

CONDENSED INTERIM FINANCIAL STATEMENT

FIRST QUARTER REPORT FOR THE PERIOD
ENDED SEPTEMBER 30, 2013



CONTENTS

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

FUND'S INFORMATION

Management Company:	ABL Asset Management Company Limited 11 - B, Lalazar M. T. Khan Road, Karachi.	
Board of Directors	Sheikh Mukhtar Ahmed Mr. Tariq Mahmood Mr. Muhammad Waseem Mukhtar Mr. Kamran Nishat Mr. M. Shakeb Murad Mr. M. Jawaid Iqbal Mr. Khawaja Muhammad Almas Mr. Farid Ahmed Khan	Chairman CEO
Audit Committee:	Mr. Kamran Nishat Mr. Muhammad Waseem Mukhtar Mr. Khawaja Muhammad Almas	Chairman Member Member
Human Resource Committee:	Mr. Jawaid Iqbal Mr. Kamran Nishat Mr. Farid Ahmed Khan	Chairman Member Member
Chief Executive Officer of The Management Company:	Mr. Farid Ahmed Khan	
Chief Financial Officer & Company Secretary:	Mr. Saqib Matin	
Chief Internal Auditor:	Mr. Mubeen Ashraf Bhimani	
Trustee:	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:	Bawany & Partners Room No. 404, 4th Floor Beaumont Plaza, 6 - C1 - 10, Beaumont Road, Civil Lines, Karachi.	
Registrar:	ABL Asset Management Company Limited. 11 - B, Lalazar, M. T. Khan Road, Karachi.	



REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of ABL Asset Management Company Limited, the management company of ABL Government Securities Fund (ABL-GSF), is pleased to present the un-audited Condensed Interim Financial Statements of ABL-GSF 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 income fund category fell by 6.51% to Rs.52 billion in September 2013 from Rs.55 billion in June 2013. The decline is attributable to the reversal in monetary policy direction after a prolonged spell of declining interest rate regime which forced investors to redeem from high duration investments during the quarter. As a result, money moved from higher duration income funds to lower duration money market funds.

FUND PERFORMANCE

During the quarter under review, ABL Government Securities delivered a return of 5.03% p.a. vs. the benchmark return of 8.30%. ABL GSF underperformed its benchmark by 327 bps due to substantial valuation mark downs on government securities owing to unanticipated Discount Rate hike by State Bank of Pakistan in its last monetary policy statement. During the quarter, the unit price of ABL GSF Class B increased by 1.358% to close at 10.1358 (cum dividend). Fund size decreased by 15.20% to close at Rs.1,559 million due to conversion to money market funds and redemptions at quarter end.

Keeping in view the volatile interest rate outlook, we have decreased the WAM of the portfolio to 278 days. At the end of the period, investment in government securities stood at 71.33% (treasury bills - 59.67% & PIBs - 11.66%) of assets whereas term deposits and cash holdings in banks accounted for 20.76% and 6.62% of total assets respectively.

OUTLOOK

We expect market to remain volatile in the short run due to high inflation expectations on account of sharp Rupee devaluation, hike in power tariff and increase in oil prices. With Pakistan's entrance into the IMF Extended Finance Facility during the period, stringent measures to ensure fiscal discipline have to be implemented. Going forward, we see testing time for economic managers as they need to take stringent steps in the short-term to address macro imbalances.

Going forward, ABL GSF will further reduce its duration in order to curtail volatility and give due consideration to liquidity and interest rate risk. Furthermore, we expect pressure on interest rates to remain on the higher side due to uncertain macroeconomic conditions. Hence, during 2QFY14 we will focus more on short end of the yield curve and will seek to beat the benchmark through active management.

DIVIDEND

Interim dividend of Rs.0.0286 per unit (0.29% of the par value of Rs.10) for Class B units, for the month ending September 30, 2013 has been announced. This is in addition to the aggregate interim distribution of Re.0.1034 per unit (1.03% 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 Government Securities Fund (ABL-GSF).

FUND STABILITY RATING

JCR-VIS Credit Rating Company Ltd. (JCR-VIS) on January 17, 2013, has reaffirmed the Fund Stability Rating of 'A+ (f)' (Single A plus (f)) to ABL Government Securities Fund (ABL-GSF).

