

CONDENSED INTERIM FINANCIAL STATEMENT

FIRST QUARTER REPORT FOR THE PERIOD
ENDED SEPTEMBER 30, 2013



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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. Tariq Mahmood Mr. Muhammad Waseem Mukhtar Mr. Kamran Nishat Mr. M. Shakeb Murad Mr. M. Jawaid Iqbal Mr. Khawaja Muhammad Almas Mr. Farid Ahmed Khan | Chairman CEO |
| Audit Committee: | Mr. Kamran Nishat Mr. Muhammad Waseem Mukhtar Mr. Khawaja Muhammad Almas | Chairman Member Member |
| Human Resource Committee: | Mr. Jawaid Iqbal Mr. Kamran Nishat Mr. Farid Ahmed Khan | Chairman Member Member |
| Chief Executive Officer of The Management Company: | Mr. Farid Ahmed Khan | |
| Chief Financial Officer & Company Secretary: | Mr. Saqib Matin | |
| Chief Internal Auditor: | Mr. Mubeen Ashraf Bhimani | |
| Trustee: | MCB Financial Services Limited 3rd Floor, Adamjee House, I. I. Chundrigar Road, Karachi. | |
| Bankers to the fund: | Allied Bank Limited Bank Al- Falah Limited United Bank Limited | |
| Auditor: | M. Yousuf Adil Saleem & Co. Chartered Accountants Cavish Court, A-35, Block 7 & 8 KCHSU, Shahrah-e-Faisal, Karachi. | |
| Legal Advisor: | Bawany & Partners Room No. 404, 4th Floor Beaumont Plaza, 6 - C1 - 10, Beaumont Road, Civil Lines, Karachi. | |
| Registrar: | ABL Asset Management Company Limited. 11 - B, Lalazar, M. T. Khan Road, Karachi. | |

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of ABL Asset Management Company Limited, the management company of ABL AMC Capital Protected Fund (ABL AMC-CPF), is pleased to present the un-audited Condensed Interim Financial Statements of ABL AMC-CPF for the quarter ended September 30, 2013.

ECONOMIC PERFORMANCE REVIEW

Pakistan's economic frailties came to the forefront during 1QFY14 as inflation surged, currency depreciated while growth estimates were slashed. Re-entry in to the IMF program (USD6.64 billion Extended Finance Facility availed) forced the Government to take some tough decisions in order to ensure multilateral agencies' support. With IMF placing stringent conditions related to FX reserve build up and removal of subsidies, inflation jumped to 7.39% in September (1QFY14 average 8.06%) after hitting a low of 5.1% in May while the rupee depreciated by 6.5% during 1QFY14 to close at 106.04 vs. the USD. Weak current account numbers (USD632 million deficit for 2MFY14) and a drive to build up the FX reserves played havoc with the exchange rate over the quarter. At one stage, the Rupee hit a record low of Rs.110 in the interbank before the SBP intervened to arrest the situation. Continuous weakness in key economic indicators and unabated government borrowing (Rs.262 billion for 1QFY14) resulted in the Central Bank taking an earlier than expected U-turn on its monetary stance as it increased the discount rate by 50bps to 9.5% in September's monetary policy statement. The hike in the discount rate ended a monetary easing cycle in which rates were cut by a cumulative 500bps over a period of over 2 years.

In the wake of worsening economic situation the IMF cut Pakistan's growth estimates to 2.3% from earlier projections of 3%. As we look towards FY13-14, it is now clear that we have entered a new phase of monetary tightening. With inflation likely to continue its upward trend due to rupee depreciation, increase in energy/fuel prices and stringent taxation measures, another 100bps policy rate hike over the course of the fiscal year is very much on the cards. Furthermore, Government borrowing is expected to remain high as foreign aid remains sporadic, privatization process is stalled while tax collection remains below targeted levels (Rs.480 billion collected in 1Q, shortfall of Rs.20 billion).

