



# CONDENSED INTERIM FINANCIAL STATEMENT

FIRST QUARTER REPORT FOR THE PERIOD  
ENDED SEPTEMBER 30, 2013



**ABL Asset Management**

Discover the potential  
RATED AM2 (JCR-VIS)

(A wholly owned subsidiary of Allied Bank Ltd.)

# CONTENTS

<b>FUND'S INFORMATION</b>	<b>01</b>
<b>REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY</b>	<b>02</b>
<b>CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES</b>	<b>04</b>
<b>CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)</b>	<b>05</b>
<b>CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED)</b>	<b>06</b>
<b>CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)</b>	<b>07</b>
<b>CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)</b>	<b>08</b>
<b>NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENT (UNAUDITED)</b>	<b>09</b>

## FUND'S INFORMATION

<b>Management Company:</b>	ABL Asset Management Company Limited 11 - B, Lalazar M. T. Khan Road, Karachi.	
<b>Board of Directors</b>	Sheikh Mukhtar Ahmed	Chairman
	Mr. Tariq Mahmood	
	Mr. Muhammad Waseem Mukhtar	
	Mr. Kamran Nishat	
	Mr. M. Shakeb Murad	
	Mr. M. Jawaid Iqbal	
	Mr. Khawaja Muhammad Almas	
	Mr. Farid Ahmed Khan	CEO
<b>Audit Committee:</b>	Mr. Kamran Nishat	Chairman
	Mr. Muhammad Waseem Mukhtar	Member
	Mr. Khawaja Muhammad Almas	Member
<b>Human Resource Committee:</b>	Mr. Jawaid Iqbal	Chairman
	Mr. Kamran Nishat	Member
	Mr. Farid Ahmed Khan	Member
<b>Chief Executive Officer of The Management Company:</b>	Mr. Farid Ahmed Khan	
<b>Chief Financial Officer &amp; Company Secretary:</b>	Mr. Saqib Matin	
<b>Chief Internal Auditor:</b>	Mr. Mubeen Ashraf Bhimani	
<b>Trustee:</b>	Central Depository Company of Pakistan Ltd. CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi - 74400	
<b>Bankers to the fund:</b>	Allied Bank Limited Bank Al- Falah Limited Standard Chartered Bank Pakistan Limited	
<b>Auditor:</b>	A.F. Ferguson & Co Chartered Accountants State Life Building No. 1-C I.I. Chundrigar Road, Karachi.	
<b>Legal Advisor:</b>	Bawany & Partners Room No. 404, 4th Floor Beaumont Plaza, 6 - C1 - 10, Beaumont Road, Civil Lines, Karachi.	
<b>Registrar:</b>	ABL Asset Management Company Limited. 11 - B, Lalazar, M. T. Khan Road, Karachi.	

## REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

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

### ECONOMIC PERFORMANCE REVIEW

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

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

### MUTUAL FUND INDUSTRY REVIEW

The fixed income segment of the mutual fund industry showed a modest growth of 1.10% from Rs.233 billion in June 2013 to Rs.236 billion in September 2013. AUMs of the money market fund category improved by 5.16% to Rs.131 billion in September 2013 from Rs.124 billion in June 2013. As the SBP reversed its monetary stance after a prolonged spell of declining interest rate regime, investors opted for low duration money market funds to fend off valuation adjustments on longer duration funds. Under the prevailing conditions, investor bias towards money market funds is likely to intensify till such time that interest rate settles.

### FUND PERFORMANCE

Despite high interest rate volatility in the market, ABL Cash Fund delivered stable and competitive return of 7.44%p.a. vs. benchmark return of 6.05%. In 1QFY14, ABL CF outperformed its benchmark by 139 bps due to active management and timely reallocation of our exposure in government securities. During the quarter, the unit price of ABL CF increased by 1.94% to close at 10.1940 (cum dividend). Due to consistent performance during the period, fund size of ABL CF increased significantly by 16.49% to close at Rs.16,253 million.

At the end of the period, T-Bill exposure remained tilted towards the short end of the yield curve. As a result, weighted average maturity of the portfolio was kept at 46 days. At quarter end, treasury bills, TDRs, cash balances and M/M placements constituted 54.99%, 22.83%, 14.79% and 6.91% of the fund respectively.