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 GOVERNMENT SECURITIES FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT SEPTEMBER 30, 2013**

		September 30, 2013	June 30, 2013
	Note	-----Rupees in '000-----	
		(Unaudited)	(Audited)
ASSETS			
Balances with banks	4	111,554	847,333
Investments	5	1,552,597	1,124,459
Profit receivable		18,751	11,850
Prepayments		40	2
Preliminary expenses and floatation costs		3,162	3,414
Total assets		1,686,104	1,987,058
LIABILITIES			
Payable to ABL Asset Management Company Limited-Management Company		7,647	6,152
Payable to the Central Depository Company of Pakistan Limited - Trustee		169	164
Payable to the Securities and Exchange Commission of Pakistan		416	23,209
Accrued expenses and other liabilities	6	117,975	117,165
Payable against redemption of units		120	936
Total liabilities		126,327	147,626
NET ASSETS		1,559,777	1,839,432
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		1,559,777	1,839,432
CONTINGENCIES AND COMMITMENTS			
	7		
		-----Number of units-----	
NUMBER OF UNITS IN ISSUE		155,919,127	183,768,426
		----- (Rupees) -----	
NET ASSETS VALUE PER UNIT		10.0038	10.0095
FACE VALUE PER UNIT		10.0000	10.0000

The annexed notes 1 to 14 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 GOVERNMENT SECURITIES FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2013**

Note	For the quarter ended September 30, 2013	For the quarter ended September 30, 2012
	Rupees in '000	
INCOME		
Capital (loss) / gain on sale of government securities - net	(10,232)	298,100
Income from government securities	39,668	1,299,021
Income from term deposit receipts	7,215	15,485
Income from letters of placements	1,013	3,891
Income from reverse repurchase transactions	-	234
Income from sukuk	-	135,240
Profit on deposits with banks	6,917	13,289
	44,581	1,765,260
Unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss - net	(4,504)	38
Total Income	40,077	1,765,298
EXPENSES		
Remuneration of ABL Asset Management Company Limited - Management Company	6,932	33,864
Sindh Sales Tax on Management Company's Remuneration	1,110	5,418
Federal Excise Duty on remuneration of Management Company	1,110	-
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	605	9,763
Annual fee - Securities and Exchange Commission of Pakistan	416	9,577
Brokerage and securities transaction costs	173	1,627
Bank charges	98	131
Auditors' remuneration	85	74
Amortization of preliminary expenses and floatation costs	252	252
Printing charges	38	38
Listing fee	13	8
Rating fee	47	45
Other expenses	176	-
Total operating expenses	11,055	60,797
Net income from operating activities	29,022	1,704,501
Element of (loss) / income and capital (losses) / gains included in prices of units issued less those in units redeemed - net	(1,140)	490,758
Provision for Workers' Welfare Fund	(558)	(43,906)
Net income for the period before taxation	27,324	2,151,353
Taxation	-	-
Net income for the period after taxation	27,324	2,151,353
Other comprehensive income for the period	-	-
Total comprehensive income for the period	27,324	2,151,353

The annexed notes 1 to 14 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 GOVERNMENT SECURITIES FUND
CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2013**

	For the quarter ended September 30, 2013	For the quarter ended September 30, 2012
	-----Rupees in '000-----	
Undistributed Income / (loss) brought forward comprising of:		
- realised income	286	101,361
- unrealised income / (loss)	1,337	(6,218)
	<u>1,623</u>	<u>95,143</u>
Interim distribution:		
Class -B Re 0.0580 per unit on July 30, 2013		
Cash distribution	-	-
Issue of 1,533,506 bonus units	(15,335)	-
Interim distribution:		
Class -B Re 0.0454 per unit on August 29, 2013		
(2012: Class -A units Re 0.2561 per unit on August 29, 2012)		
(2012: Class -B units Re 0.2340 per unit on August 29, 2012)		
Cash distribution	-	(1,879,554)
Issue of 857,417 bonus units(2012: 1,546,993)	(8,574)	(15,470)
Interim distribution:		
-Class -B units Re 0.0286 per unit on September 27, 2013		
(2012: Class -A units Re 0.0701 per unit on September 24, 2012)		
(2012: Class -B units Re 0.0626 per unit on September 24, 2012)		
Cash distribution	-	(339,593)
Issue of 457,525 bonus units(2012: 385,801)	(4,575)	(3,858)
Net income for the period	27,324	2,151,353
Undistributed income carried forward	<u><u>463</u></u>	<u><u>8,021</u></u>
Undistributed income / (loss) carried forward comprising of:		
- realised income	4,967	7,983
- unrealised (loss) / income	(4,504)	38
	<u><u>463</u></u>	<u><u>8,021</u></u>

