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VISION

Creating Investment Solutions within
everyone's reach



Mission & Core Values

To create a conducive working environment, to attract the best talent in the Asset Management Sector. ABLAMC strives to be the 'employer of choice' for young and experienced talent.

To set the highest industry standards in terms of product ranges and innovations, in order to offer products for clients of all demographics.

To adhere to the highest industry standard for integrity and quality across all the spheres of the company.

To use technology and financial structuring to serve as a "cutting-edge" compared to the competition.

To enhance Stakeholders Value.



ABL CASH FUND

FUND'S INFORMATION

Management Company:	ABL Asset Management Company Limited 11 - B, Lalazar M. T. Khan Road, Karachi.	
Board of Directors	Sheikh Mukhtar Ahmed Mr. Mohammad Naeem Mukhtar* Mr. Muhammad Waseem Mukhtar Mr. Tariq Mahmood Mr. Kamran Nishat Mr. M. Shakeb Murad Mr. M. Jawaid Iqbal Mr. Farid Ahmed Khan	Chairman CEO
Audit Committee:	Mr. Kamran Nishat Mr. Muhammad Waseem Mukhtar Mr. M. Shakeb Murad**	Chairman Member Member
Human Resource and Remuneration Committee	Mr. Muhammad Waseem Mukhtar*** Mr. Jawaid Iqbal Mr. Kamran Nishat Mr. Farid Ahmed Khan	Chairman Member 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 Standard Chartered Bank (Pakistan) Limited	
Auditor:	A.F. Ferguson & Co Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, Karachi.	
Legal Advisor:	Bawaney & Partners 3rd & 4th Floors, 68-C, Lane-13 Bokhari Commercial Area Phase-VI, DHA Karachi.	
Registrar:	ABL Asset Management Company Limited. 11 - B, Lalazar, M. T. Khan Road, Karachi.	

* With effect from July 2, 2014.

** With effect from August 26, 2014

*** With effect from April 22, 2014

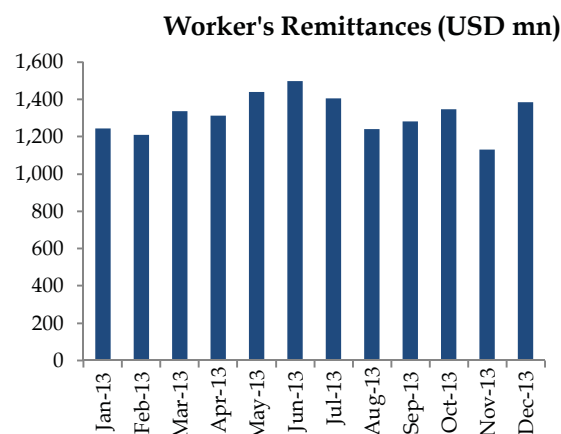
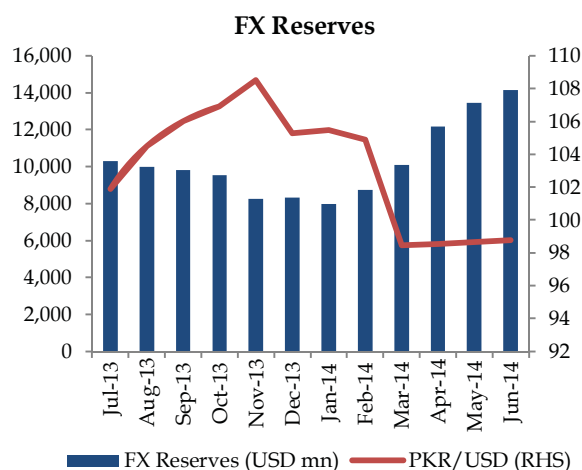
ABL CASH FUND

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of ABL Asset Management Company Limited, the management company of ABL Cash Fund (ABL-CF), is pleased to present the Audited Financial Statements of ABL Cash Fund for the year ended June 30, 2014.

ECONOMIC PERFORMANCE REVIEW

Pakistan's economic landscape revealed gradual improvement throughout FY14 underpinned by renewed IMF support, significant improvement in PKR/USD parity, stable international oil prices, re-start of privatization process and Pakistan's return to international capital markets through a Eurobond issue. GDP growth, though lower than the target of 4.4% for FY14, grew by 4.1% during the year against 3.7% in FY13 which is the highest rate achieved since FY09. Most of the growth in GDP can be attributed to growth in industrial sector (5.84% in FY14 against 1.37% in FY13); however, growth in agriculture (2.12% in FY14 against 2.88% in FY13) and services sector (4.29% in FY14 against 4.85% in FY13) remained lackluster during the year. In a bid to meet IMF program targets, the government tightened its spending limit during the year and managed to reduce fiscal deficit to 5.8% of GDP which is a major improvement against budgetary target of 6.3% and last year's deficit of 8.2%. Provisional numbers suggest that revenues grew by 16.5%YoY which is also the highest growth rate in the last decade. Total revenue collection in FY14 stood at PKR2,260 billion which translates into a shortfall of PKR15 billion from twice-revised collection target of PKR2,275 billion. Despite this shortfall, the budgetary account received support from privatization proceeds and Eurobond inflows which helped bring down the fiscal deficit.

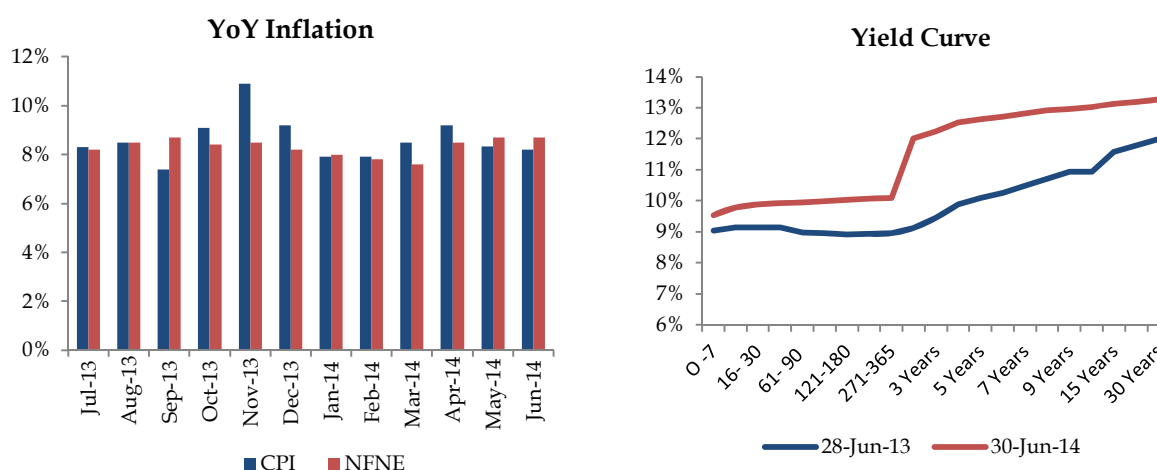


On the external account front, further deterioration was witnessed in the current account deficit which clocked-in at USD2.925 billion in FY14 compared to USD2.496 billion recorded in FY13. Increase in deficit was on account of lackluster growth in exports due to PKR appreciation and failure to reap full benefits of GSP+ status granted by the EU during the year. Deterioration in trade deficit was partially offset by increase in remittances which stood at highest ever level of USD15.832 billion and stable oil prices during the year. On the other hand, overall balance of payment recorded a surplus of USD3.843 billion due to inflow of USD2 billion in financial account from issuance of Eurobonds and USD1.5 billion inflows in the capital account attributed to financial assistance from KSA during the year. These inflows coupled with dollar inflows from other sources such as proceed from 3G & 4G auction,

USD330 million from sale of Government's stake in UBL and USD674 million inflow from Coalition Support Fund helped the country end FY14 with impressive FX reserves level of USD14.139 billion of which USD9.095 billion were held by SBP while the rest were held by commercial banks. Improvement in FX reserves is encouraging given the fact that the country ended FY13 with low reserves level of USD11.02 billion and touched an alarmingly low level of USD7.98 billion at the end of January 2014. As a result of a number of large foreign inflows, especially assistance received from KSA, rupee discontinued its downward trajectory and appreciated slightly by 0.84% to end the year at PKR98.78 vs. the dollar.

The monetary policy also moved in sync with the tight fiscal stance. The State Bank of Pakistan in an effort to curb inflation and meet IMF program requirements adopted a cautious course during the year and increased benchmark interest rate by 50bps to 9.5% in September 2013 and further by 50bps to 10% in November 2013 MPS. As a result, average CPI in FY14 clocked-in at 8.62% well below IMF's forecast of 10% inflation for the year. Government borrowings for budgetary support also improved and stood at PKR302.970 billion during FY14 of which PKR196.884 billion was from the central bank whereas the rest was from commercial banks.

The wheels have started to turn but Pakistan's economy will require continuous efforts and policy decision making in 2014-15. The fragile macroeconomic & geopolitical situation will be the key headwinds marring GDP growth in FY15. The current account deficit has started to expand due to poor export growth and the PKR revaluation does not bode well for the balance of payment position. Reemergence of energy circular debt, ongoing restructuring/sell-off of PSEs and the need for sustainable development spending to develop infrastructure to facilitate growth in the country will require a much bigger effort on tax collection side. Planned hike in energy tariffs and withdrawal of subsidies will keep inflation in the limelight but high base effect is expected to contain CPI inflation below 8% in FY15. The privatization process needs to gather steam and will play a vital role in keeping FX reserves and Rupee at a healthy level. Interest rates are likely to stay at current levels for some time as we see little room for SBP to start monetary easing program.



MUTUAL FUND INDUSTRY REVIEW

Open-end mutual fund industry witnessed significant improvement of 17.4%YoY to close FY14 with AUMs of PKR414 billion. The year saw a significant number of new fund launches, especially in the capital protected category. Once again, money market mutual funds bagged the largest slice of the pie despite recording a 6.4% decline in AUMs on YoY basis and closed the year at PKR119 billion compared to PKR127 billion at the end of FY13. The decline in money market funds' popularity can be attributed to single digit returns which forced investors to shift their funds to relatively riskier but higher-yielding instruments like income and equity funds. Equity funds,

on the other hand, posted a strong growth of 27% YoY to close the year at PKR89 billion mainly on account of strong returns provided by the local bourse during the last couple of years fuelled by strong foreign inflows and corporate profitability.

MONEY MARKET REVIEW

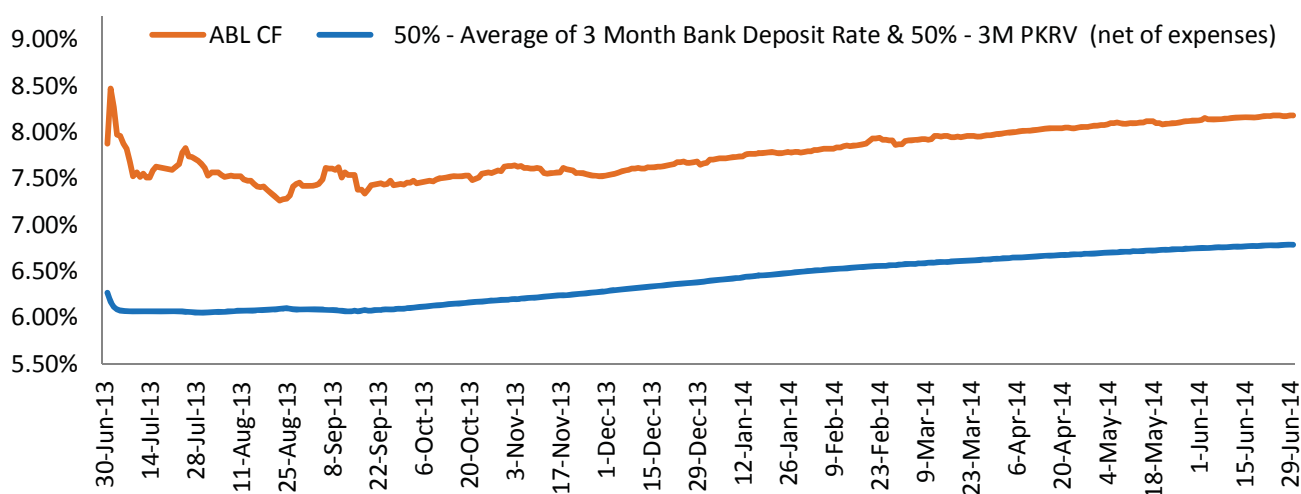
Government borrowings for budgetary support continued unabated during the year due to heavy financing requirements. As a result, borrowings from banking system increased by PKR323.66 billion during the outgoing fiscal year. M2 grew by 12.53% during the year led predominantly by PKR778.238 billion in Net Domestic Assets (NDA) and increase in Net Foreign Assets by PKR331.991 billion. The growth in M2 is much lower than 15.91% recorded in FY13 as well as IMF & government's projections at the start of FY14. The burden of deficit financing was put on the shoulders of domestic sources for most part of FY14; however, dollar inflows from bilateral and multilateral sources such as 3G& 4G auction and UBL privatization etc. in the second half of FY14 shifted the tilt of growth in M2 from domestic to foreign sources.