## OUTLOOK

With Pakistan's entrance into the IMF Extended Finance Facility during the period, stringent measures to ensure fiscal discipline have to be implemented. As inflation resurges, interest rates are poised to increase and investor's bias towards money market funds is expected to remain strong.

Given the current scenario, ABL-CF will maintain a low duration portfolio to minimize return volatility till such time that inflationary pressures ease off. Furthermore, we will continue to focus on trading opportunities in order to add value for our investors. Primary investments will remain in short maturity T-bills along with money market placements with good quality counters.

## DIVIDEND

Interim dividend of Rs.0.0592 per unit (0.59% of the par value of Rs.10) for the month ending September 30, 2013 has been announced. This is in addition to the aggregate interim distribution of Rs.0.1277 per unit (1.27% on the face value of Rs.10 per unit) already distributed.

## AUDITORS

M/s. A.F. Fergusons & Co. (Chartered Accountants), have been appointed as auditors for the year ending June 30, 2014 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

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

## ACKNOWLEDGEMENT

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

For and on behalf of the Board



**FARID AHMED KHAN**

Chief Executive Officer

Karachi, October 30, 2013

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

	Note	(Unaudited) September 30, 2013	(Audited) June 30, 2013
----- (Rupees in '000) -----			
<b>ASSETS</b>			
Balances with banks	4	2,429,072	2,618,063
Investments	5	13,918,031	11,576,369
Profit receivables		76,930	40,827
Prepayments		229	100
Preliminary expenses and floatation costs		1,702	1,937
<b>Total assets</b>		<b>16,425,964</b>	<b>14,237,296</b>
<b>LIABILITIES</b>			
Payable to ABL Asset Management Company Limited - Management Company		25,226	18,410
Payable to the Central Depository Company of Pakistan Limited - Trustee		963	902
Payable to the Securities and Exchange Commission of Pakistan		2,875	8,680
Payable against redemption of units		44,603	164,699
Accrued expenses and other liabilities	6	98,474	91,974
Dividend payable		3	-
<b>Total liabilities</b>		<b>172,144</b>	<b>284,665</b>
<b>NET ASSETS</b>		<b>16,253,820</b>	<b>13,952,631</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>16,253,820</b>	<b>13,952,631</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
----- (Number of units'000) -----			
<b>NUMBER OF UNITS IN ISSUE</b>		<b>1,624,236</b>	<b>1,394,186</b>
----- (Rupees) -----			
<b>NET ASSETS VALUE PER UNIT</b>		<b>10.0071</b>	<b>10.0077</b>
<b>FACE VALUE PER UNIT</b>		<b>10.0000</b>	<b>10.0000</b>

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

  
**FARID AHMED KHAN**  
 CEO

For ABL Asset Management Company Limited  
 (Management Company)

  
**KAMRAN NISHAT**  
 DIRECTOR

**ABL CASH FUND**  
**CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2013**

	Note	Quarter ended	
		2013	2012
		September 30,	
		(Rupees in '000)	
<b>INCOME</b>			
Capital (loss) / gain on sale of government securities - net		(3,820)	17,100
Income from government securities		223,171	261,036
Income from term deposit receipts		65,973	35,645
Income from letters of placements		26,550	2,428
Income from reverse repurchase transactions		1,515	-
Income from sukuk		379	-
Profit on deposits with banks		34,545	19,074
		<u>348,313</u>	<u>335,283</u>
Unrealised appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss - net		551	6,730
Total income		<u>348,864</u>	<u>342,013</u>
<b>EXPENSES</b>			
Remuneration of ABL Asset Management Company Limited - Management Company		39,469	34,900
Sindh Sales Tax on Remuneration of Management Company		6,315	5,586
Federal Excise Duty on remuneration of Management Company		6,315	-
Remuneration of Central Depository Company of Pakistan Limited - Trustee		2,867	2,358
Annual fee - Securities and Exchange Commission of Pakistan		2,875	2,094
Brokerage and securities transaction costs		747	390
Bank charges		87	87
Auditors' remuneration		92	80
Legal & professional charges		8	-
Amortization of preliminary expenses and floatation costs		235	232
Printing charges		50	50
Listing fee		13	7
Annual rating fee		46	40
Other expenses		1,011	-
<b>Total operating expenses</b>		<u>60,130</u>	<u>45,824</u>
<b>Net income from operating activities</b>		<u>288,734</u>	<u>296,189</u>
Element of income/ (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net		2,562	(69,620)
Provision for Workers Welfare Fund	6.1	(5,826)	(4,531)
<b>Net income before taxation</b>		<u>285,470</u>	<u>222,038</u>
Taxation		-	-
<b>Net income after taxation</b>		<u>285,470</u>	<u>222,038</u>
Other comprehensive income for the period		-	-
<b>Total comprehensive income</b>		<u>285,470</u>	<u>222,038</u>
<b>Earnings per unit</b>	10		