MARKET OVERVIEW

Equities witnessed a highly volatile quarter with the benchmark KSE100 Index gaining 4% QoQ to close the period at 21,833 points after hitting a high of 23,776 points in July 2013. Disappointing corporate results season and macro concerns dented investor confidence towards quarter end. Unexpected hike in Discount Rate of 50bps coupled with major instability in the local currency resulted in investors booking gains and shying away from equities. Foreign outflows to the tune of USD94 million were witnessed in the outgoing quarter while volumes also dwindled (September average daily value traded USD74 million vs. USD106 million for July). June 2013 results season and sector news flow certainly didn't help the situation. Optimism in the energy chain came to a standstill as PSO continued to hold back payouts as circular debt accumulated rapidly over 1QFY14. Cement sector suffered on growing concerns related to sustainability of the pricing arrangement amongst manufactures while a surprise increase in the minimum profit rate on savings and term deposits for banks, also led to a selloff in the banking sector after the sector rallied post the discount rate hike.

MUTUAL FUND INDUSTRY REVIEW

Total assets under management (AUMs) of Pakistan's open end mutual fund industry remained flat in 1QFY14 at Rs.359.8 billion. Equity funds' AUMs increased by 11.0% during 1QFY14 to close at Rs.68.5billion against 3.9% appreciation in KSE-100 index. Growth in Open-end equity fund AUMs was primarily due to multiple conversions of Close-end funds into Open-end category. Adjusting for these conversions the AUMs actually witnessed a decline during the period.

FUND PERFORMANCE

ABL AMC-CPF posted an absolute return of 1.8% against the benchmark return of 1.9%, an underperformance of 0.1% during the quarter. The fund continued to benefit from higher locked-in TDR rate and active portfolio management in equities. When measured from its inception date, ABL-CPF has posted a return of 16.74% as compared to its benchmark return of 13.88%, depicting a significant out-performance of 286bps.

ABL AMC Capital Protected Fund earned total income of Rs.9.53 million for the quarter ended September 30, 2013. This mainly consisted of Rs.9.69 million earned from return on bank balances & term deposits receipts, Rs.1.57 million from net gain on sale of investments, Rs. 0.33 million from dividend income and Rs.2.75 million was unrealized diminution on re-measurement of investments classified as financial assets at fair value. After accounting for expenses of Rs.2.70 million (comprising mainly of the management fee of Rs.1.40 million and Sindh Sales Tax on management fee of Rs.0.22 million), net income from operating activities for the quarter ended September 30, 2013 stood at Rs.6.83 million. With the net element of loss and capital losses of Rs.0.04 million included in the prices of units issued less those in units redeemed and Rs.0.14 million as provision for workers' welfare fund, the net income for the quarter ended September 30, 2013 stood at Rs.6.65 million.

OUTLOOK

Rising interest rates and continuous pressure on local currency have spoiled near term market sentiments. Sporadic foreign selling is also one of the reasons for growing investor apathy. We have consequently reduced our exposure in equity markets (across the board) and moved to cash. Nevertheless, our medium to long term positive outlook on the equities remains intact. Gradual building up of reserves in the wake of planned privatization receipts and healthy foreign commitments should restore investor confidence moving forward. We are now looking to deploy cash in stocks that have corrected sharply from their recent peaks and enjoy sound fundamentals due to favorable regulatory environment or robust pricing power.

AUDITORS

M. Yousuf Adil Saleem & Co. (Chartered Accountants), have been appointed as auditors for the year ending June 30, 2014 for ABL AMC Capital Protected Fund (ABL AMC-CPF).

MANAGEMENT QUALITY RATING

The Management Quality Rating of ABL Asset Management Limited (ABL AMC) is 'AM Two' (AM2). Outlook on the assigned rating is 'Stable'.

ACKNOWLEDGEMENT

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

For and on behalf of the Board



FARID AHMED KHAN

Chief Executive Officer

Karachi, October 30, 2013

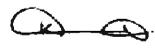
**ABL AMC CAPITAL PROTECTED FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT SEPTEMBER 30, 2013**