The annexed notes 1 to 14 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 GOVERNMENT SECURITIES FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2013**

	For the quarter ended September 30, 2013	For the quarter ended September 30, 2012
	-----Rupees in '000-----	
Net Assets at the beginning of the period	1,839,432	34,838,356
Issue of 128,921,536 units (2012: 3,992,512,689 units)	1,292,598	40,537,394
Redemption of 159,619,283 units (2012: 7,406,805,876units)	(1,600,717)	(74,189,617)
	(308,119)	(33,652,223)
Issue of 2,848,448 bonus units (2012:1,932,794 units)		
- Interim distribution units	28,484	19,328
Net element of (income) and capital (gains) included in prices of units issued less those in units redeemed		
- amount representing income and capital gains transferred to Income Statement	1,140	(490,758)
Other net income for the period	42,060	1,853,215
Capital (loss) / gain on sale of government securities - net	(10,232)	298,100
Unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss - net	(4,504)	38
Total comprehensive income for the period	27,324	2,151,353
Interim distribution:		
Class -B Re 0.0580 per unit on July 30, 2013		
Cash distribution	-	-
Issue of 1,533,506 bonus units	(15,335)	-
Interim distribution:		
Class -B Re 0.0454 per unit on August 29, 2013		
(2012: Class -A units Re 0.2561 per unit on August 29, 2012)		
(2012: Class -B units Re 0.2340 per unit on August 29, 2012)		
Cash distribution	-	(1,879,554)
Issue of 857,417 bonus units(2012: 1,546,993)	(8,574)	(15,470)
Interim distribution:		
-Class -B units Re 0.0286 per unit on September 27, 2013		
(2012: Class -A units Re 0.0701 per unit on September 24, 2012)		
(2012: Class -B units Re 0.0626 per unit on September 24, 2012)		
Cash distribution	-	(339,593)
Issue of 457,525 bonus units(2012: 385,801)	(4,575)	(3,858)
	(28,484)	(2,238,475)
Net assets as at the end of the period	1,559,777	627,581

The annexed notes 1 to 14 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 GOVERNMENT SECURITIES FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2013**

	For the quarter ended September 30, 2013	For the quarter ended September 30, 2012
Note	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	27,324	2,151,353
Adjustment for non-cash charges and other items;		
Unrealised (appreciation) / diminution on re-measurement of investments classified as financial assets at fair value through profit or loss - net	4,504	(38)
Federal excise duty on remuneration of Management Company	1,110	-
Amortisation of preliminary expenses and floatation costs	252	252
Provision for Workers' Welfare Fund	558	43,906
Element of (income) / loss and capital (gains) / losses included in prices of units sold less those in units redeemed - net	1,140	(490,758)
	34,888	1,704,715
(Increase) / decrease in assets		
Investments	(457,642)	32,643,434
Profit receivable	(6,901)	158,951
Prepayments	(38)	18
	(464,581)	32,802,403
Increase / (decrease) in liabilities		
Payable to ABL Asset Management Company Limited -Management Company	1,495	1,982
Payable to Central Depository Company of Pakistan Limited - Trustee	5	573
Payable to Securities and Exchange Commission of Pakistan	(22,793)	(1,975)
Accrued expenses and other liabilities	(858)	1,364
	(22,151)	1,944
Net cash (used) / generated from operating activities	(451,844)	34,509,062
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipt from issue of units	1,292,598	40,537,394
Payment against redemption of units	(1,601,533)	(74,188,610)
Cash distribution paid	-	(2,219,147)
Net cash used in financing activities	(308,935)	(35,870,363)
Net decrease in cash and cash equivalents	(760,779)	(1,361,301)
Cash and cash equivalents at the beginning of the period	1,222,333	1,698,667
Cash and cash equivalents at the end of the period	4.2 461,554	337,366