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

For ABL Asset Management Company Limited  
(Management Company)

  
FARID AHMED KHAN  
CEO

  
KAMRAN NISHAT  
DIRECTOR

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

	<b>Quarter ended</b>	
	<b>September 30,</b>	
	<b>2013</b>	<b>2012</b>
	<b>----- (Rupees in '000) -----</b>	
<b>Undistributed income brought forward comprising of:</b>		
- Realised income	6,436	42,378
- Unrealised income / (loss)	4,336	(1,971)
	<u>10,772</u>	<u>40,407</u>
<b>Interim distribution:</b>		
- Re 0.0688 per unit on July 30, 2013 (2012: Nil)		
Cash distribution	-	-
Issue of 10,200,129 bonus units (2012: Nil)	(102,001)	-
- Re 0.0589 per unit on August 28, 2013 (2012: Re 0.2105 per unit on August 29, 2012)		
Cash distribution	-	(3,077)
Issue of 8,891,298 bonus units (2012: 17,857,703 units)	(88,913)	(178,577)
<b>Interim distribution:</b>		
- Re 0.0592 per unit on September 26, 2013 (2012: Re 0.0587 per unit on September 24, 2012)		
Cash distribution	(3)	(858)
Issue of 9,386,134 bonus units (2012: 5,799,995 units)	(93,861)	(58,000)
<b>Net income for the period</b>	285,470	222,038
<b>Undistributed income carried forward</b>	<u>11,464</u>	<u>21,933</u>
<b>Undistributed income comprising:</b>		
Realised income	10,913	15,203
Unrealised income	551	6,730
	<u>11,464</u>	<u>21,933</u>

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

  
**FARID AHMED KHAN**  
 CEO

For ABL Asset Management Company Limited  
 (Management Company)

  
**KAMRAN NISHAT**  
 DIRECTOR



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

	<b>Quarter ended</b>	
	<b>September 30,</b>	
	<b>2013</b>	<b>2012</b>
	<b>----- (Rupees in '000) -----</b>	
Net Assets at the beginning of the period	13,952,631	16,385,230
Issue of 471,119,100 units ( 2012: 1,576,727,007)	4,722,929	15,793,589
Redemption of 269,546,418 units ( 2012: 2,332,991,056)	(2,704,645)	(23,425,843)
	<b>2,018,284</b>	<b>(7,632,254)</b>
Issue of bonus units		
- Interim distribution 28,477,561 units (2012: 23,657,698)	284,775	236,577
Net element of (income)/ loss and capital (gains) / losses included in prices of units issued less those in units redeemed		
- amount representing (income) / loss and capital (gains)/ losses - transferred to Income Statement	(2,562)	69,620
Other net income for the period	288,739	198,208
Capital gain on sale of investments	(3,820)	17,100
Unrealised appreciation on re-measurement of investments at fair value through profit or loss - net	551	6,730
	<b>285,470</b>	<b>222,038</b>
<b>Distribution during the period</b>		
- Re 0.0688 per unit on July 30, 2013 (2012: Nil)		
Cash distribution	-	-
Issue of 10,200,129 bonus units (2012: Nil)	(102,001)	-
- Re 0.0589 per unit on August 28, 2013 (2012: Re 0.2105 per unit on August 29, 2012)		
Cash distribution	-	(3,077)
Issue of 8,891,298 bonus units (2012: 17,857,703 units)	(88,913)	(178,577)
- Re 0.0592 per unit on September 26, 2013 (2012: Re 0.0587 per unit on September 24, 2012)		
Cash distribution	(3)	(858)
Issue of 9,386,134 bonus units (2012: 5,799,995 units)	(93,861)	(58,000)
	<b>(284,778)</b>	<b>(240,512)</b>
<b>Net assets as at the end of the period</b>	<b>16,253,820</b>	<b>9,040,699</b>

