



**ABLM**  
*Stock Fund*

CONDENSED INTERIM  
FINANCIAL  
INFORMATION

FOR THE QUARTER ENDED SEPTEMBER 30, 2012



**ABL Asset Management**

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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. Khalid A. Sherwani Mr. Muhammad Waseem Mukhtar Mr. Kamran Nishat Mr. M. Shakeb Murad Mr. M. Jawaid Iqbal Mr. Zia Ijaz Mr. Farid Ahmed Khan	Chairman       CEO
Audit Committee:	Mr. Kamran Nishat Mr. Muhammad Waseem Mukhtar Mr. Zia Ijaz	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:	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 United Bank Limited Faysal Bank Limited	Askari Bank Limited NIB Bank Limited MCB Bank Limited
Distributor:	Allied Bank Limited BMA Financial Services Limited Vector Consulting (Pvt.) Limited	IGI Investment Bank Elixir Securities Pakistan (Pvt.) Limited FundShop Investment Solutions
Auditor:	A.F. Ferguson & Co Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, 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 Stock Fund (ABL-SF), is pleased to present the Condensed Interim Financial Information (un-audited) of ABL Stock Fund for the quarter ended September 30, 2012.

### ECONOMIC PERFORMANCE REVIEW

In midst of economic challenges, 1QFY13 marked a major shift in monetary policy with the Central Bank aggressively reducing the discount rate by 150bps (from 12% to 10.5%) to jump start the economy. Release of coalition support funds (CSF) of USD 1.2 billion coupled with single digit inflation (1QFY13 cumulative inflation recorded at 9.14%) allowed State Bank to adopt a pro-growth stance. CPI numbers were aided by gradual drop in food and energy prices (food inflation recorded at 8.4% in 1QFY13) while lower import bill and CSF funds propelled the current account into a surplus of USD 919 million in 2MFY13. Questions, however, have already been raised about the quantum and sustainability of the rate cut. Overall fiscal position is certainly alarming as Government borrowing has reached unprecedented levels and FY13 fiscal deficit target is expected to be missed by a substantial margin (IMF expects FY13 fiscal deficit at 6.1%). Shortfall in tax collection (PKR 402 billion collected in 1QFY13 vs. target of PKR 437 billion) along with ever growing subsidies to the power sector havemade the targeted fiscal deficit of 4.7% extremely difficult to achieve. Apart from the frail fiscal situation, the weakening exchange rate is another worrying factor for the Central Bank. The rupee depreciated by 0.3% vs. USD during 1QFY13 (PKR/USD 94.8 on September 28th) while the reserves have dropped below the USD 15 billion mark in the wake of continued trade deficit and IMF loan repayments. The outlook for remaining fiscal period hinges primarily on continued foreign aid and lower oil prices to keep the exchange rate and fiscal deficit in check.

### MARKET OVERVIEW

The bull- run at the Karachi stock exchange continued with the KSE-100 index gaining 11.9% QoQ to close the period at 15,445 points, near all-time high of 15,676 points achieved in April 2008. Investors gave two thumbs up to the steep cut in the policy rate while results for Quarter/Year ended June 2012 surpassed expectations. In particular cement, power and E&P sectors posted significant earnings growth and declared handsome payouts. However, investors remained wary of the banking sector as declining interest rates coupled with sticky deposit rates (minimum rate on saving deposits fixed at 6%) dampened prospects. The rally during the quarter was accompanied by a decent foreign inflow of USD 92 million with volumes drying up somewhat to 129 million shares/day (-34% QoQ).

### MUTUAL FUND INDUSTRY REVIEW

Equity funds segment of the mutual fund industry witnessed meager growth during the period under review despite solid gains made at local bourses. Equity funds' AUMs increased by 0.9%

during 3Q2012 to close at Rs.52.6billion against 11.9% appreciation in KSE-100 index. The trend reflects general lack of interest in equity funds despite strong performance of stocks and higher dividend payouts by equity funds. We expect this trend to change in coming months as falling interest rates and declining fixed income fund yields will prod more investors to assume equity risks in expectations of better returns.