| | Note | (Un-audited) September 30, 2013 | (Audited) June 30, 2013 |
|--|------|---------------------------------------|-------------------------------|
| | | -----Rupees----- | |
| ASSETS | | | |
| Balances with bank | 4 | 2,087,833 | 35,115,745 |
| Investments | 5 | 357,752,999 | 334,436,240 |
| Profit receivable and prepayments | | 8,914,611 | 3,127,526 |
| Security deposit | | 100,000 | 100,000 |
| Preliminary expenses and floatation costs | | 934,210 | 1,287,950 |
| Receivable against sale of listed securities | | 1,337,290 | - |
| Total assets | | <u>371,126,943</u> | <u>374,067,461</u> |
| LIABILITIES | | | |
| Payable to ABL Asset Management Company Limited - Management Company | | 2,197,907 | 3,371,483 |
| Payable to MCB Financial Services Limited - Trustee | | 24,284 | 23,986 |
| Payable to Securities and Exchange Commission of Pakistan | | 69,768 | 285,530 |
| Accrued expenses and other liabilities | 6 | 1,261,445 | 1,404,737 |
| Payable against purchase of listed securities | | - | 4,490,585 |
| Payable against redemption of units | | - | 1,324,215 |
| Total liabilities | | <u>3,553,404</u> | <u>10,900,536</u> |
| NET ASSETS | | <u><u>367,573,539</u></u> | <u><u>363,166,925</u></u> |
| Unit holders' fund (as per statement attached) | | <u><u>367,573,539</u></u> | <u><u>363,166,925</u></u> |
| Contingencies and commitments | 9 | | |
| | | Number of units | |
| Number of units in issue | | <u><u>36,048,494</u></u> | <u><u>36,272,852</u></u> |
| | | -----Rupees----- | |
| NET ASSETS VALUE PER UNIT | | <u><u>10.1966</u></u> | <u><u>10.0121</u></u> |
| Face value per unit | | <u><u>10.0000</u></u> | <u><u>10.0000</u></u> |

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.


FARID AHMED KHAN
CEO

For ABL Asset Management Company Limited
(Management Company)


KAMRAN NISHAT
DIRECTOR

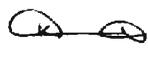
ABL AMC CAPITAL PROTECTED FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2013

| | Note | For the quarter ended September 30, 2013 | For the period from April 13, 2012 to September 30, 2012 |
|---|-------|--|---|
| -----Rupees----- | | | |
| INCOME | | | |
| Return/markup on bank balances and term deposit receipts | | 9,694,053 | 12,753,951 |
| Net gain on sale of investments | | 1,569,983 | 4,717,823 |
| Income from government securities | | 617,733 | 18,096 |
| Dividend income | | 332,500 | - |
| Back end load | | 72,767 | 72,290 |
| Total Income | | 12,287,036 | 17,562,160 |
| Unrealised appreciation/ (diminution) on re-measurement of investments classified as financial assets at fair value through profit or loss - 'held for trading' - net | 5.3.1 | (2,753,387) | 1,409,969 |
| | | <u>9,533,649</u> | <u>18,972,129</u> |
| EXPENSES | | | |
| Remuneration of ABL Asset Management Company Limited - Management Company | | 1,395,382 | 1,705,036 |
| Sindh sales tax on Management Fee | | 223,261 | 272,804 |
| Federal Excise Duty on management fee | | 223,267 | - |
| Remuneration of MCB Financial Services Limited - Trustee | | 74,420 | 90,935 |
| Annual fee - Securities and Exchange Commission of Pakistan | | 69,769 | 85,252 |
| Brokerage expense and other transaction costs | | 154,896 | 374,030 |
| Auditors' remuneration | | 58,236 | 77,224 |
| Amortisation of preliminary expenses and floatation costs | | 353,740 | 469,093 |
| Printing charges | | 23,368 | 30,970 |
| Rating fee | | 44,133 | 46,354 |
| Listing fee | | 4,546 | 12,517 |
| Settlement and bank charges | | 43,860 | 9,356 |
| Other expenses | | 35,942 | 8,437 |
| Total Operating Expenses | | 2,704,820 | 3,182,008 |
| Net income from operating activities | | 6,828,829 | 15,790,121 |
| Element of income/ (loss) and capital gains/ (losses) included in prices of units issued less those in units redeemed | | (42,938) | (70,352) |
| Provision for Worker's welfare fund | 6.1 | (135,695) | - |
| Net income for the period before taxation | | 6,650,196 | 15,719,769 |
| Taxation | 8 | - | - |
| Net income for the period after taxation | | 6,650,196 | 15,719,769 |
| Other comprehensive income for the period | | - | - |
| Total comprehensive income | | 6,650,196 | 15,719,769 |
| Earnings per unit | 10 | | |