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

  
**FARID AHMED KHAN**  
 CEO

For ABL Asset Management Company Limited  
 (Management Company)

  
**KAMRAN NISHAT**  
 DIRECTOR

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

	<b>Quarter ended</b>	
	<b>September 30,</b>	
	<b>2013</b>	<b>2012</b>
<b>Note</b>	<b>----- (Rupees in '000) -----</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	285,470	222,038
<b>Adjustment for non-cash charges and other items;</b>		
Amortisation of preliminary expenses and floatation costs	235	232
Unrealised appreciation on re-measurement of investments classified as "financial assets at fair value through profit or loss"	(551)	(6,730)
Provision for Workers' Welfare Fund	5,826	-
Federal Excise duty on remuneration of Management Company	6,315	-
Net element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed	<u>(2,562)</u>	<u>69,620</u>
	294,733	285,160
<b>(Increase)/ decrease in assets</b>		
Investments	(1,946,111)	7,128,565
Profit receivables	(36,103)	8,572
Prepayment	(129)	(158)
Receivable from broker against sale of Investments	-	(872,376)
	(1,982,343)	6,264,603
<b>Increase/ (decrease) in liabilities</b>		
Payable to Management Company	6,816	(9,607)
Payable to Trustee	61	(461)
Payable to Securities and Exchange Commission of Pakistan	(5,805)	(14,894)
Accrued expenses and other liabilities	(5,641)	4,550
	(4,569)	(20,412)
<b>Net cash (used in) / generated from operating activities</b>	<u>(1,692,179)</u>	<u>6,529,351</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash distribution	-	(3,935)
Receipts from issuance of units	4,722,929	15,793,589
Payments against redemption of units	(2,824,741)	(23,416,398)
<b>Net cash generated from / (used in) financing activities</b>	<u>1,898,188</u>	<u>(7,626,744)</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<u>206,009</u>	<u>(1,097,393)</u>
Cash and cash equivalents at the beginning of the period	7,108,063	3,549,772
<b>Cash and cash equivalents at the end of the period</b>	<u>4.2</u> <u>7,314,072</u>	<u>2,452,379</u>

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

For ABL Asset Management Company Limited  
(Management Company)

  
FARID AHMED KHAN  
CEO

  
KAMRAN NISHAT  
DIRECTOR

**ABL CASH FUND**  
**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENT (UNAUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2013**

**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, 2003 through a certificate issued by the 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 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 Securities and Exchange Commission of Pakistan 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, other 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 January 17, 2013.

The assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as trustee of the Fund.

**2 BASIS OF PREPARATION**

**2.1 Statement of compliance**

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. The approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), the Non-Banking Finance and Notified Entities Regulations, 2008 (the NBFC Regulations) and the directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of International Accounting Standard 34: 'Interim Financial Reporting'. These condensed interim financial statements does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published financial statements of the Fund for the year ended June 30, 2013.

**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

The preparation of these condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

The significant judgments made by management in applying the accounting policies and the key sources of estimation of uncertainty were the same as those that applied to the financial statements as at and for the year ended June 30, 2013.

The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Fund for the year ended June 30, 2013.

(Unaudited)                      (Audited)  
September 30,                      June 30,  
2013                                      2013  
----- (Rupees in '000) -----

**4 BANK BALANCES**

Current accounts	4	4	
Saving accounts		2,429,068	2,618,059
	4.1	2,429,072	2,618,063

4.1 These saving accounts carrying mark-up at rates ranging from 6.00% to 9.6% (June 30, 2013: 6.00% to 9.40%) per annum. Deposits in savings accounts include Rs. 149,267,811 (June 30, 2013: Rs. 744,658,201) maintained with Allied Bank Limited, a related party.

