fund's income is paid as dividend**

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realized or unrealized, is distributed amongst the unit holders.

### **Withholding Tax**

Under the provision of Clauses 47(B) of Part 4 of the Second Schedule to the Income Tax Ordinance, 2001, the Fund's income namely, profit on government securities, returns on deposits/ certificates of investment with banks/financial institutions, profits from money market placements, profit from Profit and Loss sharing accounts with Banks of the Fund will not be subject to any withholding tax.

### **Liability for Worker's Welfare Fund (WWF)**

Pursuant to the legal opinion from MUFAP's legal counsel, based on recent Judgments and in particular the Lahore High Court Judgment, the management with effect from December 1, 2011 decided to discontinue the fresh provisioning and retain earlier provision in their account till favorable outcome is announced.



Previously, the Fund was providing for the liability of Worker's Welfare Fund at the rate of two percent of accounting or taxable income, whichever was higher.

### **Taxation of Unit Holders & Liability to Zakat**

#### **(a) Withholding Tax**

Unless exempted from such taxation or applied at a reduced rate under any law or under avoidance of Double Taxation Agreement, cash dividend paid to Unit holders of the Fund will be subject to withholding tax at ten percent (10%) according to the present rates, which may change in future.

#### **(b) Capital Gains**

Capital gains arising on disposition of units of the Fund before the period of one year will be subject to withholding Capital Gains Tax at the applicable rates given in the Income Tax ordinance, 2001. As per section 37(A) of the Income Tax ordinance, 2001, Capital gains shall be treated as a separate block of income and losses under this head can be adjusted by the units holder from the capital gains in the same tax year. Any unadjusted loss under this head is not allowed to be carried forward to the subsequent tax years.

#### **(c) Zakat levy**

Units held by qualifying investors (Sahib-e-Nisab) as per Zakat and Ushr Ordinance, 1980 shall be subject to Zakat (levy) at the rate of 2.5% of the Par value of the Units or repurchase value of units whichever is lower as on valuation date in each Zakat year under Zakat and Ushr Ordinance, 1980, (XVII of 1980), except those exempted or have provided valid Zakat declaration certificate on the format prescribed in the Ordinance. Zakat will be deducted at source from the dividend amount or from the redemption proceeds whichever comes earlier.



**ISLAMIC  
MONEY  
MARKET  
COMPOSITE**

**ABL Asset Management Company Limited (ABL AMC)**  
**Islamic Money Market Composite**

For the Period of July 30, 2010 to September 30, 2011



Composite : ABL AMC Islamic Money Market Composite  
Benchmark : Average 3 Months Deposit rates of  
any three Islamic Banks  
Creation Date : September 27, 2010  
Reporting Currency : Pak Rupees

	Total Net Return (%)	Benchmark Return (%)	No. of Portfolios	Total Assets at end of period (mn)	Percentage of Firm's assets (%)	Total assets of the Firm at the end of Period (mn)
1QFY12	2.72	2.05	<5	675	3%	19,429
FY11*	9.32	6.70	<5	817	3%	17,355

\*Returns are from July 30, 2010 to June 30, 2011

### Compliance Statement

ABL Asset Management Co Ltd claims compliance with the Global Investment Performance Standards (GIPS) and has prepared and presented this report in compliance with the GIPS standards. ABL AMC has not been independently verified.

### Definition of the Firm

ABL Asset Management Company Limited ("ABL AMC" or the "Company" or the "Firm") is a wholly owned subsidiary of Allied Bank Limited (ABL). ABL AMC is licensed to undertake asset management and investment advisory services by Securities & Exchange Commission of Pakistan (SECP). The firm ABL AMC includes all Collective Investment Schemes under its management, Investment Plans, Separately Managed Accounts and Investment Advisory Mandates.

### Policies

ABL AMC's policies for valuing portfolios, calculating performance and preparing compliant presentations are available on request.

### Composite Description

The Islamic Money Market Composite entails low risk and short duration shariah compliant assets. Asset classes consist of short term government Sukuks, low duration money market instruments and placements with AA and above rated financial institutions with the condition that all investments should be based on Islamic principles. This composite offers stable yet competitive returns consistent with its low duration. Currently ABL AMC offers only ABL Islamic Cash Fund in this composite.