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
CEO


KAMRAN NISHAT
DIRECTOR

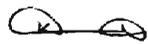
**ABL AMC CAPITAL PROTECTED FUND
CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2013**

| | For the quarter ended September 30, 2013 | For the period from April 13, 2012 to September 30, 2012 |
|--|---|---|
| | -----Rupees----- | |
| Net income for the period after taxation | 6,650,196 | 15,719,769 |
| Interim distribution | | |
| - Re 0.0347 per unit on June 25, 2012 | | |
| - Issue of Bonus units | - | (1,160,753) |
| Undistributed income carried forward | <u>6,650,196</u> | <u>14,559,016</u> |
| Undistributed income comprising: | | |
| Realised income | 9,403,583 | 13,149,047 |
| Unrealised (loss)/ income | (2,753,387) | 1,409,969 |
| | <u>6,650,196</u> | <u>14,559,016</u> |

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.


FARID AHMED KHAN
CEO

For ABL Asset Management Company Limited
(Management Company)


KAMRAN NISHAT
DIRECTOR

ABL AMC CAPITAL PROTECTED FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2013

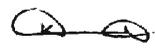
For the quarter ended September 30, 2013 **For the period from April 13, 2012 to September 30, 2012**

| | -----Rupees----- | |
|---|----------------------------|----------------------------|
| Net assets at the beginning of the period | 363,166,925 | - |
| Issue of 33,500,929 units | - | 335,010,165 |
| Redemption of 2,066,244 units | (2,286,520) (2,286,520) | (3,613,626) 331,396,539 |
| Issue of 116,075 bonus units | - | 1,160,753 |
| Element of loss and capital losses included in prices of units issued less those in units redeemed | | |
| - amount representing loss and capital losses transferred to Income Statement | 42,938 | 70,352 |
| Other net income for the period | 7,833,600 | 9,591,977 |
| Net capital gain on sale of investments | 1,569,983 | 4,717,823 |
| Unrealised appreciation/ (diminution) on re-measurement of investments classified as financial assets at fair value through profit or loss - 'held for trading' - net | (2,753,387) | 1,409,969 |
| Interim distribution at the rate of Re. 0.0347 per unit declared on June 25, 2012: | | |
| - Issue of Bonus units (116,075 units) | - | (1,160,753) |
| | 6,650,196 | 14,559,016 |
| Net assets at the end of the period | 367,573,539 | 347,186,660 |

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.


FARID AHMED KHAN
 CEO

For ABL Asset Management Company Limited
 (Management Company)


KAMRAN NISHAT
 DIRECTOR

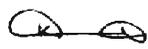
**ABL AMC CAPITAL PROTECTED FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2013**