**4.2 CASH AND CASH EQUIVALENTS**

Balances with banks		2,429,072	2,618,063
Term deposit receipts		3,750,000	3,415,000
Letter of Placements		1,135,000	1,075,000
		7,314,072	7,108,063

**5 INVESTMENTS****Financial assets 'at fair value through profit or loss'**

## Government Securities

- Market treasury bills

- Pakistan investment bonds

Sukuk

5.1

9,033,031		4,709,994	
-		926,375	
-		100,000	
		9,033,031	5,736,369
		4,885,000	5,840,000
		13,918,031	11,576,369

## Loans and receivables

**5.1 Market Treasury Bills**

Issue date	Tenor	Face Value				Balance as at September 30, 2013			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 01, 2013	Purchased during the period	Disposed / matured during the period	As at September 30, 2013	Carrying value	Market value	Appreciation/ (diminution)		
(Rupees in '000)										
02-May-13	3 Months	397,200	1,700,000	2,097,200	-	-	-	-	-	-
30-May-13	3 Months	500	-	500	-	-	-	-	-	-
July 12, 2013	3 Months	-	10,156,900	9,788,805	368,095	367,901	367,904	3	2.26	2.64
July 25, 2013	3 Months	-	1,000,000	1,000,000	-	-	-	-	-	-
August 7, 2013	3 Months	-	1,689,500	1,689,500	-	-	-	-	-	-
September 19, 2013	3 Months	-	9,954,100	2,385,000	7,569,100	7,432,698	7,434,045	1,347	45.74	53.41
		397,700	24,500,500	16,961,005	7,937,195	7,800,599	7,801,949	1,350		
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	594,000	501,225	500,965	500,966	1	3.08	3.60
May 2, 2013	6 Months	395,000	-	380,000	15,000	14,905	14,888	(17)	-	-
May 30, 2013	6 Months	1,250,000	1,550,000	2,800,000	-	-	-	-	-	-
June 13, 2013	6 Months	1,691,000	250,000	1,778,450	162,550	159,887	159,650	(237)	0.98	1.15
June 27, 2013	6 Months	-	100	100	-	-	-	-	-	-
July 12, 2013	6 Months	-	1,000,000	800,000	200,000	194,997	195,015	18	1.20	1.40
July 25, 2013	6 Months	-	2,600,000	2,277,070	322,930	314,270	313,758	(512)	1.93	2.25
		3,766,851	8,329,825	10,894,971	1,201,705	1,185,024	1,184,277	(747)		
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	5,136	5,134	(2)	0.03	0.04
November 1, 2012	12 Months	40,000	500	-	40,500	40,249	40,198	(51)	0.25	0.29
November 15, 2012	12 Months	-	250,000	250,000	-	-	-	-	-	-
December 13, 2012	12 Months	-	1,500	-	1,500	1,472	1,473	1	0.01	0.01
		676,500	10,914,685	11,544,030	47,155	46,857	46,805	(52)		
Total - September 30, 2013		4,841,051	43,745,010	39,400,006	9,186,055	9,032,480	9,033,031	551		

		(Unaudited) September 30, 2013	(Audited) June 30, 2013
		(Rupees in '000)	
<b>5.2</b>	<b>Net unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss</b>	<b>Note</b>	
	Market value of securities	9,033,031	5,736,369
	Less: carrying value of securities	(9,032,480)	(5,732,033)
		<u>551</u>	<u>4,336</u>
<b>5.3</b>	<b>Loans and receivables</b>		
	Term Deposit Receipts	5.3.1	3,750,000
	Letter of Placement	5.3.2	1,135,000
			<u>4,885,000</u>
			<u>5,840,000</u>

**5.3.1** Term Deposit Receipts carry mark-up at rate ranging from 9.50% to 9.70% per annum (June 30, 2013: 9.5% to 9.95% per annum) and maturities ranging from October 10, 2013 to December 11, 2013 (June 30, 2013: July 5, 2013 to December 11, 2013).