**Benchmark**

Benchmark for ABL AMC Islamic Money Market Composite is Average 3 Months Deposit rates of any three Islamic Banks and the returns of Benchmark are not net of withholding taxes.

**List of Composites**

A list of all composite descriptions is available on request.

**Fees**

Returns are calculated net of management fees and other expenses (which mainly includes custodial fee, trustee expense, SECP Fee, WWF and other levies).

**Fee Schedule**

Management Fee is 1.00% of Net Assets and presently there is no Front-end and Back-end load.

**Minimum Portfolio Size**

The minimum portfolio size for inclusion in any composite is as follows:

For Collective Investment Schemes:	Rs.100 million per fund
For Separately Managed Account:	Rs.50 million per Managed Account

**Internal Dispersion**

Since the number of Portfolios in the composite is only one at the moment (less than five), therefore calculation of internal dispersion is not required.

**Ex-Post Standard Deviation**

The three-year annualized ex-post standard deviation of the composite and benchmark is not presented because 36 monthly returns are not yet available.

**Key Assumptions**

Following are the key assumptions used in portfolio valuation:

**Financial Instruments**

All the financial assets and financial liabilities are recognized at the time when the Portfolio becomes a party to the contractual provisions of the instrument. Financial assets are de-recognized when the contractual rights to receive cash flows related to the asset expire. Financial liabilities are de-recognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on de-recognizing of the financial assets and financial liabilities is taken to the income statement in the period in which it arises.



## Revenue Recognition

Realized/ unrealized gains (losses) arising on sale of investments are accounted for in the period in which they arise. Profit on government securities and certificate of musharaka and modaraba are recognized at the expected rate of return implicit in the instrument/ arrangement on a time proportionate basis. Profit on bank deposits is recorded on an accrual basis.

## Proprietary Assets in the Composite

Proprietary Assets in the composite contains investments of ABL Asset Management Company Limited, its Management and that of Allied Bank Limited (ABL AMC's parent company).

## Liability for Income Tax

Under the income tax law in Pakistan, the Fund is regarded as a public company for tax purposes. The income of the Fund is taxable, if the conditions stated under clause 99 of Part 1 of the Second Schedule of Income Tax ordinance, 2001 are not met, at the tax rate applicable to a public company, which is presently as under:

- (a) Dividend income is taxable at the rate of ten percent (10%) for public companies on gross basis.
- (b) Capital gains arising on sale of securities, listed on any stock exchange in Pakistan at applicable tax rates in accordance with the income tax ordinance, 2001.
- (c) Return from all other sources/ instruments are taxable at the rate of thirty five percent (35%), as applicable to a public company.

## Liability for Income Tax, if ninety percent (90%) of the Fund's income is paid as dividend

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realized or unrealized, is distributed amongst the unit holders.

## Withholding Tax

Under the provision of Clauses 47(B) of Part 4 of the Second Schedule to the Income Tax Ordinance, 2001, the Fund's profit namely, profit on government securities, profits on deposits and profit from Profit and Loss sharing accounts with Banks of the Fund will not be subject to any withholding tax.

**Liability for Worker's Welfare Fund (WWF)**

Pursuant to the legal opinion from MUFAP's legal counsel, based on recent Judgments and in particular the Lahore High Court Judgment, the management with effect from December 1, 2011 decided to discontinue the fresh provisioning and retain earlier provision in their account till favorable outcome is announced.

Previously, the Fund was providing for the liability of Worker's Welfare Fund at the rate of two percent of accounting or taxable income, whichever was higher.

**Taxation of Unit Holders & Liability to Zakat****(a) Withholding Tax**

Unless exempted from such taxation or applied at a reduced rate under any law or under avoidance of Double Taxation Agreement, cash dividend paid to Unit holders of the Fund will be subject to withholding tax at ten percent (10%) according to the present rates, which may change in future.

**(b) Capital Gains**

Capital gains arising on disposition of units of the Fund before the period of one year will be subject to withholding Capital Gains Tax at the applicable rates given in the Income Tax ordinance, 2001. As per section 37(A) of the Income Tax ordinance, 2001, Capital gains shall be treated as a separate block of income and losses under this head can be adjusted by the units holder from the capital gains in the same tax year. Any unadjusted loss under this head is not allowed to be carried forward to the subsequent tax years.