#### **FUND PERFORMANCE**

ABL Stock Fund's AUM increased by 33.9% to Rs.342.51million in Sep 30, 2012 compared to Rs.255.75 million on June 30, 2012. The fund posted an absolute return of 10.3% against the benchmark return of 9.3%, an out-performance of 1.0% during the quarter. When measured from its inception date, ABL-SF has maintained its five star rating (based on average two years ranking), posting a return of 138.5% as compared to its benchmark return of 71.4%, depicting a significant out-performance of 67.1%.

ABL Stock Fund earned total income of Rs.32.80 million for the quarter ended September 30, 2012, of which Rs.8.97 million was net capital gain on sale of investments, Rs.4.84 million was dividend income and Rs.18.26 million was unrealized appreciation on re-measurement of financial assets at fair value through profit or loss - 'held for trading'. After accounting for expenses of Rs.4.34 million (comprising mainly of the management fee of Rs.2.31 million, Sindh Sales Tax on management of Rs.0.37 million and Brokerage expense of Rs.0.99 million) net income from operating activities for the quarter ended September 30, 2012 stood at Rs.28.46 million. With the net element of income and capital gains of Rs.5.64 million included in the prices of units issued less those in units redeemed and Rs.0.68 million as provision for workers welfare fund, the net income for the quarter ended September 30, 2012 stood at Rs.33.41 million.

#### **AUDITORS**

M/s. A.F. Fergusons & Co. (Chartered Accountants), have been appointed as auditors for the year ending June 30, 2013 for ABL Stock Fund (ABL-SF).

#### **FUND STABILITY RATING**

JCR-VIS Credit Rating Company Ltd. (JCR-VIS) on August 01, 2012: has assigned MFR 5-Star to ABL-SF (based on Three years average), which denotes 'very good performance'.

#### **MANAGEMENT QUALITY RATING**

On September 16, 2011: JCR-VIS Credit Rating Company Limited has upgraded the Management Quality Rating of ABL Asset Management Limited (ABL AMC) from 'AM3+' (AM Three Plus) to 'AM Two Minus' (AM2-). Outlook on the assigned rating is 'Stable'

#### **OUTLOOK**

The prospects of single digit inflation and interest rates as well as strong corporate earnings continue to underpin our bullish stance on equities. A low interest rate environment will enhance the attraction of high dividend yield stocks as well as leveraged companies and we have modeled our

portfolio along those lines. This thinking has also led us to further shed exposure in banking stocks as banks will suffer severely from shrinking margins in a low interest rate environment.

Politics will continue to grow in importance as elections approach. We expect the benchmark KSE-100 index to test new highs in the run-up to elections over the next 6 months as government takes steps to stimulate economy in form of higher construction activities, high crop support prices and lower interest rates. Historically speaking, KSE-100 has on average returned 13% in 3-months prior to elections over the last 20-years and we don't expect it to be any different this time.

#### **ACKNOWLEDGEMENT**

We thank our valued investors who have placed their confidence in us. The Board is also thankful to Securities & Exchange Commission of Pakistan, the Trustee (Central Depository Company of Pakistan Limited) and the management of Karachi Stock Exchange (Guarantee) 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 25, 2012**

## ABL STOCK FUND CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT SEPTEMBER 30, 2012

		(Un audited) September 30, 2012	(Audited) June 30, 2012
	Note	----- Rupees -----	
<b>ASSETS</b>			
Balances with banks	4	23,559,034	20,845,250
Investments	5	327,440,188	238,031,019
Dividend and profit receivable		5,089,981	451,726
Security deposits and prepayments		2,622,500	2,600,000
Receivable against sale of investments		-	756,518
Receivable against sale of units		5,183,940	-
Preliminary expenses and floatation costs		1,251,060	1,431,656
<b>Total assets</b>		365,146,702	264,116,169
<b>LIABILITIES</b>			
Payable to ABL Asset Management Company Limited - Management Company		967,242	2,887,511
Payable to Central Depository Company of Pakistan Limited - Trustee		122,497	58,070
Payable to Securities and Exchange Commission of Pakistan		73,037	373,976
Payable to broker against purchase of investments		8,745,607	-
Payable against redemption of Units		4,062,867	-
Accrued expenses and other liabilities	6	8,661,184	5,047,425
<b>Total liabilities</b>		22,632,434	8,366,982
<b>NET ASSETS</b>		342,514,268	255,749,187
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		342,514,268	255,749,187
<b>CONTINGENCIES AND COMMITMENTS</b>			
	7	----- Number of units -----	
<b>NUMBER OF UNITS IN ISSUE</b>		30,288,374	24,953,264
		----- Rupees -----	
<b>NET ASSET VALUE PER UNIT</b>		11.3084	10.2491
<b>FACE VALUE PER UNIT</b>		10.0000	10.0000

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.