During the year, Central Bank conducted open market operations on regular basis to provide support to money markets as T-Bills were frequently traded above the DR due to shortage of liquidity. Meanwhile substantial shift of Government borrowing from short term T-bills to long term bonds were seen on account of changing economic dynamics in later half of FY 14.

FUND PERFORMANCE

During the period under review, ABL Cash Fund (ABL CF) delivered stable and competitive return of 8.18% per annum. Market dynamics changed several times during the year. After an initial upward hike of 100bps, market pundits saw an opportunity of monetary easing when Pak Rupee recovered smartly and forex reserves started climbing but then stubborn inflation levels and reservations shown by IMF extinguished any hopes of a rate cut.

ABL CF comfortably beat the benchmark return of 6.57% by 161 bps due to active re-balancing of portfolio and strong returns generated by T-bill portfolio. Fund's duration was kept generally high by making longer maturity placements which continuously benefited returns through high accrual income. At the year end, TDR and Bank placements accounted for 48.47% of the portfolio while Treasury bills consist of 22.12% of the fund. Moreover, cash at bank was raised to 29.04% of total assets in order to take advantage of high rates offered by banks due to year end. During the period under review, AUMs of ABL Cash Fund increased by 10.34% to PKR15.396 billion from PKR13.953 billion as on June 30, 2014.



DIVIDENDS

The Board of Directors of ABL Asset Management Company Limited (ABL AMCL), on June 23, 2014 approved and declared final dividend distribution of Re.0.0472 per unit (0.47% of the par value of Rs.10) for the year ending June 30, 2014. This is in addition to the aggregate interim distribution of Re.0.7248 per unit (7.25% on the face value of Rs. 10 per unit) already distributed.

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

The Board of Directors states that:

1. Financial Statements present fairly the state of affairs, the results of operations, cash flows and the changes in unit holder's fund;
2. Proper books of accounts of the Fund have been maintained.
3. Appropriate accounting policies have been consistently applied in the preparation of the financial statements and accounting estimates are based on reasonable and prudent judgments;
4. Relevant International Accounting Standards, as applicable in Pakistan, provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 & Non-Banking Finance Companies and Notified Entities Regulations, 2008, requirements of the Trust Deed and directives issued by the Securities and Exchange Commission of Pakistan, have been followed in the preparation of the financial statements;
5. The system of internal control is sound in design and has been effectively implemented and monitored;
6. There have been no significant doubts upon the Funds' ability to continue as going concern;
7. There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations;
8. Performance table of the Fund is given on page # 15 of the Annual Report;
9. There is no statutory payment on account of taxes, duties, levies and charges outstanding other than already disclosed in the financial statements;
10. The statement as to the value of investments of Provident Fund is not applicable in the case of the Fund as employees retirement benefits expenses are borne by the Management Company;
11. There have been no trades in the units of the Fund's carried out by the Directors, CEO, CFO, CIA and the Company Secretary and their spouse excepts as disclosed below and in notes to the financial statements;

S. No	Name	Designation	Issued	Redeemed	Bonus Units
1	Mr. Muhammad Waseem Mukhtar	Director	268,508.88	169,277.19	77,965.85
2	Mr. M. Jawaid Iqbal	Director	-	-	5,647.70
3	Mr. Farid Ahmed Khan	CEO	697,139.81	632,485.61	35,318.87

12. Meeting of the Board of Directors of the Management Company are held at least once in every quarter. During the year five meeting were held. The 32nd, 33rd, 34th, 35th, 36th and 37th Board of Directors meetings were held on August 06, 2013, October 30, 2013, December 13, 2013, January 13, 2014, February 07, 2014 and April 22, 2014 respectively. Information in respect of attendance by the directors and other persons in the meetings is given below:

S. No	Name of Director	Number of Meeting Held	Attended	Leave Granted	Meeting not Attended
1	Sheikh Mukhtar Ahmed	6	6	-	-
2	Muhammad Waseem Mukhtar	6	5	1	36th
3	Tariq Mahmood*	6	6	-	-
4	Kamran Nishat	6	5	1	34th
5	M. Shakeb Murad	6	2	4	32nd, 34th, 36th
6	M. Jawaid Iqbal	6	4	2	37th
7	Khawaja Muhammad Almas**	6	6	-	33rd, 34th
8	Farid Ahmed Khan***	6	6	-	-

*Appointed as new director vide circular resolution dated July 12, 2013.

**Resigned from the services as Director on the Board of ABL AMCL which has been approved on July 02, 2014.

***Deemed director under section 200 of the Companies Ordinance, 1984.

13. Meeting of the Board's Human Resource and Remuneration of the Management Company needs to be held at least three times in year. During the year Two meeting were held. The 13th and 14th meetings of the Board's Human Resource and Remuneration Committee were held on February 14, 2014, March 12, 2014 and respectively. Information in respect of attendance by directors in the meetings is given below:

S. No	Name of Director	Number of Meeting Held	Attended	Leave Granted	Meeting not Attended
1	Mr. M. Jawaid Iqbal	2	2	-	-
2	Mr. Kamran Nishat	2	2	-	-
3	Mr. Farid Ahmed Khan	2	2	-	-

14. Meeting of the Board's Audit Committee of the Management Company are held at least once in every quarter. During the year Four meeting were held. The 25th, 26th, 27th, and 28th meetings of the Board's Audit Committee were held on August 6, 2013, October 30, 2013, February 06, 2014 and April 22, 2014 respectively. Information in respect of attendance by directors in the meetings is given below:

S. No	Name of Director	Number of Meeting Held	Attended	Leave Granted	Meeting not Attended
1	Mr. Kamran Nishat	4	3	1	27th
2	Mr. Muhammad Waseem Mukhtar	4	4	-	-
3	Mr. Khawaja Muhammad Almas*	1	1	-	-

*Resigned from the services of the Board of ABL AMCL held on July 02, 2014

15. The details as required by the Code of Corporate Governance regarding the pattern of holding in ABL Cash Fund, is given hereunder:

S. No	Particulars	Units Held on June 30, 2014
1	Associated Companies, undertakings and related parties	
	• ABL Asset Management Company Limited	36,368,961
	• Allied Bank Limited	550,827,464
	• Cyan Limited - Employees Provident Fund	1,366,052
	• CFA Association of Pakistan	402,800
	• Pakistan Petroleum Limited	169,056,056
2	Mutual Funds	Nil
3	Directors and their spouse(s) and minor children	1,052,803
4	Executives	742,087
5	Public Sector Companies and corporations	238,643,156
6	Others Corporates	166,000,474
7	Bank, DFIs, NBFCs, Insurance Companies, Takaful, Modaraba and Pension Fund	239,470,217
8	Shareholders holding five percent or more voting rights in the listed company	Not Applicable

AUDITORS

M/s. A.F. Fergusons & Co. (Chartered Accountants), on the recommendation of the Audit Committee of the Board of Directors being eligible for re-appointment have been appointed as auditors for the year ending June 30, 2015 for ABL Cash Fund (ABL-CF).

FUND STABILITY RATING

JCR-VIS Credit Rating Company LTD. (JCR-VIS) on January 17, 2013 has assigned the Fund Stability of ABL Cash Fund at 'AA (f)' (double A (f)).

MANAGEMENT QUALITY RATING

On June 21 2013, JCR-VIS Credit Rating Company Limited upgraded the Management Quality Rating of ABL Asset Management Limited (ABL AMC) from 'AM Two Minus' (AM2-) to 'AM Two' (AM2). Outlook on the assigned rating is 'Stable'.

OUTLOOK AND STRATEGY

Amid political noise and a weak macro environment, signs of economic revival are evident in the economic landscape. Stable near-term oil prices, smooth running of IMF program, stable FX reserves level, successful start of the privatization program and serious efforts to tackle the energy sector problems are expected to act as catalyst for growth going ahead. However, in order to achieve this, the Government will have to put populist politics on the side and take tough decisions on energy subsidies, broadening of tax base, law and order situation and complete overhaul of public sector enterprises.

We believe that Pakistan's economy can break the shackles of anemic growth rates and the investment climate can improve considerably if the Government maintains fiscal discipline. If the recovery continues, we see the possibility of discount rate cut in first half of FY15. Hence, we will align our portfolio accordingly play the yield curve movement and adopt an active trading strategy in order to optimize returns.

ACKNOWLEDGEMENT

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

For & on behalf of the Board



Farid Ahmed Khan
Chief Executive Officer

Karachi, August 26, 2014

ABL CASH FUND

FUND MANAGER'S REPORT

OBJECTIVE

To provide investors, consistent returns with a high level of liquidity through a blend of money market and sovereign debt instruments.

FUND PERFORMANCE

During FY 2014, ABL-CF performed reasonably well, yielding an annualized return of 8.18% as compared to the benchmark return of 6.57%, thus outperforming it by 161 bps. In a volatile interest rate environment, ABL Cash Fund was carefully balanced with short to medium term government securities, along with bank placements at attractive rates in order to procure the optimum return for our investors.

At the end of the period, investment in government securities was brought down to 22.12% of total assets. On the other hand, higher allocation was made in TDRs, money market placements, Reverse Repo and cash assets at 37.71%, 6.38%, 4.38% and 29.04% of total assets respectively in order to take maximum advantage of high rates offered by banks on June crossing date. The weighted average maturity of the portfolio was generally kept high during the year; however, at the yearend, it was confined to 40 days.

The scheme has maintained the provision against Workers' Welfare Fund's Liability to the tune of Rs. 117.162 million, had the same not been made, the NAV per unit of the scheme would have been higher by Re. 0.0763 per unit.

FUTURE OUTLOOK AND STRATEGY

Amid political noise and a weak macro environment, signs of economic revival are evident in the economic landscape. Stable near-term oil prices, smooth running of IMF program, stable FX reserves level, successful start of the privatization program and serious efforts to tackle the energy sector problems are expected to act as catalyst for growth going ahead. However, in order to achieve this, the Government will have to put populist politics on the side and take tough decisions on energy subsidies, broadening of tax base, law and order situation and complete overhaul of public sector enterprises.

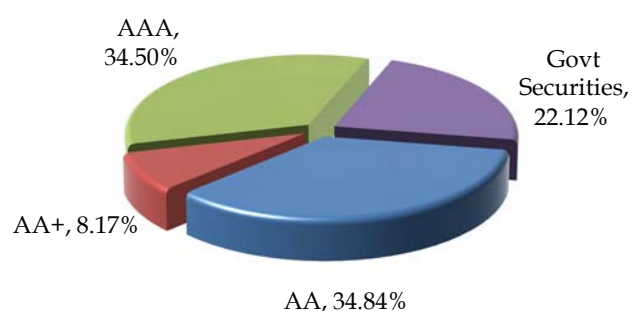
We believe that Pakistan's economy can break the shackles of anemic growth rates and the investment climate can improve considerably if the Government maintains fiscal discipline. If the recovery continues, we see the possibility of discount rate cut in first half of FY15. Hence, we will align our portfolio accordingly play the yield curve movement and adopt an active trading strategy in order to optimize returns. ABL-CF will look to exploit any movement in the yield curve by adjusting exposure in T-Bills and reallocate its assets before next MP announcement.