| | For the quarter ended September 30, 2013 | For the period from April 13, 2012 to September 30, 2012 |
|---|---|---|
| Note | Rupees | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income for the period before taxation | 6,650,196 | 15,719,769 |
| Adjustments: | | |
| Unrealised appreciation/ (diminution) on re-measurement of investments classified as financial assets at fair value through profit or loss - 'held for trading' - net | 2,753,387 | (1,409,969) |
| Dividend income | (332,500) | - |
| Return/ mark up on: government securities | (617,733) | - |
| bank balances | (186,283) | - |
| term deposits | (9,507,770) | - |
| Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed | 42,938 | 70,352 |
| Amortisation of preliminary expenses and floatation costs | 353,740 | 469,093 |
| | <u>(844,025)</u> | <u>14,849,245</u> |
| (Increase) / Decrease in assets | | |
| Investments - net | (26,070,146) | (338,769,488) |
| Profit receivable & prepayments | (5,787,086) | (7,443,289) |
| Receivable against sale of listed securities | (1,337,290) | - |
| Preliminary expenses and floatation costs | - | (2,902,938) |
| | <u>(33,194,522)</u> | <u>(349,115,715)</u> |
| Increase/ (Decrease) in liabilities | | |
| Payable to ABL Asset Management Company Limited - Management Company | (1,130,433) | 3,421,624 |
| Payable to MCB Financial Services Limited - Trustee | 298 | 22,697 |
| Payable to Securities and Exchange Commission of Pakistan | (215,762) | 85,252 |
| Payable against purchase of investments | (1,324,214) | - |
| Accrued expenses and other liabilities | (186,435) | 160,300 |
| | <u>(2,856,546)</u> | <u>3,689,873</u> |
| Dividend received | 332,500 | - |
| Return/ mark-up received | 10,311,786 | - |
| | <u>(26,250,807)</u> | <u>(330,576,597)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Receipts from issue of units | - | 335,010,165 |
| Payments on redemption of units | (6,777,105) | (3,103,168) |
| Net cash (used in)/ generated from financing activities | <u>(6,777,105)</u> | <u>331,906,997</u> |
| Net (decrease)/ increase in cash and cash equivalents during the period | <u>(33,027,912)</u> | <u>1,330,400</u> |
| Cash and cash equivalents at the beginning of the period | 35,115,745 | - |
| Cash and cash equivalents at the end of the period | <u>4</u> <u>2,087,833</u> | <u>1,330,400</u> |

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

For ABL Asset Management Company Limited
(Management Company)


FARID AHMED KHAN
CEO


KAMRAN NISHAT
DIRECTOR

ABL AMC CAPITAL PROTECTED FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2013

1 LEGAL STATUS AND NATURE OF BUSINESS

ABL AMC Capital Protected Fund (the Fund) was established under a Trust Deed executed on July 29, 2012 between ABL Asset Management Company Limited as the Management Company and MCB Financial Services Limited (MCBFSL) as the Trustee. The Fund was executed in accordance with the Non-Banking Finance Companies and Notified Entities Regulation, 2008. The Fund has been categorized as Capital Protected scheme.

The Fund is an open ended fund with maturity of 2 years and is listed on the Islamabad Stock Exchange. The units of the Fund were initially offered for public subscription at par from May 30, 2012 to May 31, 2012.

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 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 consist of two segments, a Capital & Return Protected Segment and an Investment Segment. The Capital Protected Segment aims at protecting investors' capital by investing a minimum of 94.75% of Fund property in bank deposits having at least long term credit rating 'AA-' (Double A minus). The remaining assets of the Fund will be invested in equity markets or any other permissible investment instrument allocated to the Investment Segment for enhancing the Fund's overall return.

This is the second year of operations of the Fund and JCR-VIS Credit Rating Company Limited has been appointed as the rating company. The rating company has assigned Management Quality Rating of 'AM2' (stable outlook) to the Management Company.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These 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 (IFRS) 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 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 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 these condensed interim financial statements have, however, been limited based on the requirements of International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements 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 financial statements of the Fund for the year ended June 30, 2013.

3 ACCOUNTING POLICIES

The accounting policies applied for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the Fund for the year ended June 30, 2013.

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, 2013.

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, 2013.

| 4 | BALANCES WITH BANKS | Note | (unaudited) | (audited) |
|-----|---|------|--------------------|--------------------|
| | | | September 30, 2013 | June 30, 2013 |
| | Saving accounts | 4.1 | 2,087,833 | 35,115,745 |
| 4.1 | These accounts carrying mark-up rates ranging from 6.00% to 8.50% (June 30,2013: 6.00% to 9.50%) per annum. | | | |
| 5 | INVESTMENTS | | | |
| | At fair value through profit or loss - held for trading | | | |
| | Listed equity securities | 5.1 | 24,358,411 | 29,275,473 |
| | Government securities-Market treasury bills | 5.2 | 30,109,312 | - |
| | | | 54,467,723 | 29,275,473 |
| | Loans and receivables | | | |
| | Term deposit receipt | 5.3 | 303,285,276 | 305,160,767 |
| | | | 357,752,999 | 305,160,767 |

5.1 Listed equity securities

Shares of listed companies - fully paid ordinary shares with a face value of Rs 10 each unless stated otherwise.