For ABL Asset Management Company Limited  
(Management Company)

  
FARID AHMED KHAN  
CEO

  
KAMRAN NISHAT  
DIRECTOR

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## ABL STOCK FUND CONDENSED INTERIM INCOME STATEMENT (UN AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2012

	Note	For the Quarter ended September 30, 2012	For the Quarter ended September 30, 2011
----- Rupees -----			
<b>INCOME</b>			
Dividend income		4,838,125	7,106,196
Capital (loss) / gain on sale of investments - net		8,970,206	(17,641,782)
Income from government securities		-	1,710,890
Profit on bank deposits		730,875	1,145,322
		14,539,206	(7,679,374)
Unrealised appreciation on remeasurement of investments classified as financial assets 'at fair value through profit or loss' - held for trading - net	5.1.2	18,256,773	12,128,798
<b>Total Income</b>		<b>32,795,979</b>	<b>4,449,424</b>
<b>EXPENSES</b>			
Remuneration of ABL Asset Management Company Limited - Management Company		2,306,424	4,778,550
Sindh sales tax on remuneration of Management Company		368,982	764,568
Remuneration of Central Depository Company of Pakistan - Trustee		176,439	318,569
Annual fee - Securities and Exchange Commission of Pakistan		73,037	151,320
Brokerage expense and other transaction costs		988,945	1,557,374
Auditors' remuneration		100,737	95,615
Amortisation of preliminary expenses and floatation costs		180,596	180,596
Printing charges		37,812	50,416
Annual rating fee		27,692	22,724
Listing fee		7,500	7,544
Settlement and bank charges		71,657	102,699
<b>Total operating expenses</b>		<b>4,339,820</b>	<b>8,029,975</b>
<b>Net income / (loss) from operating activities</b>		<b>28,456,159</b>	<b>(3,580,551)</b>
Net element of accrued income and capital gains included in prices of units issued less those in units redeemed		5,639,401	6,971,680
Provision for Workers' Welfare Fund	6.1	(681,933)	(67,822)
<b>Net income for the period before taxation</b>		<b>33,413,627</b>	<b>3,323,307</b>
Taxation		-	-
<b>Net income for the period after taxation</b>		<b>33,413,627</b>	<b>3,323,307</b>
<b>Other comprehensive income for the period</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>		<b>33,413,627</b>	<b>3,323,307</b>
<b>Earnings per unit</b>	8		

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.

For ABL Asset Management Company Limited  
(Management Company)

  
FARID AHMED KHAN  
CEO

  
KAMRAN NISHAT  
DIRECTOR

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## ABL STOCK FUND CONDENSED INTERIM DISTRIBUTION STATEMENT (UN AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2012

	For the Quarter ended September 30, 2012	For the Quarter ended September 30, 2011
	----- Rupees -----	
Undistributed income brought forward		
- Realised (loss) / income	2,686,688	(6,372,928)
- Unrealised income / (loss)	3,530,730	8,983,826
	<u>6,217,418</u>	<u>2,610,898</u>
Net income for the period	33,413,627	3,323,307
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed	5,639,401	-
Undistributed income carried forward	<u>45,270,446</u>	<u>5,934,205</u>
<b>Undistributed income comprising:</b>		
Realised (loss) / income	27,013,673	(6,194,593)
Unrealised income	18,256,773	12,128,798
	<u>45,270,446</u>	<u>5,934,205</u>

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For ABL Asset Management Company Limited  
(Management Company)

  
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CEO

  
KAMRAN NISHAT  
DIRECTOR

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**ABL STOCK FUND  
CONDENSED INTERIM STATEMENT OF MOVEMENT  
IN UNIT HOLDERS' FUND (UN AUDITED)**

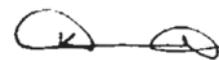
FOR THE QUARTER ENDED SEPTEMBER 30, 2012