ABL Cash Fund Performance	FY-2014
Yield	8.18%
Benchmark (Average of 3 Month Bank Deposit rate)	6.57%
Weighted Average Time to Maturity of Net Assets	40 Days

ABL Cash Fund AUM & Pricing	FY-2014
Asset under management as at June 30,2014 (PKR mn)	15,396
Closing NAV per unit as on June 30,2014 (PKR) (Ex-Dividend)	10.0247
Closing NAV per unit as on June 30,2014 (PKR) (Cum-Dividend)	10.7967

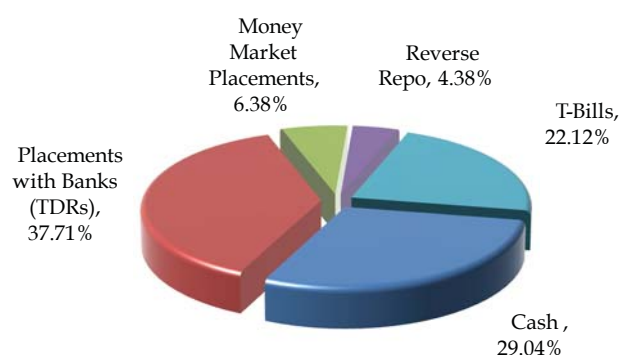
ABL Cash Fund - Dividend		
Distribution	Date	FY-2014
1st Distribution	29-Jul-13	0.0688
2nd Distribution	28-Aug-13	0.0589
3rd Distribution	26-Sep-13	0.0592
4th Distribution	24-Oct-13	0.0588
5th Distribution	27-Nov-13	0.0679
6th Distribution	27-Dec-13	0.0667
7th Distribution	29-Jan-14	0.0733
8th Distribution	26-Feb-14	0.0650
9th Distribution	26-Mar-14	0.0605
10th Distribution	28-Apr-14	0.0763
11th Distribution	29-May-14	0.0694
12th Distribution	19-Jun-14	0.0472

Credit Quality of Portfolio (% of Assets)



Other assets account for 0.37% of Total Assets

Asset Allocation as a % of Total Assets



Other assets account for 0.37% of Total Assets

ABL CASH FUND

PERFORMANCE TABLE

	June 2014	June 2013	June 2012	June 2011
	(Rupees in '000)			
Net Assets	15,395,723	13,952,631	16,385,230	10,650,817
Net Income	1,309,745	940,953	2,596,950	893,326
	(Rupees per unit)			
Net Assets value	10.0247	10.0077	10.0247	10.0188
Interim distribution*	0.7248	0.8294	0.9904	0.7466
Final distribution*	0.0472	0.0661	0.0835	0.2832
Distribution date final	June 23, 2014	June 28, 2013	June 25, 2012	June 29, 2011
Closing offer price	10.0247	10.0077	10.0247	10.0188
Closing repurchase price	10.0247	10.0077	10.0247	10.0188
Highest offer price	10.0740	10.2077	10.3008	10.2943
Lowest offer price	10.0000	10.0000	10.0023	10.0020
Highest repurchase price per unit	10.0740	10.2077	10.3008	10.2943
Lowest repurchase price per unit	10.0000	10.0000	10.0023	10.0020
	Percentage			
Total return of the fund				
- capital growth	0.46%	0.18%	0.49%	1.64%
- income distribution	7.72%	8.96%	10.74%	10.30%
Average return of the fund				
First Year	8.18%	9.13%	11.23%	11.94%
Two Year	9.03%	10.69%	12.18%	-
Three Year	10.44%	11.87%	-	-
Forth Year /Since Inception	11.65%	-	-	-
Weighted average Portfolio duration in days	40	65	47	69

* Distribution History

Monthly Distribution	2014		2013		2012		2011	
	Date of distribution	Distribution Per Unit	Date of distribution	Distribution Per Unit	Date of distribution	Distribution Per Unit	Date of distribution	Distribution Per Unit
1st Interim distribution	July 30, 2013	0.0688	-	-	-	-	-	-
2nd Interim distribution	August 29, 2013	0.0589	August 29, 2012	0.2105	-	-	-	-
3rd Interim distribution	October 25, 2013	0.0588	October 24, 2012	0.0876	-	-	-	-
4th Interim distribution	November 28, 2013	0.0679	November 29, 2012	0.0844	-	-	-	-
5th Interim distribution	January 30, 2014	0.0733	January 30, 2013	0.0757	-	-	-	-
6th Interim distribution	February 27, 2014	0.0650	February 27, 2013	0.0585	-	-	-	-
7th Interim distribution	April 29, 2014	0.0763	April 30, 2013	0.0839				
8th Interim distribution	May 30, 2014	0.0694	May 30, 2013	0.0635	May 21, 2012	0.1604	-	-

Quarterly Distribution	2014		2013		2012		2011	
	Date of distribution	Distribution Per Unit	Date of distribution	Distribution Per Unit	Date of distribution	Distribution Per Unit	Date of distribution	Distribution Per Unit
First quarter Interim distribution	September 27, 2013	0.0592	September 24, 2012	0.0587	September 27, 2011	0.3008	September 29, 2010	0.1781
Second quarter Interim distribution	December 30, 2013	0.0667	December 27, 2012	0.0575	December 26, 2011	0.2738	December 30, 2010	0.2742
Third quarter Interim distribution	March 27, 2014	0.0605	March 22, 2013	0.0491	March 26, 2012	0.2554	March 30, 2011	0.2943

Final Distribution	2014		2013		2012		2011	
	Date of distribution	Distribution Per Unit	Date of distribution	Distribution Per Unit	Date of distribution	Distribution Per Unit	Date of distribution	Distribution Per Unit
Final distribution	June 23, 2014	0.0472	June 28, 2013	0.0661	June 25, 2012	0.0835	June 29, 2011	0.2832

Disclaimer

Past performance is not necessarily indicative of future performance and unit prices and investment returns may go down, as well as up.

ABL CASH FUND

TRUSTEE REPORT TO THE UNIT HOLDERS

CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED

Head Office

CDC House, 99-B, Block 'B'
S.M.C.H.S. Main Shahra-e-Faisal
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326020 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

ABL CASH FUND

Report of the Trustee pursuant to Regulation 41(h) and clause 9 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We Central Depository Company of Pakistan Limited, being the Trustee of ABL Cash Fund (the Fund) are of the opinion that ABL Asset Management Company Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2014 in accordance with the provisions of the following:

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


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

Karachi: September 23, 2014



ABL CASH FUND

REVIEW REPORT TO THE UNIT HOLDERS



A. F. FERGUSON & CO.

REVIEW REPORT TO THE UNIT HOLDERS ON THE STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF THE CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of ABL Asset Management Company Limited, the Management Company of **ABL Cash Fund** (the Fund) for the year ended June 30, 2014 to comply with the Listing Regulation No.35 (Chapter XI) of the Karachi Stock Exchange where the Fund is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Management Company (**ABL Asset Management Company**) of the Fund. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Fund's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Management Company's personnel and review of various documents prepared by the Management Company to comply with the Code.

As part of our audit of the financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Management Company's corporate governance procedures and risks.

The Code requires the Management Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval of the Fund's related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Management Company's compliance for and on behalf of the Fund, in all material respects, with the best practices contained in the Code as applicable to the Fund for the year ended June 30, 2014.

Further, we highlight below an instance of non-compliance with the requirements of the Code as reflected in paragraph reference where it has been stated in the Statement of Compliance:

Paragraph reference	Description
21	A transaction for purchase of units of the Fund was carried out by a director of the Fund during the closed period.

A. Ferguson & Co.

Chartered Accountants

Dated: September 12, 2014

Karachi

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ABL CASH FUND

STATEMENT OF COMPLIANCE BY ABL CASH FUND WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2014

This statement is being presented to comply with the Code of Corporate Governance ("the Code") contained in Regulation No. 35 (Chapter XI) of the listing regulations of the Karachi Stock Exchange (Guarantee) Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of Corporate Governance.

The Board of Directors ("the Board") of ABL Asset Management Company Limited ("the Management Company"), an un-listed public company, manages the affairs of ABL Cash Fund ("the Fund"). The Fund, being a unit trust open ended scheme, does not have its own Board of Directors. The Management Company has applied the principles contained in the Code to the Fund, whose units are listed as a security on the Karachi Stock Exchange, in the following manner:

1. The Management Company encourages representation of independent, non-executive directors. At June 30, 2014 the Board includes

Category	Names
Executive Director	Mr. Farid Ahmed Khan (deemed director u/s 200 of Companies Ordinance, 1984)
Independent Directors	Mr. Kamran Nishat Mr. Shakeb Murad
Non-Executive Directors	Mr. Sheikh Mukhtar Ahmed Mr. Muhammad Waseem Mukhtar Mr. Tariq Mahmood Mr. M. Jawaid Iqbal Mr. Khawaja Muhammad Almas

The independent directors meets the criteria of independence under clause i (b) of the Code.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including the Management Company.
3. All the resident directors of the Management Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. During the year a casual vacancy occurred on the Board which has been simultaneously filled by the Board on July 12, 2013.
5. The Management Company has prepared a 'Code of Conduct' and has ensured that appropriate steps have been taken to disseminate it throughout the Management Company along with its supporting policies and procedures.

6. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Fund. A complete record of particulars of significant policies along with the dates on which these were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer (CEO), other executive and non-executive directors have been taken by the Board. There is no executive director of the Management Company other than the CEO.
8. The meetings of the Board were presided over by the Chairman and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before such meetings. The minutes of the meetings were appropriately recorded and circulated.
9. Two directors have obtained certification under the 'Board Development Series' program conducted by Institute of Corporate Governance. The directors are conversant with the relevant laws applicable to the company, its policies and procedures and provisions of memorandum and articles of association and are aware of their duties and responsibilities.
10. The Chief Financial Officer (CFO), Company Secretary and Head of Internal Audit continued their services and no change in these positions were made during this financial year.
11. The Directors' Report of the Fund for the year ended June 30, 2014 has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
12. The financial statements of the Fund were duly endorsed by the CEO and CFO of the Management Company before approval of the Board.
13. The directors, CEO and executives do not hold any interest in the units of the Fund other than those disclosed in the Directors' Report, pattern of unit holding and notes to the financial statements.
14. The Management Company has complied with all the applicable corporate and financial reporting requirements of the Code.
15. The Board has formed an Audit Committee. It comprises of three members, all of whom are non-executive directors of the Management Company, including the Chairman of the Committee who is an independent director.
16. The meetings of the Audit Committee were held once in every quarter and prior to the approval of interim and final results of the Fund as required by the Code. The terms of reference of the Audit Committee have been approved in the meeting of the Board and the Committee has been advised to ensure compliance with those terms of reference.
17. The Board has formed Human Resource and Remuneration Committee. It comprises four members, of whom three are non-executive directors and the chairman of the Committee is a non-executive director.

18. The Board has set up an effective internal audit function within the Management Company.
19. The statutory auditors of the Fund have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partner of the firm, their spouse and minor children do not hold units of the Fund and that the firm and all its partners are in compliance with the International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim / final results, and business decisions, which may materially affect the NAV of the Fund's units, was determined and intimated to directors, employees and the Stock Exchange. However a transaction relating to purchase of units was carried out by one of the directors on October 23, 2013 which falls within the closed period.
22. Material / price sensitive information has been disseminated among all market participants at once through the Stock Exchange.
23. We confirm that all other material principles enshrined in the Code have been complied with.

For and on behalf of the Board



Farid Ahmed Khan
Chief Executive Officer

Karachi, August 26, 2014

ABL CASH FUND

INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS



A. F. FERGUSON & CO.

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **ABL Cash Fund** (hereinafter referred to as the 'Fund'), which comprise the statement of assets and liabilities as at June 30, 2014, and the related income statement, distribution statement, statement of movement in unit holders' fund and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management Company's responsibility for the financial statements

The Management Company (**ABL Asset Management Limited**) of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with approved accounting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing as applicable in Pakistan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the financial position of the Fund as at June 30, 2014 and of its financial performance, cash flows and transactions for the year then ended in accordance with the approved accounting standards as applicable in Pakistan.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Chartered Accountants

Engagement Partner: **Noman Abbas Sheikh**

Dated: September 12, 2014

Karachi

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ABL CASH FUND

STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2014

	Note	June 30, 2014	June 30, 2013
		----- (Rupees in '000) -----	
ASSETS			
Balances with banks	4	5,005,766	2,618,063
Investments	5	12,168,511	11,576,369
Profit receivable	6	61,792	40,827
Prepayments		257	100
Preliminary expenses and floatation costs	7	1,006	1,937
Total assets		17,237,332	14,237,296
LIABILITIES			
Payable to ABL Asset Management Company Limited - Management Company	8	50,900	18,599
Payable to the Central Depository Company of Pakistan Limited - Trustee	9	977	902
Payable to the Securities and Exchange Commission of Pakistan	10	12,469	8,680
Payable against redemption of units		1,230	164,699
Payable against purchase of investments		1,658,001	-
Accrued expenses and other liabilities	11	118,032	91,785
Total liabilities		1,841,609	284,665
NET ASSETS		15,395,723	13,952,631
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		15,395,723	13,952,631
CONTINGENCIES AND COMMITMENTS			
	12	----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE	13	1,535,785,122	1,394,185,688
		----- (Rupees)-----	
NET ASSET VALUE PER UNIT		10.0247	10.0077
FACE VALUE PER UNIT		10.0000	10.0000

The annexed notes 1 to 27 form an integral part of these financial statements.