| Name of investee company | Number of Shares | | | | Balance as at September 30, 2013 | | | Market value as a percentage of net assets | Market value as a total percentage of investment | Market value as a percentage of paid-up capital of investee company | |
|---|---------------------|-----------------------------|---------------------------------------|-------------------------|----------------------------------|-------------------|-------------------|--|--|---|-----------------------------|
| | As at June 30, 2013 | Purchases during the period | Bonus / right issue during the period | Sales during the period | As at September 30, 2013 | Carrying value | Market value | | | | Appreciation / (diminution) |
| | Rupees | | | | | | | | | | |
| Oil and gas | | | | | | | | | | | |
| Oil and Gas Development Company Limited | - | - | - | - | - | - | - | (1,013,674) | - | - | |
| Pakistan Oilfields Limited | - | 20,000 | - | 10,000 | 10,000 | 5,300,974 | 4,287,300 | 1.17% | 1.20% | 0.18% | |
| Pakistan Petroleum Limited | 37,600 | 5,400 | 3,000 | 33,000 | 13,000 | 2,341,719 | 2,477,800 | 0.67% | 0.69% | 0.01% | |
| Pakistan State Oil Company Limited | 11,500 | 16,200 | - | 2,700 | 25,000 | 8,077,044 | 6,552,500 | (1,524,544) | 1.78% | 1.83% | 0.27% |
| | 49,100 | 41,600 | 3,000 | 45,700 | 48,000 | 15,719,737 | 13,317,600 | (2,402,137) | 3.62% | 3.72% | 0.46% |
| Chemicals | | | | | | | | | | | |
| Engro Corporation Limited | 11,000 | 28,200 | - | 11,000 | 28,200 | 4,083,507 | 3,828,996 | (254,511) | 1.04% | 1.07% | 0.07% |
| Fatima Fertilizer Company Limited | 86,000 | 135,000 | - | 221,000 | - | - | - | - | - | - | |
| Fauji Fertilizer Company Limited | - | 22,900 | - | 22,900 | - | - | - | - | - | - | |
| | 97,000 | 186,100 | - | 254,900 | 28,200 | 4,083,507 | 3,828,996 | (254,511) | 1.04% | 1.07% | 0.07% |
| Personal goods(Textile) | | | | | | | | | | | |
| Kohinoor Textile Mills Limited | - | 198,000 | - | 198,000 | - | - | - | - | - | - | |
| | - | 198,000 | - | 198,000 | - | - | - | - | - | - | |
| Construction and materials(Cement) | | | | | | | | | | | |
| D.G. Khan Cement Company Limited | 20,000 | - | - | 20,000 | - | - | - | - | - | - | |
| Fauji Cement Company Limited | 225,000 | - | - | 225,000 | - | - | - | - | - | - | |
| Fecto Cement Limited | 10,500 | - | - | 10,500 | - | - | - | - | - | - | |
| Lucky Cement Limited | - | 17,500 | - | - | 17,500 | 3,962,398 | 4,047,575 | 85,177 | 1.10% | 1.13% | 0.13% |
| Maple Leaf Cement Factory Limited | 125,000 | 282,000 | - | 259,000 | 148,000 | 3,199,655 | 3,164,240 | (35,415) | 0.86% | 0.88% | 0.06% |
| | 380,500 | 299,500 | - | 514,500 | 165,500 | 7,162,053 | 7,211,815 | 49,762 | 1.96% | 2.02% | 0.19% |
| Food Producers | | | | | | | | | | | |
| Engro Foods | - | 10,000 | - | 10,000 | - | - | - | - | - | - | |
| | - | 10,000 | - | 10,000 | - | - | - | - | - | - | |
| Commercial Banks | | | | | | | | | | | |
| Bank Al Falah Limited | - | 105,000 | - | 105,000 | - | - | - | - | - | - | |
| Bank Alhabib Limited | - | 29,000 | - | 29,000 | - | - | - | - | - | - | |
| MCB Bank Limited | 20,000 | - | - | 20,000 | - | - | - | - | - | - | |
| National Bank of Pakistan | - | - | - | - | - | - | - | - | - | - | |
| United Bank Limited | 13,000 | - | - | 13,000 | - | - | - | - | - | - | |
| | 33,000 | 134,000 | - | 167,000 | - | - | - | - | - | - | |
| Total September 30, 2013 | 559,600 | 869,200 | 3,000 | 1,190,100 | 241,700 | 26,965,297 | 24,358,411 | (2,606,886) | 6.63% | 6.81% | 0.72% |