	For the Quarter ended September 30, 2012	For the Quarter ended September 30, 2011
	----- Rupees -----	
Net assets at the beginning of the period	255,749,187	642,032,395
Issue of 6,880,418 units (2011: 4,033,843 units)	76,406,890	40,722,668
Redemption of 1,545,308 units (2011: 30,043,742 units)	(17,416,033)	(293,850,286)
	58,990,857	(253,127,618)
Element of (income) / loss and (capital gains) / losses included in prices of units issued less those in units redeemed		
- amount representing (income) / loss and capital (gains) / losses - transferred to Income Statement	(5,639,401)	(6,971,680)
Other net income for the period	6,186,648	8,836,291
Net capital gain / (loss) on sale of investments	8,970,206	(17,641,782)
Unrealised appreciation on remeasurement of investments classified as financial assets 'at fair value through profit or loss' - held for trading	18,256,773	12,128,798
	33,413,626	3,323,307
<b>Net assets at the end of the period</b>	<b>342,514,268</b>	<b>385,256,404</b>

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.

For ABL Asset Management Company Limited  
(Management Company)

  
FARID AHMED KHAN  
CEO

  
KAMRAN NISHAT  
DIRECTOR

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## ABL STOCK FUND CONDENSED INTERIM CASH FLOW STATEMENT (UN AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2012	For the Quarter ended September 30, 2012	For the Quarter ended September 30, 2011
	----- Rupees -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period	33,413,627	3,323,307
<b>Adjustments:</b>		
Unrealised diminution on remeasurement of investments classified as financial assets 'at fair value through profit or loss' - held for trading - net	(18,256,773)	(12,128,798)
Dividend income	(4,838,125)	(7,106,196)
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed	(5,639,401)	(6,971,680)
Amortisation of preliminary expenses and floatation costs	180,596	180,596
	<u>4,859,924</u>	<u>(22,702,771)</u>
<b>(Increase) / decrease in assets</b>		
Investments - net	(71,152,396)	160,711,122
profit receivable	16,348	(7,604)
Security deposits and prepayment	(22,500)	(27,327)
Receivable against sale of investments	756,518	2,559,137
Receivable against sale of units	(5,183,940)	412,996
	<u>(75,585,969)</u>	<u>163,648,324</u>
<b>Increase / (decrease) in liabilities</b>		
Payable to ABL Asset Management Company Limited - Management Company	(1,920,269)	125,213
Payable to Central Depository Company of Pakistan Limited - Trustee	64,427	(1,566)
Payable to Securities and Exchange Commission of Pakistan	(300,939)	(280,546)
Payable against purchase of investments	8,745,607	4,585,884
Payable against redemption of units	4,062,867	8,214
Accrued expenses and other liabilities	3,613,759	329,427
	<u>14,265,452</u>	<u>4,766,626</u>
Dividend received	183,524	5,054,453
<b>Net cash (used in) / generated from operating activities</b>	<u>(56,277,070)</u>	<u>150,766,632</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net Receipts from issue and redemption of units	58,990,854	(253,127,618)
Dividend Paid	-	(58,564,623)
<b>Net cash generated / (used in) from financing activities</b>	<u>58,990,854</u>	<u>(311,692,241)</u>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<u>2,713,784</u>	<u>(160,925,609)</u>
Cash and cash equivalents at the beginning of the period	20,845,250	172,492,798
<b>Cash and cash equivalents at the end of the period</b>	<u>23,559,034</u>	<u>11,567,189</u>

The annexed notes 1 to 11 form an integral part of this condensed interim financial information.

For ABL Asset Management Company Limited  
(Management Company)

  
FARID AHMED KHAN  
CEO

  
KAMRAN NISHAT  
DIRECTOR

# ABL STOCK FUND

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2012

### 1 LEGAL STATUS AND NATURE OF BUSINESS

ABL Stock 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 Securities and Exchange Commission of Pakistan (SECP) authorised constitution of the Trust Deed on April 10, 2009 and it was executed on April 23, 2009 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules).

The Fund is an open ended fund and is listed on the Karachi Stock Exchange (Guarantee) Limited. Units of the Fund are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The units of the Fund were initially offered for public subscription at par from June 25, 2009 to June 27, 2009 and thereafter these units are being offered for public subscription on a continuous basis.

The objective of the Fund is to provide higher risk adjusted returns to investors by investing in a diversified portfolio of equity instruments offering capital gains and dividends. The investment objectives and policies are more fully explained in the Fund's Offering documents.