FARID AHMED KHAN
 CEO

For ABL Asset Management Company Limited
 (Management Company)


SHAKEB MURAD
 DIRECTOR

ABL CASH FUND

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2014

	Note	For the year ended June 30, 2014	For the year ended June 30, 2013
----- (Rupees in '000) -----			
INCOME			
Capital (loss) / gain on sale of government securities - net		(12,517)	34,233
Income from government securities		1,121,907	829,285
Income from term deposit receipts		302,640	227,663
Income from letters of placements		103,209	16,924
Income from reverse repurchase transactions		2,863	3,471
Income from sukus		392	4,018
Profit on deposits with banks		79,511	80,318
		1,598,005	1,195,912
Unrealised appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss - net	5.2	237	4,336
Total income		1,598,242	1,200,248
EXPENSES			
Remuneration of ABL Asset Management Company Limited			
- Management Company	8.1	171,463	132,313
Sindh sales tax on remuneration of the Management Company	8.2	31,824	21,170
Federal excise duty on remuneration of the Management Company	8.3	27,434	1,179
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	9.1	12,225	9,505
Annual fee - Securities and Exchange Commission of Pakistan	10.1	12,469	8,680
Brokerage and securities transaction costs		2,342	1,924
Bank charges		536	408
Auditors' remuneration	14	464	365
Legal & professional charges		863	-
Amortisation of preliminary expenses and floatation costs	7.1	931	931
Printing charges		107	200
Listing fee		50	30
Annual rating fee		184	175
Other expenses		-	189
Total operating expenses		260,892	177,069
Net income from operating activities		1,337,350	1,023,179
Element of loss and capital losses included in prices of units issued less those in units redeemed - net		(876)	(63,023)
Provision for Workers' Welfare Fund	11.1	(26,729)	(19,203)
Net income before taxation		1,309,745	940,953
Taxation	15	-	-
Net income after taxation		1,309,745	940,953
Other comprehensive income		-	-
Total comprehensive income		1,309,745	940,953
Earnings per unit	16		

The annexed notes 1 to 27 form an integral part of these financial statements.


FARID AHMED KHAN
CEO

For ABL Asset Management Company Limited
(Management Company)


SHAKEB MURAD
DIRECTOR

ABL CASH FUND

DISTRIBUTION STATEMENT

FOR THE YEAR ENDED JUNE 30, 2014

	For the year ended June 30, 2014	For the year ended June 30, 2013
	----- (Rupees in '000) -----	
Undistributed income brought forward comprising of:		
- realised income	6,436	42,378
- unrealised income / (loss)	4,336	(1,971)
	<u>10,772</u>	<u>40,407</u>
Distribution during the year:		
- Re 0.0688 per unit on July 30, 2013 (2013: NIL)		
Cash distribution	-	-
Issue of 10,200,129 bonus units (2013: NIL)	(102,001)	-
- Re 0.0589 per unit on August 29, 2013 (2013: Re 0.2105 per unit on August 29, 2012)		
Cash distribution	-	(3,077)
Issue of 8,891,298 bonus units (2013: 17,857,703 units)	(88,913)	(178,577)
- Re 0.0592 per unit on September 27, 2013 (2013: Re 0.0587 per unit on September 24, 2012)		
Cash distribution	(4)	(858)
Issue of 9,386,134 bonus units (2013: 5,799,995 units)	(93,861)	(58,000)
- Re 0.0588 per unit on October 25, 2013 (2013: Re 0.0876 per unit on October 24, 2012)		
Cash distribution	(4)	(1,281)
Issue of 9,969,079 bonus units (2013: 8,113,541 units)	(99,691)	(81,135)
- Re 0.0679 per unit on November 28, 2013 (2013: Re 0.0844 per unit on November 29, 2012)		
Cash distribution	(5)	(1,234)
Issue of 12,282,971 bonus units (2013: 8,284,584 units)	(122,830)	(82,846)
- Re 0.0667 per unit on December 30, 2013 (2013: Re 0.0575 per unit on December 27, 2012)		
Cash distribution	(5)	(841)
Issue of 12,725,185 bonus units (2013: 5,441,902 units)	(127,252)	(54,419)
- Re 0.0733 per unit on January 30, 2014 (2013: Re 0.0757 per unit on January 30, 2013)		
Cash distribution	(5)	-
Issue of 12,162,358 bonus units (2013: 7,985,185 units)	(121,624)	(79,852)
- Re 0.0650 per unit on February 27, 2014 (2013: Re 0.0585 per unit on February 27, 2013)		
Cash distribution	(5)	-
Issue of 10,827,884 bonus units (2013: 5,557,184 units)	(108,279)	(55,572)
- Re 0.0605 per unit on March 27, 2014 (2013: Re 0.0491 per unit on March 22, 2013)		
Cash distribution	(4)	-
Issue of 9,899,718 bonus units (2013: 4,968,898 units)	(98,997)	(49,689)
- Re 0.0763 per unit on April 29, 2014 (2013: Re 0.0839 per unit on April 30, 2013)		
Cash distribution	(5)	-
Issue of 12,662,354 bonus units (2013: 11,802,107 units)	(126,624)	(118,021)
- Re 0.0694 per unit on May 30, 2014 (2013: Re 0.0635 per unit on May 30, 2013)		
Cash distribution	(4)	-
Issue of 11,593,070 bonus units (2013: 9,530,497 units)	(115,931)	(95,305)
- Re 0.0472 per unit on June 23, 2014 (2013: Re 0.0661 per unit on June 28, 2013)		
Cash distribution	(3)	-
Issue of 7,719,995 bonus units (2013: 9,082,518 units)	(77,200)	(90,825)
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net	(1,283,247)	(951,532)
Net income after taxation	676	(19,056)
Undistributed income carried forward	<u>1,309,745</u>	<u>940,953</u>
Undistributed income carried forward comprising of:	<u>37,946</u>	<u>10,772</u>
- realised income	37,709	6,436
- unrealised income	237	4,336
	<u>37,946</u>	<u>10,772</u>

The annexed notes 1 to 27 form an integral part of these financial statements.


FARID AHMED KHAN
CEO

For ABL Asset Management Company Limited
(Management Company)


SHAKEB MURAD
DIRECTOR

ABL CASH FUND

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND

FOR THE YEAR ENDED JUNE 30, 2014

	For the year ended June 30, 2014	For the year ended June 30, 2013
	----- (Rupees in '000) -----	
Net assets at the beginning of the year	13,952,631	16,385,230
Issue of 2,127,132,444 units (2013: 5,832,631,737 units)	21,327,080	58,429,239
Redemption of 2,113,853,185 units (2013: 6,167,352,502 units)	(21,194,561)	(61,858,523)
	132,519	(3,429,284)
Issue of 128,320,175 bonus units (2013: 94,424,114 bonus units)	1,283,199	944,241
Element of loss and capital losses included in prices of units issued less those in units redeemed- net		
- amount representing loss and capital losses - transferred to income statement	876	63,023
- amount representing (income) / loss and capital (gains) / losses - transferred to distribution statement	(676)	19,056
	200	82,079
Capital (loss) / gain on sale of government securities - net	(12,517)	34,233
Unrealised appreciation on re-measurement of investments at fair value through profit or loss - net	237	4,336
Other net income for the year	1,322,025	902,384
	1,309,745	940,953
Distribution during the year		
- Re 0.0688 per unit on July 30, 2013 (2013: NIL)		
Cash distribution	-	-
Issue of 10,200,129 bonus units (2013: NIL)	(102,001)	-
- Re 0.0589 per unit on August 29, 2013 (2013: Re 0.2105 per unit on August 29, 2012)		
Cash distribution	-	(3,077)
Issue of 8,891,298 bonus units (2013: 17,857,703 units)	(88,913)	(178,577)
- Re 0.0592 per unit on September 27, 2013 (2013: Re 0.0587 per unit on September 24, 2012)		
Cash distribution	(4)	(858)
Issue of 9,386,134 bonus units (2013: 5,799,995 units)	(93,861)	(58,000)
- Re 0.0588 per unit on October 25, 2013 (2013: Re 0.0876 per unit on October 24, 2012)		
Cash distribution	(4)	(1,281)
Issue of 9,969,079 bonus units (2013: 8,113,541 units)	(99,691)	(81,135)
- Re 0.0679 per unit on November 28, 2013 (2013: Re 0.0844 per unit on November 29, 2012)		
Cash distribution	(5)	(1,234)
Issue of 12,282,971 bonus units (2013: 8,284,584 units)	(122,830)	(82,846)
- Re 0.0667 per unit on December 30, 2013 (2013: Re 0.0575 per unit on December 27, 2012)		
Cash distribution	(5)	(841)
Issue of 12,725,185 bonus units (2013: 5,441,902 units)	(127,252)	(54,419)
- Re 0.0733 per unit on January 30, 2014 (2013: Re 0.0757 per unit on January 30, 2013)		
Cash distribution	(5)	-
Issue of 12,162,358 bonus units (2013: 7,985,185 units)	(121,624)	(79,852)
- Re 0.0650 per unit on February 27, 2014 (2013: Re 0.0585 per unit on February 27, 2013)		
Cash distribution	(5)	-
Issue of 10,827,884 bonus units (2013: 5,557,184 units)	(108,279)	(55,572)
- Re 0.0605 per unit on March 27, 2014 (2013: Re 0.0491 per unit on March 22, 2013)		
Cash distribution	(4)	-
Issue of 9,899,718 bonus units (2013: 4,968,898 units)	(98,997)	(49,689)
- Re 0.0763 per unit on April 29, 2014 (2013: Re 0.0839 per unit on April 30, 2013)		
Cash distribution	(5)	-
Issue of 12,662,354 bonus units (2013: 11,802,107 units)	(126,624)	(118,021)
- Re 0.0694 per unit on May 30, 2014 (2013: Re 0.0635 per unit on May 30, 2013)		
Cash distribution	(4)	-
Issue of 11,593,070 bonus units (2013: 9,530,497 units)	(115,931)	(95,305)
- Re 0.0472 per unit on June 23, 2014 (2013: Re 0.0661 per unit on June 28, 2013)		
Cash distribution	(3)	-
Issue of 7,719,995 bonus units (2013: 9,082,518 units)	(77,200)	(90,825)
	(1,283,247)	(951,532)
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - transferred to distribution statement - net	676	(19,056)
Net assets at the end of the year	15,395,723	13,952,631

The annexed notes 1 to 27 form an integral part of these financial statements.


FARID AHMED KHAN
CEO

For ABL Asset Management Company Limited
(Management Company)


SHAKEB MURAD
DIRECTOR

ABL CASH FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2014

	Note	For the year ended June 30, 2014	For the year ended June 30, 2013
----- (Rupees in '000) -----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income before taxation		1,309,745	940,953
Adjustments for non-cash and other items			
Amortisation of preliminary expenses and floatation costs		931	931
Unrealised appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss - net		(237)	(4,336)
Provision for Workers' Welfare Fund		26,729	19,203
Federal excise duty on remuneration of the Management Company		27,434	1,179
Element of loss and capital losses included in prices of units issued less those in units redeemed - net		876	63,023
		<u>1,365,478</u>	<u>1,020,953</u>
(Increase) / decrease in assets			
Profit receivable		(20,965)	(22,688)
Investments		2,022,917	5,848,885
Prepayment		(157)	(100)
		<u>2,001,795</u>	<u>5,826,097</u>
Increase / (decrease) in liabilities			
Payable to ABL Asset Management Company Limited - Management Company		4,867	(9,114)
Payable to Central Depository Company of Pakistan Limited - Trustee		75	(321)
Payable to Securities and Exchange Commission of Pakistan		3,789	(8,308)
Payable against purchase of investments		1,658,001	-
Accrued expenses and other liabilities		(482)	860
		<u>1,666,250</u>	<u>(16,883)</u>
Net cash generated from operating activities		<u>5,033,523</u>	<u>6,830,167</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash distribution		(44)	(7,291)
Receipts from issuance of units		21,327,080	58,429,239
Payments against redemption of units		(21,358,034)	(61,693,824)
Net cash used in financing activities		<u>(30,998)</u>	<u>(3,271,876)</u>
Net increase in cash and cash equivalents		<u>5,002,525</u>	<u>3,558,291</u>
Cash and cash equivalents at the beginning of the year		7,108,063	3,549,772
Cash and cash equivalents at the end of the year	4.2	<u><u>12,110,588</u></u>	<u><u>7,108,063</u></u>

The annexed notes 1 to 27 form an integral part of these financial statements.