**5.3.2** Letter of Placement carry mark- up at rate ranging from 8.75% to 9.25% per annum (June 30, 2013: 9.45% to 9.90% per annum) and maturity ranging from October 3, 2013 to October 24, 2013 (June 30, 2013: July 8, 2013 to September 23, 2013).

		(Unaudited) September 30, 2013	(Audited) June 30, 2013
		(Rupees in '000)	
<b>6</b>	<b>ACCRUED EXPENSES AND OTHER LIABILITIES</b>	<b>Note</b>	
	Auditors' remuneration	378	286
	Brokerage payable	278	381
	Printing charges	216	165
	Withholding taxes	144	520
	Provision for Workers' Welfare Fund	6.1	96,259
	Other payable	1,199	189
		<u>98,474</u>	<u>91,974</u>

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

During the year ended June 30, 2011, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) on July 8, 2010 which stated that mutual funds are not liable to contribute to WWF on the basis of their income. However on December 14, 2010 the Ministry filed its response against the Constitutional petition requesting the court to dismiss the petition. According to the legal counsel who is handling the case, there is a contradiction between the aforementioned clarification issued by the Ministry and the response filed by the Ministry in Court.

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 Sindh High Court (SHC) passed an order declaring that the amendments introduced in the WWF Ordinance, 1971 through the Finance Act 2006 and 2008 respectively 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. 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 96.259 million (including Rs 5.826 million for the current period) in these financial statements. Had the same not been made the net asset value per unit of the Fund would have been higher by Rs 0.0593 per unit.

**7 CONTINGENCIES AND COMMITMENTS**

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

## 8 PROVISION FOR FEDERAL EXCISE DUTY

As per the requirement of the Finance Act 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Management Company has been applied effective June 13, 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED may result in double taxation, which does not appear to be the spirit of the law. The matter has been taken up collectively by the Mutual Fund Association of Pakistan where various options are being considered. During the period, the Honourable High Court Sindh in a Constitutional petition relating to levy of Federal Excise Duty (FED) on Mutual Fund has granted stay order for the recovery of Federal Excise Duty (FED). As a matter of abundant caution, the Management Company has made a provision with effect from June 13, 2013, aggregating to Rs. 7,494,933.

## 9 TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Further, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than unrealized capital gains to the unit holders. The management intends to distribute at least 90% of the Fund's net accounting income earned by the year end to the unit holders. Accordingly, no provision in respect of taxation has been made in these condensed interim financial statements.

## 10 EARNINGS PER UNIT

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

## 11 TRANSACTIONS WITH CONNECTED PERSONS

### 11.1 Details of transactions with connected persons are as follows:

	(Unaudited) Quarter ended	
	2013	2012
	—(Rupees in '000)—	
<b>ABL Asset Management Company Limited</b>		
<b>- Management Company</b>		
Issue of 4,476,510 units (2012: 9,744,784 units)	44,828	98,000
Bonus of 464,995 units (2012: 658,655 units)	4,650	6,587
Redemption of 300,000 units (2012: 5,701,889 units)	3,000	57,500
Remuneration for the period	39,469	34,900
Sindh sales tax on remuneration of Management Company	6,315	5,586
Federal Excise Duty on remuneration of Management Company	6,315	-
<b>Allied Bank Limited</b>		
Issue of Nil units (2012: 1,099,659,106 units)	-	11,000,000
Redemption of Nil units (2012: 1,625,710,532 units)	-	16,303,992
Bonus of 9,591,835 units (2012: Nil units)	95,918	-
Markup income	15,718	606
Bank charges	23	15
<b>Cyan Limited</b>		
Issue of 27,268,046 units (2012: 4,962,430 units)	273,000	50,090
Bonus of 174,885 units (2012: Nil units)	1,749	-
Redemption of 26,951,301 units (2012: 4,962,430 units)	70,000	50,317
<b>Cyan Limited - Employees provident Fund</b>		
Issue of 170,645 units (2012: Nil units)	1,713	-
Bonus of 11,006 units (2012: 1,440 units)	110	14
<b>CFA Association of Pakistan</b>		
Issue of 149,335 units (2012: Nil units)	1,500	-
Bonus of 1,898 units (2012: 272 units)	19	3
Redemption of Nil units (2012: 12,426 units)	-	125