JCR-VIS Credit Rating Company Limited has assessed the Fund's performance ranking of 'MFR 5-Star' to the fund. Management quality rating of 'AM2-' has been assigned by JCR-VIS Credit Rating Company Limited to ABL Asset Management Company Limited.

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

This condensed interim financial Information have been prepared in accordance with the approved accounting standards as applicable in Pakistan. 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 in this condensed interim financial Information have been made in accordance with the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial Information for the quarter end September 30, 2012 are unaudited.

### 3 ACCOUNTING POLICIES

3.1 The accounting policies applied and method of computation of balances adopted 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, 2012.

4	BALANCES WIT BANKS	Note	(Un audited)	(Audited)
			September 30, 2012	June 30, 2012
	Savings accounts	4.1	23,559,034	20,845,250
			<u>23,559,034</u>	<u>20,845,250</u>

4.1 These accounts carry mark-up at rates ranging from 6.00% to 10.00% (June 30, 2012: 6.00% to 12.28%) per annum.

5	INVESTMENTS	Note	(Un audited)	(Audited)
			September 30, 2012	June 30, 2012
	- At fair value through profit or loss' - held for trading		-----Rupees-----	
	Listed equity securities	5.1.2	327,440,188	238,031,019
			<u>327,440,188</u>	<u>238,031,019</u>

#### 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, 2012			Market value as a percentage of net assets	Market value as a percentage of investment	Market value as a percentage of paid-up capital of investee company
	As at July 01, 2012	Purchases during the period	Sales during the period	As at September 30, 2012	Carrying value	Market value	Appreciation (diminution)			
-----Rupees-----										
<b>Oil and gas</b>										
Attock Petroleum Limited	17,897	4,600	297	22,200	10,616,646	11,627,028	1,010,382	3.39%	3.55%	1.68%
Oil and Gas Development Co. Limited	42,348	132,200	50,048	124,500	21,392,991	22,332,810	939,819	6.52%	6.82%	0.05%
Pakistan Oilfields Limited	54,961	22,339	-	77,300	29,289,658	33,498,728	4,209,070	9.78%	10.23%	1.42%
Pakistan Petroleum Limited	122,835	27,800	35	150,600	28,510,327	32,722,980	4,212,653	9.55%	9.99%	0.20%
Pakistan State Oil Company Limited	-	24,400	24,400	-	-	-	-	-	-	-
	<u>238,041</u>	<u>211,339</u>	<u>74,780</u>	<u>374,600</u>	<u>89,809,622</u>	<u>100,181,546</u>	<u>10,371,924</u>	<u>29.25%</u>	<u>30.60%</u>	
<b>Chemicals</b>										
Akzo Nobel Pakistan	-	54,284	184	54,100	6,448,028	4,853,852	(1,594,176)	1.42%	1.48%	0.09%
Engro Corporation Limited	-	244,000	40,000	204,000	22,006,342	21,781,080	(225,262)	6.36%	6.65%	0.43%
Fatima Fertilizer Company Limited	491,468	203,532	119,000	576,000	14,101,971	13,916,160	(185,811)	4.06%	4.25%	0.07%
Fauji Fertilizer Company Limited	225,189	300,911	242,000	284,100	32,524,473	31,753,857	(770,616)	9.27%	9.70%	0.25%
ICI Pakistan Limited	91,704	32,081	92,185	31,600	4,420,478	5,180,504	760,026	1.51%	1.58%	0.56%
	<u>808,361</u>	<u>834,808</u>	<u>493,369</u>	<u>1,149,800</u>	<u>79,501,292</u>	<u>77,485,453</u>	<u>(2,015,839)</u>	<u>22.62%</u>	<u>23.66%</u>	
<b>Construction and materials</b>										
D.G. Khan Cement Company Limited	412,476	347,024	341,000	418,500	18,119,429	21,050,550	2,931,121	6.15%	6.43%	0.48%
FECTO Cement Limited	-	395,000	-	395,000	9,357,330	10,060,650	703,320	2.94%	3.07%	2.01%
Kohat Cement Limited	-	323,084	183,584	139,500	6,853,506	8,137,035	1,283,529	2.38%	2.49%	0.63%
Lucky Cement Limited	156,996	150,104	115,000	192,100	23,611,587	25,576,194	1,964,607	7.47%	7.81%	0.79%
Maple Leaf Cement Limited	-	800,000	-	800,000	7,221,545	7,280,000	58,455	2.13%	2.22%	0.14%
	<u>569,472</u>	<u>2,015,212</u>	<u>639,584</u>	<u>1,945,100</u>	<u>65,163,397</u>	<u>72,104,429</u>	<u>6,941,032</u>	<u>21.05%</u>	<u>22.02%</u>	