FARID AHMED KHAN
CEO

For ABL Asset Management Company Limited
(Management Company)


SHAKEB MURAD
DIRECTOR

ABL CASH FUND

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2014

1 LEGAL STATUS AND NATURE OF BUSINESS

ABL Cash Fund was established under a trust deed executed on September 25, 2009 between ABL Asset Management Company Limited (ABL AMCL) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The trust deed was executed in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008. The Fund commenced its operations on July 31, 2010.

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate issued by the Securities and Exchange Commission of Pakistan (SECP) on December 07, 2007. The registered office of the Management Company is situated at 11-B, Lalazar, M.T. Khan Road, Karachi.

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

The Fund has been categorized as an Open-End Money Market Scheme as per the criteria laid down by the SECP for categorisation of Collective Investment Schemes (CIS).

The objective of the Fund is to earn consistent returns with a high level of liquidity through a blend of money market and sovereign debt instruments. The Fund, in line with its investment objectives, invests primarily in market treasury bills, government securities and cash and near cash instruments.

JCR-VIS Credit Rating Company Limited has assigned management quality rating of AM2 (stable outlook) to the Management Company as at June 21, 2013 and fund stability rating of AA(f) to the Fund as at August 13, 2014.

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 (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), the Non-Banking Finance and Notified Entities Regulations, 2008 (the NBFC Regulations) and the directives issued by the SECP. Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of IFRSs, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

2.2 Standards, interpretations and amendments to published approved accounting standards that are effective in the current year:

There are certain new and amended standards and interpretations that are mandatory for accounting periods beginning July 1, 2013 but are considered not to be relevant or do not have any significant effect on the Fund's operations and are therefore not detailed in these financial statements.

2.3 Standards, interpretations and amendments to published approved accounting standards that are not yet effective:

There are certain new and amended standards and interpretations that are mandatory for accounting periods beginning on or after July 1, 2014 but are considered not to be relevant or do not have any significant effect on the Fund's operations and are therefore not detailed in these financial statements.

2.4 Critical accounting estimates and judgments

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

The areas involving a degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements are as follows:

- i) Classification and valuation of investments (notes 3.2 and 5)
- ii) Impairment of financial assets (note 3.2.5)

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except for certain investments which have been carried at fair value.

2.6 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupees which is the Fund's functional and presentation currency.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied unless otherwise stated.

3.1 Cash and cash equivalents

Cash and cash equivalents comprise balances with banks and short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are carried in the statement of assets and liabilities at cost.

3.2 Financial assets

3.2.1 Classification

The Fund classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables and available for sale. The management determines the classification of its financial assets at initial recognition and re-evaluates this classification on a regular basis.

Investments are categorised as follows:

a) Financial assets at fair value through profit or loss

Financial assets that are acquired principally for the purpose of generating profit from short-term fluctuations in prices are classified as financial assets at fair value through profit or loss category.

b) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

c) Available for sale

Available for sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as (a) loans and receivables or (b) financial assets at fair value through profit or loss. These are intended to be held for an indefinite period of time which may be sold in response to the needs for liquidity or change in price.

3.2.2 Regular way contracts

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Fund commits to purchase or sell the asset.

3.2.3 Initial recognition and measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value while the related transaction costs are expensed out in the income statement.

3.2.4 Subsequent measurement

a) Financial assets at fair value through profit or loss and available for sale

Subsequent to initial recognition, financial assets designated by the management as "at fair value through profit or loss" and "available for sale" are valued as follows:

- Basis of valuation of debt securities

The investment of the Fund in debt securities (comprising any security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital and includes term finance certificates, bonds, debentures, sukuks and commercial papers etc.) is valued on the basis of rates determined by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the SECP for valuation of debt securities. In the determination of the rates the MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The methodology also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

- Basis of valuation of government securities

The investment of the Fund in government securities is valued on the basis of rates announced by the Financial Markets Association of Pakistan.

Net gains and losses arising from changes in the fair value and on sale of financial assets at fair value through profit or loss are taken to the income statement.

Net gains and losses arising from changes in the fair value of available for sale financial assets are taken to the other comprehensive income until these are derecognised or impaired. At this time, the cumulative gain or loss previously recognised in the other comprehensive income is shown as part of net income for the year.

b) Loans and receivables

Subsequent to initial recognition financial assets classified as 'loans and receivables' are carried at amortised cost using the effective interest method.

Gains or losses are also recognised in the income statement when the financial assets carried at amortised cost are derecognised or impaired.

3.2.5 Impairment

The Fund assesses at each reporting date whether there is an objective evidence that the financial asset or a group of financial assets is impaired. The carrying value of the Fund's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

The amount of provision for certain debt securities is determined based on the provisioning criteria specified by the SECP.

For certain other financial assets, a provision for impairment is established when there is an objective evidence that the Fund will not be able to collect all amounts due according to the original terms. The amount of the provision is difference between the asset's carrying value and present value of estimated future cash flows, discounted at original effective interest rate.

3.2.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Fund has transferred substantially all the risks and rewards of ownership.

3.3 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognised at fair value and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

3.4 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liabilities simultaneously.

3.5 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund. These costs are being amortised over a period of five years in accordance with the requirements set out in the Trust Deed of the Fund and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

3.6 Provisions

Provisions are recognised when the Fund has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions, if any, are regularly reviewed and adjusted to reflect the current best estimate.

3.7 Taxation

The income of the Fund is exempt from income tax under clause 99 of the Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting

income for the year, as reduced by capital gains, whether realised or unrealised, is distributed to the unit holders.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

The Fund provides for deferred taxation using the balance sheet liability method on all major temporary differences between the amounts used for financial reporting purposes and amounts used for taxation purposes. In addition, the Fund also records deferred tax asset on unutilized tax losses to the extent that it is no longer probable that the related tax benefit will be realised. However, the Fund does not account for deferred tax, if any, in these financial statements as the Fund intends to continue availing the tax exemption in future years by distributing at least ninety percent of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders.

3.8 Proposed distributions

Distributions declared subsequent to the year end are considered as non-adjusting events and are recognised in the year in which such distributions are declared.

3.9 Issue and redemption of units

Units issued are recorded at the offer price as per constitutive documents. The offer price is determined by the Management Company after realisation of subscription money.

The offer price represents the previous day net asset value per unit as of the close of the business day plus the allowance for sales load, provision for transaction costs and any provision for duties and charges, if applicable.

Units redeemed are recorded at the redemption price, as per constitutive documents, applicable to units for which the distributors receive redemption requests during business hours of that day. The redemption price represents the previous day net asset value per unit as of the close of the business day less any back-end load, provision for transaction costs and any provision for duties and charges, if applicable. Currently, the Fund is not charging any back-end load, transactions costs or any provision for duties and charges.

3.10 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

An equalisation account called the 'element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed' is created in order to prevent the dilution of per unit income and distribution of income already paid out on redemption.

The Fund records that portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting year which pertains to unrealised gains / (losses) held in the unit holder's funds and undistributed income in a separate reserve account and any amount remaining in this reserve account at the end of an accounting year (whether gain or loss) is included in the amount available for distribution to the unit holders.

The remaining portion of the net element of income / (loss) and capital gains / (losses) relating to units issued and redeemed during an accounting year is recognised in the income statement.

3.11 Net asset value per unit

The Net Asset Value (NAV) per unit, as disclosed in the statement of assets and liabilities, is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

3.12 Revenue recognition

- Realised capital gains / (losses) arising on sale of investments are included in the income statement on the date at which the sale transaction takes place.
- Income on government securities, debt securities, bank deposits, certificate of deposits, reverse repurchase transactions and placements is recognised on an accrual basis.

	Note	June 30, 2014	June 30, 2013
------(Rupees in '000)-----			
4	BALANCES WITH BANKS		
	Current accounts	4	4
	Saving accounts	4.1 <u>5,005,762</u>	<u>2,618,059</u>
		<u>5,005,766</u>	<u>2,618,063</u>
4.1	These saving accounts carry mark-up at rates ranging from 7.00% to 10.35% (2013: 6.00% to 9.40%) per annum. Deposits in saving accounts include Rs. 483,559 (2013: Rs. 744,658,201) maintained with Allied Bank Limited, a related party and carry markup rate of 9.30% (June 30, 2013: 9.00%).		
4.2	Cash and cash equivalents		
	Balances with banks	5,005,766	2,618,063
	Term deposit receipts	5,250,000	3,415,000
	Letters of placements	1,100,000	1,075,000
	Reverse repo - treasury bills	754,822	-
		<u>12,110,588</u>	<u>7,108,063</u>
5	INVESTMENTS		
	Financial assets at fair value through profit or loss - net		
	Government securities		
	- market treasury bills	5.1.1 <u>1,773,650</u>	<u>4,709,994</u>
	- Pakistan investment bonds	5.1.2 <u>2,040,039</u>	<u>926,375</u>
	Sukuks	5.1.4 <u>-</u>	<u>100,000</u>
		<u>3,813,689</u>	<u>5,736,369</u>
	Loans and receivables	5.3 <u>8,354,822</u>	<u>5,840,000</u>
		<u>12,168,511</u>	<u>11,576,369</u>

5.1 Financial assets at fair value through profit or loss

5.1.1 Government securities - market treasury bills:

Issue date	Tenor	Face Value				Balance as at June 30, 2014			Market value as a percentage of total net assets	Market value as a percentage of the total market value of Investment
		As at July 01, 2013	Purchased during the year	Disposed of / matured during the year	As at June 30, 2014	Carrying value	Market value	Appreciation (diminution)		
----- Rupees in '000 -----										
May 2, 2013	3 Months	397,200	1,700,000	2,097,200	-	-	-	-	-	-
May 30, 2013	3 Months	500	-	500	-	-	-	-	-	-
July 12, 2013	3 Months	-	4,967,095	4,967,095	-	-	-	-	-	-
July 25, 2013	3 Months	-	1,000,000	1,000,000	-	-	-	-	-	-
August 7, 2013	3 Months	-	3,144,500	3,144,500	-	-	-	-	-	-
September 5, 2013	3 Months	-	475,000	475,000	-	-	-	-	-	-
September 19, 2013	3 Months	-	20,269,700	20,269,700	-	-	-	-	-	-
October 3, 2013	3 Months	-	2,658,100	2,658,100	-	-	-	-	-	-
October 31, 2013	3 Months	-	5,938,535	5,938,535	-	-	-	-	-	-
November 28, 2013	3 Months	-	9,663,800	9,663,800	-	-	-	-	-	-
December 12, 2013	3 Months	-	4,200,000	4,200,000	-	-	-	-	-	-
December 26, 2013	3 Months	-	1,762,905	1,762,905	-	-	-	-	-	-
January 9, 2014	3 Months	-	2,014,000	2,014,000	-	-	-	-	-	-
January 23, 2014	3 Months	-	12,494,800	12,494,800	-	-	-	-	-	-
February 6, 2014	3 Months	-	1,002,600	1,002,600	-	-	-	-	-	-
February 20, 2014	3 Months	-	7,664,600	7,664,600	-	-	-	-	-	-
March 6, 2014	3 Months	-	30,000	30,000	-	-	-	-	-	-
April 17, 2014	3 Months	-	8,374,500	8,374,500	-	-	-	-	-	-
May 15, 2014	3 Months	-	4,850,000	4,850,000	-	-	-	-	-	-
May 29, 2014	3 Months	-	500,000	500,000	-	-	-	-	-	-
June 12, 2014	3 Months	-	2,200,000	2,200,000	-	-	-	-	-	-
June 26, 2014	3 Months	-	4,940,500	4,940,500	-	-	-	-	-	-
		397,700	99,850,635	100,248,335	-	-	-	-	-	-
January 24, 2013	6 Months	430,000	1,342,000	1,772,000	-	-	-	-	-	-
February 21, 2013	6 Months	-	421,000	421,000	-	-	-	-	-	-
March 7, 2013	6 Months	851	71,500	72,351	-	-	-	-	-	-
April 4, 2013	6 Months	-	1,095,225	1,095,225	-	-	-	-	-	-
May 2, 2013	6 Months	395,000	500,000	895,000	-	-	-	-	-	-
May 30, 2013	6 Months	1,250,000	2,525,000	3,775,000	-	-	-	-	-	-
June 13, 2013	6 Months	1,691,000	266,000	1,957,000	-	-	-	-	-	-
June 27, 2013	6 Months	-	100,000	100,000	-	-	-	-	-	-
July 12, 2013	6 Months	-	1,000,000	1,000,000	-	-	-	-	-	-
July 25, 2013	6 Months	-	3,149,000	3,149,000	-	-	-	-	-	-
January 23, 2014	6 Months	-	670,000	670,000	-	-	-	-	-	-
February 20, 2014	6 Months	-	437,000	437,000	-	-	-	-	-	-
March 6, 2014	6 Months	-	250,000	250,000	-	-	-	-	-	-
March 20, 2014	6 Months	-	7,729,250	6,979,250	750,000	734,566	734,600	34	4.77%	6.04%
April 17, 2014	6 Months	-	5,300,000	4,231,100	1,068,900	1,038,969	1,039,050	81	6.75%	8.54%
May 15, 2014	6 Months	-	1,725,000	1,725,000	-	-	-	-	-	-
		3,766,851	26,580,975	28,528,926	1,818,900	1,773,535	1,773,650	115	11.52%	14.58%
July 26, 2012	12 Months	620,500	1,350,000	1,970,500	-	-	-	-	-	-
August 9, 2012	12 Months	-	2,080,000	2,080,000	-	-	-	-	-	-
August 23, 2012	12 Months	-	1,149,100	1,149,100	-	-	-	-	-	-
September 6, 2012	12 Months	-	3,400,000	3,400,000	-	-	-	-	-	-
September 20, 2012	12 Months	-	2,621,700	2,621,700	-	-	-	-	-	-
October 4, 2012	12 Months	16,000	56,730	72,730	-	-	-	-	-	-
October 18, 2012	12 Months	-	5,155	5,155	-	-	-	-	-	-
November 1, 2012	12 Months	40,000	395,500	435,500	-	-	-	-	-	-
November 15, 2012	12 Months	-	250,000	250,000	-	-	-	-	-	-
December 13, 2012	12 Months	-	11,600	11,600	-	-	-	-	-	-
May 30, 2013	12 Months	-	105,000	105,000	-	-	-	-	-	-
June 13, 2013	12 Months	-	350,000	350,000	-	-	-	-	-	-
July 12, 2013	12 Months	-	90,000	90,000	-	-	-	-	-	-
December 30, 2013	12 Months	-	250,000	250,000	-	-	-	-	-	-
		676,500	12,114,785	12,791,285	-	-	-	-	-	-
February 28, 2014	2 Months	-	3,335,800	3,335,800	-	-	-	-	-	-
Total - June 30, 2014		4,841,051	141,882,195	144,904,346	1,818,900	1,773,535	1,773,650	115	11.52%	14.58%
Total - June 30, 2013						<u>4,705,694</u>	<u>4,709,994</u>	<u>4,300</u>		