(Unaudited)  
**Quarter ended**  
**September 30,**  
**2013**      **2012**  
 ----(Rupees in '000)----

**DIRECTORS OF THE MANAGEMENT COMPANY**

**Muhammad Waseem Mukhtar**

Issuance of 59,666 units (2012: Nil)	600	-
Bonus of 16,155 units (2012: 14,915 units)	162	149

**Muhammad Javaid Iqbal**

Bonus of 1,328 units (2012: 1,747 units)	13	174
--	----	-----

**KEY MANAGEMENT PERSONNEL**

**Chief Executive Officer**

Bonus of 10,718 units (2012: 24,776 units)	107	248
Redemption of 229,317 units (2012: 99,601 units)	2,300	1,000

**Executives**

Issue of Nil units (2012: 12,403 units)	-	125
Bonus of Nil units (2012: 395 units)	-	4
Redemption of Nil units (2012: 12,527 units)	-	126

**TRUSTEE**

**Central Depository Company of Pakistan Limited**

Remuneration for the period	2,867	2,358
-----------------------------	-------	-------

(Unaudited)      (Audited)  
**September 30,**      **June 30,**  
**2013**      **2013**  
 ----(Rupees in '000)----

**11.2 Amounts outstanding as at quarter / year end**

**ABL Asset Management Company Limited - Management Company**

Outstanding 26,641,913 units (June 30 2012: 20,591,709 units)	266,608	220,173
Preliminary expenses and floatation costs payable	1,862	2,794
Remuneration payable to management company	13,680	12,446
Sindh sales tax on Management Company's remuneration	2,189	1,991
Federal Excise Duty on remuneration OF Management Company	7,495	1,179

**Allied Bank Limited**

Outstanding 519,623,220 units (June 30 2012: 526,051,426)	5,199,922	5,104,241
Balances with banks	149,268	744,658
Profit accrued on bank deposits	5,373	2,320
Profit accrued on term deposit receipts	38,299	5,973
Term Deposit Receipts	1,350,000	1,350,000

**Cyan Limited**

Outstanding 26,306,330 units (June 30 2012: 25,814,701 units)	263,250	258,346
---	---------	---------

**Cyan Limited - Employees Provident Fund**

Outstanding 677,082 units (June 30 2012: 495,432 units)	6,776	4,958
---	-------	-------

**CFA Association of Pakistan**

Outstanding 158,083 units (June 30 2012: 6,850 units)	1,582	69
---	-------	----

**Central Depository Company of Pakistan Limited - Trustee**

Remuneration and CDC connection fee payable	963	902
---	-----	-----

(Unaudited) September 30, 2013	(Audited) June 30, 2013
----- (Rupees in '000) -----	

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

Outstanding 875,172 units (June 30, 2012: 799,351 units)

8,758

8,000

**Mr. Muhammad Javaid Iqbal**

Outstanding 71,935 units (June 30, 2012: 70,607 units)

720

707

**KEY MANAGEMENT PERSONNEL****Chief Executive Officer**

Outstanding 423,516 units (June 30, 2012: 642,114 units)

4,238

6,426

**12 GENERAL****12.1** Figures have been rounded off to the nearest thousand rupees.**12.2** Certain prior period's figures have been reclassified / re-arranged for the purpose of comparison. However, there were no material reclassification to report.**13 DATE OF AUTHORISATION FOR ISSUE**

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

For ABL Asset Management Company Limited  
(Management Company)


FARID AHMED KHAN  
CEO



KAMRAN NISHAT  
DIRECTOR





**ABL Asset Management**

Discover the potential  
RATED AM2 (JCR-VIS)

(A wholly owned subsidiary of Allied Bank Ltd.)

**For details:**

Visit [www.ablamc.com](http://www.ablamc.com)

Or Call 0800 22526 Or visit any Allied Bank Branch

**Follow us on:**



ABLAssetManagement



ablamcl

Address: 11-B, Lalazar, M.T Khan Road, Karachi.

Phone: Toll-Free Helpline 0800-ABL -AM(225-26) UAN: 021-111-225-262

Fax: 021-99207409, 021-99207407