Name of investee company	Number of Shares				Balance as at September 30, 2012			Market value as a percentage of net assets	Market value as a percentage of investment	Market value as a percentage of paid-up capital of investee company
	As at July 01, 2012	Purchases during the period	Sales during the period	As at September 30, 2012	Carrying value	Market value	Appreciation/ (diminution)			
-----Rupees-----										
<b>Automobile and parts</b>										
Pak Suzuki Motor Company Limited	50,000	50,100	100,100	-	-	-	-	-	-	-
	50,000	50,100	100,100	-	-	-	-	-	-	-
<b>Personal goods</b>										
Nishat Mills Limited	-	25,000	25,000	-	-	-	-	-	-	-
	-	25,000	25,000	-	-	-	-	-	-	-
<b>Food Producers</b>										
Engro Foods Limited	-	140,000	-	140,000	9,894,160	9,805,600	(88,560)	2.86%	2.99%	0.13%
	-	140,000	-	140,000	9,894,160	9,805,600	(88,560)	2.86%	2.99%	
<b>Fixed line Telecommunications</b>										
Pakistan Telecommunication Company Limited	-	2,487,000	1,780,000	707,000	13,245,026	13,708,730	463,704	4.00%	4.19%	0.04%
	-	2,487,000	1,780,000	707,000	13,245,026	13,708,730	463,704	4.00%	4.19%	
<b>Industrial Metals and Mining</b>										
Aisha Steel Mills Limited	300,000	-	-	300,000	3,000,000	3,303,000	303,000	0.96%	1.01%	0.12%
	300,000	-	-	300,000	3,000,000	3,303,000	303,000	0.96%	1.01%	
<b>Electricity</b>										
The Hub Power Company Limited	572,375	250,625	100,000	723,000	31,091,024	33,894,240	2,803,216	9.90%	10.35%	0.29%
	572,375	250,625	100,000	723,000	31,091,024	33,894,240	2,803,216	9.90%	10.35%	
<b>Banks</b>										
Askari Bank Limited	-	1,100,500	-	1,100,500	17,335,875	16,815,640	(520,235)	4.91%	5.14%	0.21%
Bank Al Habib Limited	500,000	28,500	523,500	5,000	143,019	141,550	(1,469)	0.04%	0.04%	-
MCB Bank Limited	60,360	40	60,400	-	-	-	-	-	-	-
United Bank Limited	245,198	142,500	387,698	-	-	-	-	-	-	-
Bank Al Falah Limited	1,209,900	181,100	1,391,000	-	-	-	-	-	-	-
	2,015,458	1,452,640	2,362,598	1,105,500	17,478,894	16,957,190	(521,704)	4.95%	5.18%	
	4,553,707	7,466,724	5,575,431	6,445,000	309,183,415	327,440,188	18,256,773	96%	100%	

5.1.1 The above investments include shares pledged with National Clearing Company of Pakistan Limited having a market value (in aggregate) amounting to Rs 44,659,940 (June 30, 2012: Rs 42,029,020) which have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular no. 11 dated October 23, 2007 issued by the Securities & Exchange Commission of Pakistan, which are as follows:

- Attock Petroleum Limited: 15,000 (2012: 15,000)
- Fauji Fertilizer Company Limited: 8,000 (2012: 8,000)
- Lucky Cement Limited: 5,000 (2012: 5,000)
- Oil and Gas Development Company Limited: 15,000 (2012: 15,000)
- Pakistan Oilfields Limited: 33,000 (2012: 33,000)
- Pakistan Petroleum Limited: 60,000 (2012: 60,000)
- The Hub Power Company Limited: 70,000 (2012: 70,000)
- United Bank Limited: 60,000 (2012: 60,000)