5.1.1.1 Market treasury bills carry effective interest rates ranging from 9.96% to 10.00% (June 30, 2013: 9.30% to 10.15%) per annum.

5.1.2 Government securities - Pakistan investment bonds:

Issue date	Coupon rate in %/ Tenor	Face Value				Balance as at June 30, 2014			Market value as a percentage of total net assets	Market value as a percentage of total market value of Investments
		As at July 01, 2013	Purchased during the year	Disposed of / matured during the year	As at June 30, 2014	Carrying value	Market value	Appreciation / (diminution)		
----- Rupees in '000 -----										
July 22, 2010	3 years	739,051	-	739,051	-	-	-	-	-	-
July 22, 2010	3 years	192,153	-	192,153	-	-	-	-	-	-
August 18, 2011	3 years	-	4,178,174	2,111,575	2,066,599	2,039,917	2,040,039	122	13.25%	16.76%
Total - June 30, 2014		931,204	4,178,174	3,042,779	2,066,599	2,039,917	2,040,039	122	13.25%	16.76%
Total - June 30, 2013						<u>926,339</u>	<u>926,375</u>	<u>36</u>		

Pakistan investment bonds carry effective interest rates ranging from 10.00% to 10.09% (June 30, 2013: 9.14) per annum.

5.1.3 GoP Ijarah sukuk:

Issue date	Coupon rate in %/ Tenor	Face Value				Balance as at June 30, 2014			Market value as a percentage of total net assets	Market value as a percentage of total market value of Investments
		As at July 01, 2013	Purchased during the year	Disposed of / matured during the year	As at June 30, 2014	Carrying value	Market value	Appreciation / (diminution)		
----- Rupees in '000 -----										
December 20, 2010	9.22% / 3 years	-	500,000	500,000	-	-	-	-	-	-
May 16, 2011	9.46% / 3 years	-	550,000	550,000	-	-	-	-	-	-
Total - June 30, 2014		-	1,050,000	1,050,000	-	-	-	-	-	-
Total - June 30, 2013						<u>-</u>	<u>-</u>	<u>-</u>		

5.1.4 Other sukuk:

Issue date	Coupon rate in %/ Tenor	Face Value				Balance as at June 30, 2014			Market value as a percentage of total net assets	Market value as a percentage of total market value of Investments
		As at July 01, 2013	Purchased during the year	Disposed of / matured during the year	As at June 30, 2014	Carrying value	Market value	Appreciation / (diminution)		
----- Rupees in '000 -----										
Hub Power Company Limited	10.70 / 6 months	100,000	-	100,000	-	-	-	-	-	-
Total - June 30, 2014		100,000	-	100,000	-	-	-	-	-	-
Total - June 30, 2013						<u>100,000</u>	<u>100,000</u>	<u>-</u>		

Note	June 30, 2014	June 30, 2013
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------(Rupees in '000)-----

5.2 Unrealised appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss - net

Market value of securities	3,813,689	5,736,369
Less: carrying value of securities	<u>(3,813,452)</u>	<u>(5,732,033)</u>
	<u>237</u>	<u>4,336</u>

5.3 Loans and receivables

Term deposit receipts	5.3.1 6,500,000	4,765,000
Letters of placements	5.3.2 1,100,000	1,075,000
Reverse repo - treasury bills	<u>754,822</u>	<u>-</u>
	<u>8,354,822</u>	<u>5,840,000</u>

5.3.1 Term deposit receipts carry mark-up at rates ranging from 10.25% to 10.60% (2013: 9.5% to 9.95%) per annum and maturities ranging from July 10, 2014 to November 17, 2014 (2013: July 5, 2013 to December 11, 2013).

5.3.2 Letters of placements carry mark-up at rates ranging from 10.40% to 10.50% (2013: 9.45% to 9.90%) per annum and maturities ranging from July 2, 2014 to August 26, 2014 (2013: July 8, 2013 to September 23, 2013).

6 PROFIT RECEIVABLE

Interest accrued on term deposit receipts	30,016	28,844
Interest accrued on letters of placements	20,932	3,812
Interest accrued on reverse repo	155	-
Interest accrued on sukuks	-	4,018
Profit accrued on bank deposits	<u>10,689</u>	<u>4,153</u>
	<u>61,792</u>	<u>40,827</u>

7 PRELIMINARY EXPENSES AND FLOATATION COSTS

Opening balance	1,937	2,868
Less: amortised during the year	<u>(931)</u>	<u>(931)</u>
Closing balance	7.1 <u>1,006</u>	<u>1,937</u>

7.1 Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of the operations of the Fund. These costs are being amortized over five years as per the requirements of the Trust Deed of the Fund and the Non-Banking Finance Companies and Notified Entities Regulations 2008.

Note	June 30, 2014	June 30, 2013
	----- (Rupees in '000) -----	

8 PAYABLE TO ABL ASSET MANAGEMENT COMPANY LIMITED - MANAGEMENT COMPANY

Remuneration of the Management Company	8.1	13,659	12,446
Preliminary expenses and floatation costs		1,863	2,794
Sindh sales tax on remuneration of the Management Company	8.2	6,764	2,180
Federal excise duty on remuneration of the Management Company	8.3	28,614	1,179
		50,900	18,599

8.1 Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Management Company of the Fund is entitled to a remuneration during the first five years of the Fund, of an amount not exceeding 3 percent of the average annual net assets of the Fund and thereafter an amount equal to 2 percent of such assets of the Fund. During the financial year ended June 30, 2014, the Management Company has charged remuneration at the rate of 10% of the gross earnings of the Fund. This fee is subject to a minimum of 1.00% and a maximum of 1.25% of the average daily Net Assets of the Fund.

8.2 The Provincial Government of Sindh has levied Sindh sales tax at the rate of 16% on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.

8.3 As per the requirements of the Finance Act 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Management Company has been applied effective June 13, 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax as explained in note 8.2, further levy of FED may result in double taxation, which does not appear to be the spirit of the law.

The matter has been collectively taken up by the Management Company jointly with other Asset Management Companies together with their respective Collective Investment Schemes through their trustees, through a Constitutional Petition filed in the Honourable Sindh High Court (SHC) during September 2013 challenging the levy of FED. In this respect, the SHC has issued a stay order against the recovery of FED and the hearing of the petition is still pending.

Pending decision of the SHC, the Fund is not making payments for FED. However, the Fund, as a matter of abundant caution, has made full provision in respect of FED effective June 13, 2013 aggregating to Rs 28.613 million (including Rs 27.434 million for the financial year ended June 30, 2014). Had the provision not been made the net asset value per unit of the Fund as at June 30, 2014 would have been higher by Re 0.0186 per unit.

9 PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

Trustee fee	9.1	977	902
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- 9.1 The Trustee is entitled to a monthly remuneration for the services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the daily net assets of the Fund. The remuneration was paid to the Trustee monthly in arrears.

The tariff structure applicable to the Fund as at June 30, 2014 is as follows:

Net assets value	Tariff per annum
Upto Rs 1 billion	0.15% percent per annum of Net assets
Over Rs 1 billion to Rs 10 billion	Rs 1.5 million plus 0.075 percent per annum of Net asset value exceeding Rs 1 billion.
Over Rs 10 billion	Rs 8.25 million plus 0.06 percent per annum of Net asset value exceeding Rs 10 billion.

10	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	June 30, 2014	June 30, 2013
			----- Rupees in '000 -----	
	Annual fee	10.1	<u>12,469</u>	<u>8,680</u>

- 10.1 Under the provisions of the Non Banking Finance Companies and Notified Entities Regulations, 2008, a collective investment scheme categorised as a money market scheme is required to pay, as an annual fee to the SECP, an amount equal to 0.075% of the average annual net assets of the scheme.

11 ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors' remuneration		310	286
Brokerage payable		249	381
Printing charges		100	165
Withholding taxes		210	520
Provision for Workers' Welfare Fund	11.1	<u>117,163</u>	<u>90,433</u>
		<u>118,032</u>	<u>91,785</u>

11.1 Provision for workers' welfare fund

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

During the year ended June 30, 2011, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their

income. However, on December 14, 2010, the Ministry filed its response against the constitutional petition requesting the Court to dismiss the petition. According to the legal counsel who is handling the case there is a contradiction between the aforementioned clarification issued by the Ministry and the response filed by the Ministry in the Court.

During the year ended June 30, 2012, the Honourable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006 and the Finance Act, 2008, had declared the said amendments as unlawful and unconstitutional. In March 2013, a larger bench of the Honourable Sindh High Court (SHC) passed an order declaring that the amendments introduced in the WWF Ordinance, 1971 through the Finance Act, 2006 and Finance Act, 2008 do not suffer from any constitutional or legal infirmity. However, the Honourable High Court of Sindh has not addressed the other amendments made in the WWF Ordinance 1971 about applicability of WWF to the CISs which is still pending before the Court. In a recent judgement, Peshawar High Court (PHC) has also held these amendment to be ultra vires as they lacked the essential mandate to be introduced and passed through the Money Bill under the Constitution. Without prejudice to the above, the Management Company, as a matter of abundant caution, has decided to retain the provision for WWF amounting to Rs 117.163 million (including Rs 26.729 million for the current year) in these financial statements. Had the same not been made the net asset value per unit of the Fund as at June 30, 2014 would have been higher by Re 0.0763 per unit.

12 CONTINGENCIES AND COMMITMENTS

12.1 Matter relating to taxation

In March 2014, the taxation officers, amended the return of income filed by the Fund for the tax years 2011, 2012 and 2013 under Section 120 of the Income Tax Ordinance, 2001. The tax assessing officer raised demands of Rs 324.277 million, Rs 942.692 million and Rs 341.565 million for these years (including aggregate demand of Workers' Welfare Fund of Rs 88.624 million). These orders have, in form, denied the exemption to the income of the Fund under Clause 99 of Part I of the Second Schedule to the Ordinance. However, the context and the discussion with the Federal Board of Revenue revealed that a different viewpoint, not supported by law, was being adopted for the tax effect and incidence of the 'distribution' made by the Fund by way of bonus units. There seems to be an apparent contradiction as tax effect and incidence on bonus units, if any, being an issue related to income of the recipient of distribution does not affect the validity of exemption to the Fund.