The annexed notes 1 to 14 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 GOVERNMENT SECURITIES FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2013**

1 LEGAL STATUS AND NATURE OF BUSINESS

ABL Government Securities Fund (the Fund) was established under a Trust Deed executed on November 01, 2011 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 Securities and Exchange Commission of Pakistan (SECP) authorised constitution of the Trust Deed vide letter no. NBFC-II/ABLAMC/439/2011 dated October 31, 2011 in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

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 SECP on December 7, 2007. The registered office of the Management Company is situated at 11-B, Lalazar, M.T Khan Road, Karachi.

The Fund 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 and are transferable and redeemable by surrendering them to the Fund.

The Fund has been categorised as an open-end income scheme as per the criteria laid down by the SECP for categorisation of Collective Investment Schemes (CISs).

The objective of the Fund is to deliver optimal risk adjusted returns by investing mainly in a mix of short to long term government securities and other debt instruments.

The 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 a Fund stability rating of A+(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 the 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.



4	BALANCES WITH BANK	Note	September 30,	June 30,
			2013	2013
			-----Rupees in '000-----	
			(Unaudited)	(Audited)
	Saving accounts	4.1	<u>111,554</u>	<u>847,333</u>

4.1 These saving accounts carry mark-up at rates ranging from 6.00% to 9.15% per annum (2013: 6.00% to 9.40%). Deposits in savings accounts include Rs. 19,762 thousand (June 2013: Rs. 65,570 thousand) maintained with Allied Bank Limited, a related party.

4.2	CASH AND CASH EQUIVALENTS	Note	September 30,	June 30,
			2013	2013
			-----Rupees in '000-----	
			(Unaudited)	(Audited)
	Balances with banks		111,554	847,333
	Term deposit receipts		350,000	275,000
	Clean Placement		-	100,000
			<u>461,554</u>	<u>1,222,333</u>

5 INVESTMENTS

Financial assets at fair value through profit or loss

Government Securities

- Market Treasury Bills

- Pakistan Investment Bonds

Loans and Receivables

5.1	1,006,029	599,459
5.2	196,568	-
	1,202,597	599,459
5.3	350,000	525,000
	<u>1,552,597</u>	<u>1,124,459</u>

5.1 Government Securities-Market Treasury Bills

a) 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 investment
		As at July 1, 2013	Purchased during the period	Disposed / matured during the period	As at September 30, 2013	Cost	Market value		
Rupees in '000									
May 30, 2013	3 Months	-	89,000	89,000	-	-	-	-	-
July 12, 2013	3 Months	-	500,000	500,000	-	-	-	-	-
September 19, 2013	3 Months	-	500,000	60,500	439,500	431,558	431,658	100	27.67%
		-	1,089,000	649,500	439,500	431,558	431,658	100	27.67%
January 24, 2013	6 Months	45,000	-	45,000	-	-	-	-	-
January 24, 2013	6 Months	-	950,000	950,000	-	-	-	-	-
February 21, 2013	6 Months	-	223,000	223,000	-	-	-	-	-
July 12, 2013	6 Months	-	750,000	164,700	585,300	571,536	570,711	(825)	36.59%
July 25, 2013	6 Months	-	450,000	450,000	-	-	-	-	-
		45,000	2,373,000	1,832,700	585,300	571,536	570,711	(825)	36.59%
July 26, 2012	12 months	55	-	55	-	-	-	-	-
September 6, 2012	12 months	-	50,000	50,000	-	-	-	-	-
September 20, 2012	12 months	-	150,000	150,000	-	-	-	-	-
October 4, 2012	12 months	-	30,000	30,000	-	-	-	-	-
November 15, 2012	12 months	3,700	-	-	3,700	3,661	3,660	(1)	0.23%
May 30, 2013	12 months	250,000	-	250,000	-	-	-	-	-
May 30, 2013	12 months	-	420,000	420,000	-	-	-	-	-
June 13, 2013	12 months	347,000	-	347,000	-	-	-	-	-
July 26, 2012	12 months	-	272,500	272,500	-	-	-	-	-
		600,755	922,500	1,519,555	3,700	3,661	3,660	(1)	0.23%
Total - September 30, 2013		645,755	4,384,500	4,001,755	1,028,500	1,006,755	1,006,029	(726)	64.49%