		(Un audited)	(Audited)
	Note	September 30, 2012	June 30, 2012
-----Rupees-----			
<b>5.1.2</b>			
<b>Unrealised appreciation on remeasurement of investments classified as financial assets 'at fair value through profit or loss' - held for trading - net</b>			
Market value of securities	5.1	327,440,188	238,031,019
Less: Carrying value of securities		309,183,415	234,500,289
		<u>18,256,773</u>	<u>3,530,730</u>
<b>6</b>			
<b>ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Auditors' remuneration		113,580	295,000
Rating fee		17,692	100,000
Brokerage and other charges		1,221,115	234,847
Provision for Workers' Welfare Fund	6.1	4,948,372	4,266,461
Other payables		2,360,425	151,117
		<u>8,661,184</u>	<u>5,047,425</u>

**6.1** 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 (the Court), challenging the applicability of WWF to the CISs, which is pending adjudication. However, without prejudice to the above, the Management Company made a provision for WWF contribution in the annual financial statements for the year ended June 30, 2010, June 30, 2011 and June 30, 2012.

Subsequent to the year ended June 30, 2010, 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 Court.

Subsequent to June 30, 2011, the Honourable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, has declared the said amendments as unlawful and unconstitutional and struck them down. The Management Company is hopeful that the decision of the LHC, will lend further support to the Constitutional Petition which is pending in the Sindh High Court (SHC). The Management Company, as a matter of abundant caution, has not reversed the existing provision of Rs. 4.94 million for WWF. Further, the Management Company has decided to discontinue the fresh provision of WWF effective December 01, 2011. The aggregate amount of the Fund's liability in respect of WWF amounts to Rs. 4.94 million till September 30, 2012.

## 7 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2012.

## 8 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.

## 9 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties include ABL Asset Management Company Limited being the Management Company, Allied Bank Limited and Ibrahim Agencies (Private) Limited being entities under common management and / or directorship, Central Depository Company being the trustee of the Fund and the directors and officers of the Management Company.

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

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

	----- (Un audited) -----	
	For the Quarter ended September 30, 2012	For the Quarter ended September 30, 2011
	-----Rupees-----	
<b>ABL Asset Management Company Limited - Management Company</b>		
Remuneration for the period	2,306,424	4,778,550
Sindh sale tax on Management Fee	368,982	-
<b>Allied Bank Limited</b>		
Markup income for the period	523,390	515,547
Bank charges	10,440	6,601
<b>Ibrahim Agencies (Private) Limited</b>		
Redemption of NIL units ( 2011: 26,530,977)	-	258,894,581
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration for the period	176,439	318,569
Settlement charges and connection fee	11,250	14,980
<b>Key Management personnel</b>		
<b>Chief Executive Officer</b>		
Issue of NIL units (2011: NIL)	-	-
<b>Executives</b>		
Issue of 69,942 units ( 2011: Nil)	781,445	-
Redemption of 9,554 units ( 2011: 30,626)	108,335	300,000

9.2 Detail of balances outstanding at the period / year end with connected persons are as follows:

	(Un audited) September 30, 2012	(Audited) June 30, 2012
	----- Rupees -----	
<b>ABL Asset Management Company Limited - Management Company</b>		
Management fee payable	833,829	621,856
Preliminary expenses and floatation costs payable	1,251,060	2,150,137
Sales load payable	30,479	16,022
Units held 3,135,682 (June 30, 2012: 3,135,682)	35,466,443	32,137,918
Sindh Sales Tax on Management company's remuneration	133,413	99,496
<b>Allied Bank Limited</b>		
Profit recieveable on saving accounts	201,525	91,584
Bank balance	18,442,377	10,836,148
Units held 10,000,000 (June 30, 2012: 10,000,000)	113,106,000	102,491,000
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee fee payable	116,987	57,377
Settlement charges payable	5,510	693
Security deposit	100,000	100,000
<b>Key Management personnel</b>		
<b>Chief Executive Officer</b>		
Issue of NIL units (June 30,2012: NIL)	-	-
<b>Executives</b>		
Units held 110,154 (June 30, 2012: 49,738)	1,245,906	509,770

10 GENERAL

Figures have been rounded off to the nearest rupee.

11 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on October 25, 2012 by the Board of Directors of the Management Company.

For ABL Asset Management Company Limited  
(Management Company)

  
FARID AHMED KHAN  
CEO

  
KAMRAN NISHAT  
DIRECTOR

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**ABL Asset Management**

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