This industry issue has been examined by legal experts and tax advisors and there is a unanimity of view that under the present regulations, including the provisions of Clause 99, the tax department's contentions are primarily erroneous and not tenable under the law. This view is further supported by the fact that subsequently, through the Finance Act, 2014, an amendment has been made in Clause 99, whereby issuance of bonus units shall not be considered towards distribution of 90% of income, and only cash dividend shall be taken into consideration for computation of 90% distribution to claim exemption. Introduction of this amendment, applicable on distribution to be made from July 1, 2014, essentially strengthens the stand of the mutual fund industry as it establishes the principle that previously, issuance of bonus units was valid for the purpose of claiming exemption in case of 90% distribution. Appropriate appellate and executive remedies are being adopted to resolve the matter.

Subsequent to the year end, the Commissioner Inland Revenue (Appeals) has given decisions in favour of several funds. The management is confident that these decisions will further facilitate in ultimate resolution of this matter in favour of the industry.

12.2 There were no commitments outstanding as at June 30, 2014.

	June 30, 2014	June 30, 2013
	-----Number of units-----	
13 NUMBER OF UNITS IN ISSUE		
Total units in issue at the beginning of the year	1,394,185,688	1,634,482,339
Add: units issued	2,127,132,444	5,832,631,737
Add: bonus units issued	128,320,175	94,424,114
Less: units redeemed	<u>(2,113,853,185)</u>	<u>(6,167,352,502)</u>
Total units in issue at the end of the year	<u><u>1,535,785,122</u></u>	<u><u>1,394,185,688</u></u>
14 AUDITORS' REMUNERATION		
Annual audit fee	260	210
Half yearly review fee	100	85
Other certification	60	50
Out of pocket expenses	<u>44</u>	<u>20</u>
	<u><u>464</u></u>	<u><u>365</u></u>
15 TAXATION		

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 realised or unrealised, is distributed to the unit holders. The management has distributed 90% of the Fund's net accounting income earned during the year to its unit holders. Accordingly, no provision has been made in these financial statements.

The Fund is also exempt from the provision of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

16 EARNINGS PER UNIT (EPU)

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

17 FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2014, all the financial assets carried on the statement of assets and liabilities are categorised either as loans and receivables or financial assets at fair value through profit or loss. All the financial liabilities carried on the statement of assets and liabilities are categorised as other financial liabilities i.e. liabilities other than at fair value through profit or loss.

	As at June 30, 2014		
	Loans and receivables	Financial assets at fair value through profit or loss	Total
	Rupees in '000		
Financial assets			
Balances with banks	5,005,766	-	5,005,766
Investments	8,354,822	3,813,689	12,168,511
Profit receivable	61,792	-	61,792
	<u>13,422,380</u>	<u>3,813,689</u>	<u>17,236,069</u>

	As at June 30, 2014		
	Liabilities 'at fair value through profit or loss'	Other financial liabilities	Total
	Rupees in '000		
Financial liabilities			
Payable to ABL Asset Management Company Limited - Management Company	-	50,900	50,900
Payable to Central Depository Company of Pakistan Limited - Trustee	-	977	977
Payable against redemption of units	-	1,230	1,230
Payable against purchase of investments	-	1,658,001	1,658,001
Accrued expenses and other liabilities	-	659	659
	<u>-</u>	<u>1,711,767</u>	<u>1,711,767</u>

	As at June 30, 2013		
	Loans and receivables	Financial assets at fair value through profit or loss	Total
	Rupees in '000		
Financial assets			
Balances with banks	2,618,063	-	2,618,063
Investments	5,840,000	5,736,369	11,576,369
Profit receivable	40,827	-	40,827
	<u>8,498,890</u>	<u>5,736,369</u>	<u>14,235,259</u>

	As at June 30, 2013		
	Liabilities 'at fair value through profit or loss'	Other financial liabilities	Total
	Rupees in '000		
Financial liabilities			
Payable to ABL Asset Management Company Limited - Management Company	-	18,599	18,599
Payable to Central Depository Company of Pakistan Limited - Trustee	-	902	902
Payable against redemption of units	-	164,699	164,699
Payable against purchase of investments	-	-	-
Accrued expenses and other liabilities	-	832	832
	<u>-</u>	<u>185,032</u>	<u>185,032</u>

18 TRANSACTIONS WITH CONNECTED PERSONS

- 18.1** Connected persons / related parties include ABL Asset Management Company Limited being the Management Company, Allied Bank Limited, ABL Asset Management Company Limited - Staff Provident Fund, Allied Bank Limited - Employees Superannuation (Pension) Fund, Allied Bank Limited - Staff Provident Fund, Cyan Limited, Cyan Limited - Employees Provident Fund, Ibrahim Fibres Limited, Ibrahim Agencies (Private) Limited, Arabian Sea Country Club, Muller and Phipps Pakistan (Private) Limited and CFA Association of Pakistan being entities under common management and / or directorship, funds under management, the Central Depository Company of Pakistan Limited being the trustee of the Fund, Pakistan Petroleum Limited, the directors and officers of the Management Company being connected person.
- 18.2** Transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.
- 18.3** Remuneration to the Management Company is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.
- 18.4** Remuneration payable to the Trustee is determined in accordance with the provisions of the Trust Deed.

	For the year ended June 30, 2014	For the year ended June 30, 2013
	----- Rupees in '000 -----	
18.5	Details of transactions with connected persons are as follows:	
ABL Asset Management Company Limited - Management Company		
Issue of 25,133,408 units (2013: 31,143,153 units)	251,828	312,500
Bonus of 1,897,310 units (2013: 2,511,128 units)	18,973	25,111
Redemption of 12,662,165 units (2013: 32,245,582 units)	127,000	324,000
Remuneration	171,463	132,313
Sindh sales tax on remuneration of the Management Company	31,824	21,170
Federal excise duty on remuneration of the Management Company	27,434	1,179
Amortisation of preliminary expenses and floatation costs	931	931
Allied Bank Limited		
Issue of Nil units (2013: 3,796,662,920 units)	-	38,000,000
Redemption of Nil units (2013: 3,823,418,353 units)	-	38,318,802
Bonus of 40,796,078 units (2013: 10,735,393 units)	407,961	107,353
Profit on bank deposits	24,252	15,300
Profit on term deposit receipts	138,438	1,350,000
Bank charges	296	152
Cyan Limited		
Issue of 62,870,553 units (2013: 106,959,999 units)	630,000	1,073,090
Bonus of 1,197,666 units (2013: 941,801 units)	11,977	9,418
Redemption of 89,882,920 units (2013: 82,087,099 units)	900,535	824,357
Cyan Limited - Employees provident Fund		
Issue of 801,882 units (2013: 426,871 units)	8,033	4,279
Bonus of 68,738 units (2013: 15,298 units)	687	153

	For the year ended June 30, 2014	For the year ended June 30, 2013
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----- Rupees in '000 -----

CFA Association of Pakistan

Issue of 758,721 units (2013: Nil units)	7,600	-
Bonus of 33,922 units (2013: 687 units)	339	7
Redemption of 396,693 units (2013: 22,347 units)	3,983	225

Pakistan Petroleum Limited *

Issue of 39,360,997 units	395,000	-
Bonus of 12,501,908 units	125,019	-
Redemption of 20,320,275 units	204,000	-

DIRECTORS OF THE MANAGEMENT COMPANY**Muhammad Waseem Mukhtar**

Issue of 268,509 units (2013: 189,605 units)	2,700	1,900
Bonus of 77,965 units (2013: 58,245 units)	780	582
Redemption of 169,277 units (2013: Nil units)	1,700	-

Muhammad Javaid Iqbal

Bonus of 5,648 units (2013: 6,018 units)	56	60
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KEY MANAGEMENT PERSONNEL**Chief Executive Officer**

Issue of 697,140 units (2013: 100,000 units)	7,000	1,000
Bonus of 35,319 units (2013: 78,393 units)	353	784
Redemption of 632,486 units (2013: 513,097 units)	6,350	5,150

Central Depository Company of Pakistan Limited

Remuneration	12,225	9,505
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June 30,	June 30,
2014	2013

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

18.6 Details of amounts outstanding as at year end:**ABL Asset Management Company Limited - Management Company**

Outstanding 36,368,961 units (2013: 22,000,408 units)	364,588	220,173
Preliminary expenses and floatation costs payable	1,863	2,794
Remuneration	13,659	12,446
Sindh sales tax on remuneration of the Management Company	6,764	1,991
Federal excise duty on remuneration of the Management Company	28,614	1,179

Allied Bank Limited

Outstanding 550,827,464 units (2013: 510,031,386 units)	5,521,880	5,104,241
Balances with banks	484	744,658
Profit accrued on bank deposit	3,713	2,320
Profit accrued on term deposit receipts	-	5,973
Term deposit receipt	-	1,350,000

	June 30, 2014	June 30, 2013
	----- Rupees in '000 -----	
Cyan Limited		
Outstanding Nil units (2013: 25,814,701 units)	-	258,346
Cyan Limited - Employees provident Fund		
Outstanding 1,366,052 units (2013: 495,432 units)	13,694	4,958
CFA Association of Pakistan		
Outstanding 402,800 units (2013: 6,850 units)	4,038	69
Pakistan Petroleum Limited *		
Outstanding 169,056,056 units	1,694,736	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration	977	902
DIRECTORS OF THE MANAGEMENT COMPANY		
Muhammad Waseem Mukhtar		
Outstanding 976,548 units (2013: 799,351 units)	9,790	8,000
Mr. Muhammad Javaid Iqbal		
Outstanding 76,255 units (2013: 70,607 units)	764	707
KEY MANAGEMENT PERSONNEL		
Chief Executive Officer		
Outstanding 742,087 units (2013: 642,114 units)	7,439	6,426

* Prior period comparatives have not been presented as the entity was not classified as related party / connected person as at June 30, 2013.

19 PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER

Details of the members of the investment committee of the Fund are as follows:

S. No	Name	Designation	Experience in years	Qualification
1	Farid Ahmed Khan	Chief Executive Officer	20	CFA
2	Muhammad Imran	Chief Investment Officer	15	MBA
3	Abid Jamal	Head of Research	10	CFA
4	Kamran Aziz	Fund Manager	6	CFA
5	Faizan Saleem	Fund Manager	7	MBA

19.1 Faizan Saleem is the Fund Manager of the Fund. He is also managing ABL Income Fund and ABL Government Securities Fund.

20 TRANSACTIONS WITH BROKERS/ DEALERS

List of top 10 brokers by percentage of commission charged during the year ended June 30, 2014

S. No.	Particulars	Percentage
1	Optimus Markets (Private) Limited	22.65%
2	Invest Capital Markets Limited	21.12%
3	C & M Management (Private) Limited	15.05%
4	JS Global Capital Limited	13.99%
5	Vector Capital (Private) Limited	4.10%
6	KASB Securities Limited	4.05%
7	Invest One Markets Limited	3.69%
8	Invest & Finance Securities Limited	3.63%
9	BMA Capital Management Limited	2.73%
10	Global Securities Pakistan Limited	2.29%

List of top 10 brokers by percentage of commission charged during the year ended June 30, 2013

S. No.	Particulars	Percentage
1	Invest Capital Markets Limited	20.49%
2	JS Global Capital Limited	17.67%
3	C & M Management (Private) Limited	12.38%
4	Invest & Finance Securities Limited	11.31%
5	Invest One Markets Limited	9.85%
6	Icon Securities (Private) Limited	4.53%
7	KASB Securities Limited	4.31%
8	Summit Capital (Private) Limited	3.88%
9	Vector Capital (Private) Limited	3.60%
10	Optimus Markets (Private) Limited	3.11%

21 PATTERN OF UNIT HOLDING

-----As at June 30, 2014-----

Category	Number of unit holders	Number of units held	Net asset value of the amount invested	Percentage of total investment
			(Rupees '000)	
Individuals	1,201	131,855,050	1,321,795	8.59%
Associated companies / directors	6	589,394,115	5,908,499	38.38%
Insurance companies	9	95,400,243	956,348	6.21%
Bank / DFIs	4	141,428,858	1,417,769	9.20%
Retirement funds*	12	4,007,169	40,170	0.26%
Public limited companies	24	407,699,212	4,087,050	26.55%
Others	28	166,000,475	1,664,092	10.81%
	1,284	1,535,785,122	15,395,723	100.00%

* This includes 1,366,052 units of a related party.