5.2 Government securities - Market Treasury Bills

| Issue date | Tenor | Face Value | | | Balance as at September 30, 2013 | | | Market value as a percentage of net assets | Market value as a percentage of total investments |
|--------------|-----------|-----------------------------|--------------------------------------|----------------------------------|----------------------------------|--------------|-----------------------------|--|---|
| | | Purchases during the period | Disposed / matured during the period | Balance as at September 30, 2013 | Cost | Market value | Appreciation / (diminution) | | |
| May 30, 2013 | 12 Months | 32,000,000 | - | 32,000,000 | 30,255,813 | 30,109,312 | (146,501) | 8.19% | 8.42% |

Rupees

5.3 It represents term deposit placed with a commercial bank on June 04, 2012, having a long term credit rating of AAA by PACRA, for a period of two years with a fixed rate of mark-up of 12.38%.

5.3.1 Unrealised loss on re-measurement of investments at 'fair value through profit or loss - held-for-trading' - net
Market value of investments
Less: Carrying value of securities

| (un audited) September 30, 2013 | (audited) June 30, 2013 |
|---------------------------------------|-------------------------------|
| -----'Rupees'----- | |
| 54,467,723 | 29,275,473 |
| 57,221,110 | 29,519,226 |
| <u>(2,753,387)</u> | <u>(243,753)</u> |

| (Unaudited) September 30, 2013 | (audited) June 30, 2013 |
|--------------------------------------|-------------------------------|
|--------------------------------------|-------------------------------|

Note

-----'Rupees'-----

6 ACCRUED EXPENSES AND OTHER LIABILITIES

| | | | |
|-----------------------------------|-----|------------------|------------------|
| Auditors' remuneration | | 28,736 | 170,000 |
| Rating fee | | 9,960 | 150,000 |
| Brokerage and other charges | | 20,620 | 77,614 |
| Payable to WWF | 6.1 | 1,086,218 | 950,523 |
| Payable against Printing of units | | 72,570 | 49,202 |
| With holding tax payable | | 495 | 495 |
| Other liabilities | | 42,847 | 6,903 |
| | | <u>1,261,445</u> | <u>1,404,737</u> |

6.1 PROVISION FOR WORKER'S 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 regard, a constitutional petition has been filed by certain CISs through their trustees in the Honourable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs, which is pending adjudication.

Subsequently, the Ministry of Labour and Manpower (the Ministry) vide its letter dated 15 July 2010 clarified that "Mutual Fund(s) is a product which is being managed / sold by the Asset Management Companies which are liable to contribute towards Workers Welfare Fund under Section-4 of WWF Ordinance 1971. However, the income on Mutual Fund(s), the product being sold, is exempted under the law ibid".

Further, the Secretary (Income Tax Policy) Federal Board of Revenue (FBR) issued a letter dated 6 October 2010 to the Members (Domestic Operation) North and South FBR. In the letter reference was made to the clarification issued by the Ministry of Labour and Manpower stating that mutual funds are a product and their income are exempted under the law ibid. The Secretary (Income Tax Policy) Federal Board of Revenue directed that the Ministry's letter may be circulated amongst field formations for necessary action. Following the issuance of FBR Letter, show cause notice which had been issued by taxation office to certain mutual funds for payment of levy under WWF were withdrawn. However, the Secretary (Income Tax Policy) Federal Board of Revenue vide letter 4 January 2011 has cancelled ab-initio clarificatory letter dated 6 October 2010 on applicability of WWF on mutual funds and issued show cause notices to certain mutual funds for collecting WWF. In respect of such show cause notices, certain mutual funds have been granted stay by Honorable High Court of Sindh on the basis of the pending constitutional petition in the said court as referred above.

Furthermore, in 2011 the Honourable Lahore High Court in a Constitutional Petition relating to the amendments brought in WWF Ordinance through the Finance Act 2006, and the Finance Act, 2008, has declared the said amendments as unlawful and unconstitutional.