**(c) Zakat levy**

Units held by qualifying investors (Sahib-e-Nisab) as per Zakat and Ushr Ordinance, 1980 shall be subject to Zakat (levy) at the rate of 2.5% of the Par value of the Units or repurchase value of units whichever is lower as on valuation date in each Zakat year under Zakat and Ushr Ordinance, 1980, (XVII of 1980), except those exempted or have provided valid Zakat declaration certificate on the format prescribed in the Ordinance. Zakat will be deducted at source from the dividend amount or from the redemption proceeds whichever comes earlier.



ABL Asset Management

**BROADER  
EQUITY  
COMPOSITE**

**ABL Asset Management Company Limited (ABL AMC)**  
**Broader Equity Composite**

For the Period of January 1, 2011 to September 30, 2011



Composite : ABL AMC Broader Equity Composite  
Benchmark : KSE-100 Index  
Creation Date : January 01, 2011  
Reporting Currency : Pak Rupees

	Total Net Return (%)	Benchmark Return (%)	No. of Portfolios	Total Assets at end of period (mn)	Percentage of Firm's assets (%)	Total assets of the Firm at the end of Period (mn)
1QFY12	1.55	-5.87	<5	115	1%	19,429
FY11*	7.34	3.94	<5	113	1%	17,355

\*Returns are from December 31, 2010 to June 30, 2011

### Compliance Statement

ABL Asset Management Co Ltd claims compliance with the Global Investment Performance Standards (GIPS) and has prepared and presented this report in compliance with the GIPS standards. ABL AMC has not been independently verified.

### Definition of the Firm

ABL Asset Management Company Limited ("ABL AMC" or the "Company" or the "Firm") is a wholly owned subsidiary of Allied Bank Limited (ABL). ABL AMC is licensed to undertake asset management and investment advisory services by Securities & Exchange Commission of Pakistan (SECP). The firm ABL AMC includes all Collective Investment Schemes under its management, Investment Plans, Separately Managed Accounts and Investment Advisory Mandates.

### Policies

ABL AMC's policies for valuing portfolios, calculating performance and preparing compliant presentations are available on request.

### Composite Description

ABL AMC Broader Equity Composite includes Equity Portfolios with equity mandates that aim to provide investors long-term capital appreciation by investing primarily in a wide universe of listed equities that offer prospects of capital gains and/or attractive dividend potential. The composite currently comprises of only one portfolio. The portfolios in this composite can also make temporary placements in fixed income and money market instruments, at the discretion of the Fund Manager, in times of high volatility and/or bearish market outlook. The portfolios in this composite are not guided by the NBFC regulations for Collective Investment Schemes.



**Benchmark**

The benchmark of ABL AMC Broader Equity Composite is KSE-100 Index and returns of Benchmark are not net of withholding taxes.

**List of Composites**

A list of all composite descriptions is available on request.

**Disclosure of Fund(s) falling below the minimum asset level**

One of the funds with asset size of Rs.48.7mn or 0.25% of total firm assets as at September 30, 2011 has not been presented in this composite since it does not meet the criteria defined under minimum asset size for Broader Equity Composite. The treatment is in accordance with ABL AMC's GIPS Policy Framework.

**Fees**

Returns are calculated gross of management fees and other expenses (which mainly includes custodial fee, trustee expense, SECP Fee, and other levies).

**Fee Schedule**

Management Fees for portfolios being managed in this composite currently range from 0.01% to 1% of funds under management. Further, any excess performance over benchmark is shared between the fund manager and the client at an agreed upon ratio.

**Minimum Portfolio Size**

The minimum portfolio size for inclusion in any composite is as follows:

Separately Managed Account:                      Rs.50 million per Managed Account

**Internal Dispersion**

Since number of Portfolios in the composite is only one at the moment (less than five) therefore calculation of internal dispersion is not required.

**Ex-Post Standard Deviation**

The three-year annualized ex-post standard deviation of the composite and Benchmark is not presented because 36 monthly returns are not yet available.

**Key Assumptions**

Following are the key assumptions used in portfolio valuation:

### **Financial Instruments**

All the financial assets and financial liabilities are recognized at the time when the Portfolio becomes a party to the contractual provisions of the instrument. Financial assets are de-recognized when the contractual rights to receive cash flows related to the asset expire. Financial liabilities are de-recognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on de-recognizing of the financial assets and financial liabilities is taken to the income statement in the period in which it arises.