-----As at June 30, 2013-----

Category	Number of unit holders	Number of units held	Net asset value of the amount invested	Percentage of total investment
(Rupees in '000)				
Individuals	970	114,475,720	1,145,639	8.21%
Associated companies / directors	7	559,365,417	5,597,962	40.12%
Insurance companies	10	84,841,038	849,064	6.09%
Bank / DFIs	3	75,215,923	752,738	5.39%
Retirement funds*	15	4,063,480	40,666	0.29%
Public limited companies	24	432,913,220	4,332,466	31.05%
Others	29	123,310,890	1,234,096	8.85%
	1,058	1,394,185,688	13,952,631	100.00%

* This includes 495,432 units of a related party.

22 ATTENDANCE AT THE MEETINGS OF THE BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The 32nd, 33rd, 34th, 35th, 36th and 37th Board of Directors meetings were held on August 06, 2013, October 30, 2013, December 13, 2013, January 13, 2014, February 07, 2014 and April 22, 2014 respectively. Information in respect of attendance by the directors and other persons in the meetings is given below:

S.No.	Name of Director	Number of meetings			Meetings not attended
		Held	Attended	Leave granted	
1	Sheikh Mukhtar Ahmed	6	6	-	
2	Muhammad Waseem Mukhtar	6	5	1	36th
3	Tariq Mahmood***	6	6	-	-
4	Kamran Nishat	6	5	1	34th,
5	M. Shakeb Murad	6	2	4	32nd, 34th, 36th, 37th
6	M. Jawaid Iqbal	6	4	2	33rd, 34th
7	Khawaja Muhammad Almas	6	6	-	-
8	Farid Ahmed Khan*	6	6	-	-
Other persons					
1	Saqib Matin**	6	6	-	-

* Deemed director under section 200 of the Companies Ordinance, 1984.

** Attended BOD meetings as Company Secretary.

*** Appointed as new Director of ABL Asset Management Company Limited in the 33rd meeting of the Board of Directors held on October 30, 2013.

23 FINANCIAL RISK MANAGEMENT

The Fund's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

23.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

23.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. At present, the Fund is not exposed to currency risk as its operations are geographically restricted to Pakistan and all transactions are carried out in Pak Rupees.

23.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates.

a) Sensitivity analysis for variable rate instruments

Presently, the Fund does not hold any variable rate instrument and is not exposed to cash flow interest rate risk except for balances in certain saving accounts the interest rate of which in certain circumstances is 7.00% to 10.35%.

b) Sensitivity analysis for fixed rate instruments

Fixed rates instruments held as at June 30, 2014 include market treasury bills, Pakistan investment bonds, term deposit receipts, letters of placements and investment in reverse repo transactions. The Fund's income from these investments is substantially independent of changes in market interest rates, except for changes if any as a result of fluctuation in respective fair values.

Market treasury bills and Pakistan investment bonds which are classified as financial assets at fair value through profit or loss expose the Fund to fair value interest rate risk. In case of 100 basis points increase in rates announced by the Financial Market Association on June 30, 2014, with all other variables held constant, the net income for the year and the net assets would be lower by Rs 7.063 million (2013: Rs 14.787 million). In case of 100 basis points decrease in rates announced by the Financial Market Association on June 30, 2014, with all other variables held constant, the net income for the year and the net assets would be higher by Rs 7.093 million (2013: Rs 14.644 million).

The composition of the Fund's investment portfolio and rates announced by the Financial Market Association are expected to change over time. Therefore, the sensitivity analysis prepared as of June 30, 2014 is not necessarily indicative of the effect on the Fund's net assets due to future movements in interest rates.

Yield / interest rate sensitivity position for the financial instruments recognised on the statement of assets and liabilities is based on the earlier of contractual repricing or maturity date and for off-balance sheet instruments is based on the settlement date.

Particulars	Effective yield / interest rate	As at June 30, 2014				Total
		Exposed to yield / interest risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and upto one year	More than one year		
On-balance sheet financial instruments	%	------(Rupees in '000)-----				
Financial assets						
Balances with banks	7.00-10.35	5,005,762	-	-	4	5,005,766
Investments	9.96-10.60	9,879,461	2,289,050	-	-	12,168,511
Profit receivable		-	-	-	61,792	61,792
Sub total		14,885,223	2,289,050	-	61,796	17,236,069
Financial liabilities						
Payable to ABL Asset Management Company Limited - Management Company		-	-	-	50,900	50,900
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	-	977	977
Payable against redemption of units		-	-	-	1,230	1,230
Payable against purchase of investments		-	-	-	1,658,001	1,658,001
Accrued expenses and other liabilities		-	-	-	659	659
Sub total		-	-	-	1,711,767	1,711,767
On-balance sheet gap (a)		14,885,223	2,289,050	-	(1,649,971)	15,524,302
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a+b)		14,885,223	2,289,050	-	(1,649,971)	15,524,302
Cumulative interest rate sensitivity gap		14,885,223	17,174,273	17,174,273		

Particulars	Effective yield / interest rate	As at June 30, 2013				Total
		Exposed to yield / interest risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and upto one year	More than one year		
On-balance sheet financial instruments	%	------(Rupees in '000)-----				
Financial assets						
Balances with banks	6.00-9.40	2,618,059	-	-	4	2,618,063
Investments	9.15-10.70	6,956,833	4,619,536	-	-	11,576,369
Profit receivable		-	-	-	40,827	40,827
Sub total		9,574,892	4,619,536	-	40,831	14,235,259
Financial liabilities						
Payable to ABL Asset Management Company Limited - Management Company		-	-	-	18,599	18,599
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	-	902	902
Payable against redemption of units		-	-	-	164,699	164,699
Payable against purchase of investments		-	-	-	-	-
Accrued expenses and other liabilities		-	-	-	832	832
Sub total		-	-	-	185,032	185,032
On-balance sheet gap (a)		9,574,892	4,619,536	-	(144,201)	14,050,227
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a+b)		9,574,892	4,619,536	-	(144,201)	14,050,227
Cumulative interest rate sensitivity gap		9,574,892	14,194,428	14,194,428		

23.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer or factors affecting all similar financial instruments traded in the market. At present the Fund is not exposed to price risk.

23.2 Credit risk

Credit risk represents the risk of a loss if the counter parties fail to perform as contracted. The Fund's credit risk is primarily attributable to its investments and balances with banks. The Fund does not foresee any credit risk with respect to market treasury bills and Pakistan investment bonds since these represent the interests of Government of Pakistan. The credit risk on other financial assets is limited because the counter parties are mainly financial institutions with reasonably high credit ratings. In addition, the internal risk management policies and investment guidelines (approved by Investment Committee) require the Fund to invest in debt securities that have been rated as investment grade by a well known rating agency.

23.2.1 The analysis below summarises the credit rating quality of the Fund's financial assets as at June 30, 2014:

Balances with banks by rating category

Name of the bank	Rating agency	Latest available published rating	Percentage of Bank Balance
Allied Bank Limited	PACRA	AA+	0.01%
Askari Bank Limited	PACRA	AA	0.02%
Bank Alfalah Limited	PACRA	AA	8.02%
Faysal Bank Limited	PACRA	AA	53.02%
Habib Bank Limited	JCR-VIS	AAA	29.98%
Habib Metropolitan Bank Limited	PACRA	AA+	0.01%
National Bank of Pakistan Limited	JCR-VIS	AAA	0.01%
Standard Chartered Bank Limited	PACRA	AAA	8.90%
United Bank Limited	JCR-VIS	AA+	0.03%

Term deposit receipts, letters of placements and investment in reverse repo transaction by rating category

Name of the bank/ Investee Company	Rating agency	Latest available published rating	Percentage of term deposit receipts, letters of placements and reverse repo
Bank Alfalah Limited	PACRA	AA	29.92%
Habib Bank Limited	JCR-VIS	AAA	47.88%
PAIR Investment Company Limited	PACRA	AA	5.39%
Pak Brunei Investment Company Limited	JCR - VIS	AA+	7.78%
United Bank Limited	JCR - VIS	AA+	9.03%

A portion of the investment is invested by the Fund in market treasury bills and Pakistan investment bonds which are auctioned by the State Bank of Pakistan and are available for investments / trade through secondary market.

There are no financial assets that are past due or impaired.

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is mainly held with various banks, financial institutions and securities issued by the State Bank of Pakistan on behalf of the Government of Pakistan.

23.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligation in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to daily cash redemptions at the option of unit holders. The Fund's approach to manage liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions without incurring unacceptable losses or risking damage to the Fund's reputation. The Fund's policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily realised and are considered readily realisable.

The Fund has the ability to borrow in the short term to ensure settlements. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates. However, no borrowing was obtained by the Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund has the ability to withhold daily redemption requests in excess of ten percent of units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

The table below indicated the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

Particulars	As at June 30, 2014			
	Upto three months	More than three months and upto one year	More than one year	Total
----- Rupees in '000 -----				
Liabilities				
Payable to ABL Asset Management Company Limited	49,968	-	932	50,900
Payable to the Central Depository Company of Pakistan Limited - Trustee	977	-	-	977
Accrued expenses and other liabilities	659	-	-	659
Payable against redemption of units	1,230	-	-	1,230
Payable against purchase of investments	1,658,001	-	-	1,658,001
	1,710,835	-	932	1,711,767

Particulars	As at June 30, 2013			
	Upto three months	More than three months and upto one year	More than one year	Total
----- Rupees in '000 -----				
Liabilities				
Payable to ABL Asset Management Company Limited	16,736	-	1,863	18,599
Payable to the Central Depository Company of Pakistan Limited - Trustee	902	-	-	902
Accrued expenses and other liabilities	832	-	-	832
Payable against redemption of units	164,699	-	-	164,699
	<u>183,169</u>	<u>-</u>	<u>1,863</u>	<u>185,032</u>

24 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or liability can be settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences can arise between carrying values and the fair value estimates.

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

Financial assets which are traded in an open market are revalued at the market prices prevailing on the reporting date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from the carrying values as the items are either short term in nature or periodically repriced.

International Financial Reporting Standard 7, 'Financial Instruments: Disclosure' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

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

----- As at June 30, 2014 -----			
Level 1	Level 2	Level 3	Total
----- Rupees in '000-----			
ASSETS			
Investment in securities - financial assets at fair value through profit or loss			
- Market treasury bills	- 1,773,650	-	1,773,650
- Pakistan investment bonds	- 2,040,039	-	2,040,039
	- 3,813,689	-	3,813,689

----- As at June 30, 2013 -----			
Level 1	Level 2	Level 3	Total
----- Rupees in '000-----			
ASSETS			
Investment in securities - financial assets at fair value through profit or loss			
- Market treasury bills	- 4,709,994	-	4,709,994
- Pakistan investment bonds	- 926,375	-	926,375
	- 5,636,369	-	5,636,369

25 UNIT HOLDER'S FUND RISK MANAGEMENT

The unit holder's fund is represented by redeemable units. The unit holders of the Fund are entitled to distributions and to payment of a proportionate share based on the Fund's previous day net asset value per unit as of the close of the business day less any back end load, provision for transaction costs and any provision for duty and charge, if applicable. The relevant movements are shown on the statement of movement in unit holders' fund.

The Fund has no restrictions or specific capital requirements on the subscription and redemption of units.

The Fund's objectives when managing capital are to safeguard its ability to continue as a going concern so that it can continue to provide returns for unit holders and to maintain a strong base to meet unexpected losses or opportunities.

The Fund's objectives when managing funds received are to safeguard its ability to continue as a going concern so that it can continue to provide returns to unit holders and to maintain a strong base to meet unexpected losses or opportunities.

In accordance with the risk management policies, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption requests. Such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

As required under the NBFC Regulations, every open end scheme shall maintain minimum fund size (i.e. net assets of the Fund) of Rs. 100 million at all times during the life of scheme. The Fund has maintained and complied with the requirements of minimum fund size during the year.

26 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 26, 2014 by the Board of Directors of the Management Company.

27 GENERAL

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

27.2 Corresponding figures have been rearranged or reclassified, where necessary, for the purpose of better presentation. No significant rearrangements or reclassifications were made in these financial statements.


FARID AHMED KHAN
CEO

For ABL Asset Management Company Limited
(Management Company)


SHAKEB MURAD
DIRECTOR