The Management Company is hopeful that the decision of the Honourable Lahore High Court, will lend further support to the Constitutional Petition which is pending in the Honourable High Court of Sindh.

During the period, the Larger Bench of the Sindh High Court (SHC) issued a judgment in response to a petition in another similar case in which it is held that the amendments introduced in the WWF Ordinance through Finance Acts, 2006 and 2008 do not suffer from any constitutional or legal infirmity.

However, without prejudice to the above, the Management Company, as a matter of abundant caution, has decided to record the provision for WWF amounting to Rs. 1,086,218.

7 PROVISION FOR FEDERAL EXCISE DUTY

As per the requirement of Finance Act 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of Management Company has been applied effective June 13, 2013. The management is of the view that since the remuneration is already subject to 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 taken up collectively by the Mutual Fund Association of Pakistan where various options are being considered. As a matter of abundant caution, the fund has made a provision with effect from June 13, 2013, aggregating to Rs.266,410.

8 TAXATION

The Fund's income 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 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Further, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than unrealized capital gains to the unit holders. The management intends to distribute 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 these condensed interim financial statements.

9 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2013.

10 EARNINGS PER UNIT (EPU)

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

11 TRANSACTIONS WITH CONNECTED PERSONS

| ———— (un-audited) ———— | |
|---|---|
| For the quarter ended September 30, 2013 | For the period from April 13, 2012 to September 30, 2012 |
| ———— Rupees ———— | |

11.1 Detail of transactions with connected persons during the period are as follows:

ABL Asset Management Company Limited - Management Company

| | | |
|--|-----------|-------------|
| Issue of 10,000,000 units | - | 100,000,000 |
| Bonus of Nil units (2012: 34,700) | - | 347,000 |
| Remuneration of the Management Company | 1,395,382 | 1,705,036 |
| Sindh sales tax on Management Fee | 223,261 | - |
| Federal Excise Duty on management fee | 223,267 | - |

Pakistan Security Printing Corporation (Private) Limited

| | | |
|--------------------------|------------|---|
| Issue of 4,007,182 units | 40,859,632 | - |
|--------------------------|------------|---|

TRUSTEE

MCB Financial Services Limited-Trustee

| | | |
|-----------------------------|--------|--------|
| Remuneration for the period | 74,420 | 90,935 |
|-----------------------------|--------|--------|

(unaudited) (audited)
 September 30, June 30,
 2013 2013

-----Rupees-----

11.2 Detail of balances outstanding at the period end with connected persons are as follows:

ABL Asset Management Company Limited - Management Company

| | | |
|--|-------------|-------------|
| Remuneration payable to management company | 455,327 | 449,744 |
| Sindh Sales Tax payable | 72,852 | 71,959 |
| Federal Excise Duty on management fee | 266,410 | - |
| Preliminary expenses and floatation costs | 1,403,318 | 2,806,637 |
| 11,449,091 units held | 114,866,440 | 114,574,488 |

Allied Bank Limited

| | | |
|--------------------|-----------|------------|
| Balances with Bank | 1,865,928 | 31,334,171 |
|--------------------|-----------|------------|

Pakistan Security Printing Corporation (Private) Limited

| | | |
|--------------------------|------------|------------|
| Issue of 4,007,182 units | 40,859,632 | 40,120,307 |
|--------------------------|------------|------------|

MCB Financial Services Limited-Trustee

| | | |
|----------------------|--------|--------|
| Remuneration payable | 24,284 | 23,986 |
|----------------------|--------|--------|

12 GENERAL

12.1 Figures have been rounded off to the nearest rupee.

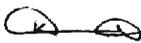
12.2 Certain prior figures have been reclassified/ re-arranged for the purpose of comparison. However, there were no material reclassification to report.

13 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on October 30, 2013 by the Board of Directors of the Management Company.

For ABL Asset Management Company Limited
 (Management Company)


 FARID AHMED KHAN
 CEO


 KAMRAN NISHAT
 DIRECTOR



ABL Asset Management

Discover the potential
RATED AM2 (JCR-VIS)

(A wholly owned subsidiary of Allied Bank Ltd.)

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