### **Revenue Recognition**

Realized/ unrealized gains (losses) arising on sale of investments are accounted for in the period in which they arise. Dividend Income is recognized when the right to receive the dividend is established. Income on government securities is recognized at the rate of return implicit in the instrument/ arrangement on a time proportionate basis. Profit on bank deposits is recorded on an accrual basis.

### **Proprietary Assets in the Composite**

Proprietary Assets in the composite could include investments from ABL Asset Management Company Limited, its Management and that from Allied Bank Limited (ABL AMC's parent company). However, presently the composite only comprises of single investment mandate from a non-related party. The composite, therefore, does not contain any proprietary assets as at September 30, 2011.

### **Liability for Income Tax**

Presently, portfolios managed under this composite are exempt from income taxes.



ABL Asset Management

**BALANCED  
ABSOLUTE  
RETURN  
COMPOSITE**

**ABL Asset Management Company Limited (ABL AMC)**  
**Balanced Absolute Return Composite**

For the Period of April 11, 2011 to September 30, 2011



Composite : ABL AMC Balanced Absolute Return Composite  
Benchmark : Fixed Absolute Return of 15%  
Creation Date : April 11, 2011  
Reporting Currency : Pak Rupees

	Total Net Return (%)	Benchmark Return (%)	No. of Portfolios	Total Assets at end of period (mn)	Percentage of Firm's assets (%)	Total assets of the Firm at the end of Period (mn)
1QFY12	4.17	3.75	<5	107	1%	19,429
FY11*	3.09	3.33	<5	103	1%	17,355

\*Returns are from April 11, 2010 to June 30, 2011

### Compliance Statement

ABL Asset Management Co Ltd claims compliance with the Global Investment Performance Standards (GIPS) and has prepared and presented this report in compliance with the GIPS standards. ABL AMC has not been independently verified.

### Definition of the Firm

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### Policies

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### Composite Description

ABL AMC Balanced Absolute Return Composite includes Portfolios that aim to provide investors predefined absolute fixed return with no restriction on the investment tools to be utilized in management of funds. The composite currently comprises of only one portfolio.



**Benchmark**

Fixed Absolute return of 15%

**List of Composites**

A list of all composite descriptions is available on request.

**Fees**

Returns are calculated gross of management fees and other expenses (which mainly includes custodial fee, trustee expense, SECP Fee, and other levies).

**Fee Schedule**

Management Fees for portfolios being managed in this composite currently is based on any excess performance over agreed upon benchmark (predefined fixed return), which is shared between the fund manager and the client at an agreed upon ratio.

**Minimum Portfolio Size**

The minimum portfolio size for inclusion in any composite is as follows:

Separately Managed Account:                      Rs.50 million per Managed Account

**Internal Dispersion**

Since number of Portfolios in the composite is only one at the moment (less than five) therefore calculation of internal dispersion is not required.

**Ex-Post Standard Deviation**

The three-year annualized ex-post standard deviation of the composite and Benchmark is not presented because 36 monthly returns are not yet available.

**Key Assumptions**

Following are the key assumptions used in portfolio valuation:

## **Financial Instruments**

All the financial assets and financial liabilities are recognized at the time when the Portfolio becomes a party to the contractual provisions of the instrument. Financial assets are de-recognized when the contractual rights to receive cash flows related to the asset expire. Financial liabilities are de-recognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on de-recognizing of the financial assets and financial liabilities is taken to the income statement in the period in which it arises.

## **Revenue Recognition**

Realized/ unrealized gains (losses) arising on sale of investments are accounted for in the period in which they arise. Dividend Income is recognized when the right to receive the dividend is established. Income on government securities is recognized at the rate of return implicit in the instrument/ arrangement on a time proportionate basis. Profit on bank deposits is recorded on an accrual basis.

## **Proprietary Assets in the Composite**

Proprietary Assets in the composite could include investments from ABL Asset Management Company Limited, its Management and that from Allied Bank Limited (ABL AMC's parent company). However, presently the composite only comprises of single investment mandate from a non-related party. The composite, therefore, does not contain any proprietary assets as at September 30, 2011.

## **Liability for Income Tax**

Presently, portfolios managed under this composite are exempt from income taxes.

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**ABL Asset Management**

Discover the potential