5.2 Government Securities-Pakistan Investment Bonds

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 investment
		As at July 1, 2013	Purchased during the period	Disposed / matured during the period	As at September 30, 2013	Cost	Market value	Appreciation / (diminution)		
Rupees in '000										
August 18, 2011	3 Years	-	100,000	-	100,000	101,554	101,289	(265)	6.49%	9.01%
July 18, 2013	3 Years	-	100,000	100,000	-	-	-	-	-	-
July 18, 2013	5 Years	-	50,000	50,000	-	-	-	-	-	-
July 19, 2012	10 Years	-	150,000	50,000	100,000	98,792	95,279	(3,513)	6.11%	8.47%
Total - September 30, 2013		-	400,000	200,000	200,000	200,346	196,568	(3,778)	12.60%	17.48%

5.3 Loans and receivables	Note	September 30,	June 30,
		2013	2013
Rupees in '000			
		(Unaudited)	(Audited)
Term Deposit Receipts	5.3.1	350,000	425,000
Clean Placement		-	100,000
		<u>350,000</u>	<u>525,000</u>

5.3.1 Term Deposit Receipts carry mark-up at rates ranging from 9.50% to 10.25% per annum (2013: 9.50% to 10.25%) and maturities ranging from October 04, 2013 to December 11, 2013 (2013: July 22, 2013 to December 11, 2013).

5.4 Net unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss'	Note	September 30,	June 30,
		2013	2013
Rupees in '000			
		(Unaudited)	(Audited)
Market value of securities		1,202,597	599,459
Less: carrying value of securities		(1,207,101)	(598,122)
		<u>(4,504)</u>	<u>1,337</u>

6 ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors' remuneration		323	238
Brokerage		58	89
Rating Fee		47	-
Printing charges		124	86
Withholding tax payable		21	20
Provision for Workers' Welfare Fund	6.1	117,262	116,704
Other Payable		140	28
		<u>117,975</u>	<u>117,165</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 connection, a constitutional petition has been filed by certain CISs through their trustees in the Honorable 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 the 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. 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 117.262 million (including Rs 0.558 million for the current period) in these condensed financial statements. Had the same not been made the net asset value per unit of the Fund as at September 30, 2013 would have been higher by Re 0.7521 per unit.

7 CONTINGENCIES AND COMMITMENTS

There were no 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 the 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 of 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. 1,283 thousand.

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 atleast 90% of the Fund's net accounting income earned by the year end to the unit holders. Accordingly, no provision in respect of taxation has been made in these condensed interim financial statements.

10 NUMBER OF UNITS IN ISSUE

	For the quarter ended September 30, 2013			
	Class A	Class B	Total	
Total units in issue at the beginning of the period	-	183,768,426	183,768,426	
Add: units issued	-	128,921,536	128,921,536	
Add: bonus units issued	-	2,848,448	2,848,448	
Less: units redeemed	-	(159,619,283)	(159,619,283)	
Total units in issue at the end of the quarter	-	155,919,127	155,919,127	
	For the Year ended June 30, 2013			
	Class A	Class B	Total	
Total units in issue at the beginning of the year	3,376,062,224	98,258,856	3,474,321,080	
Add: units issued	14,928,983,312	340,566,285	15,269,549,597	
Add: bonus units issued	-	12,533,935	12,533,935	
Less: units redeemed	(18,305,045,536)	(267,590,650)	(18,572,636,186)	
Total units in issue at the end of the year	-	183,768,426	183,768,426	
	(Unaudited)		(Audited)	
	For the quarter ended September 30, 2013		June 30, 2013	
	Class A	Class B	Class A	Class B
Net asset value (Rs. in '000)	Nil	1,559,777	Nil	1,839,432
Number of units (units in '000)	Nil	155,919	Nil	183,768
Total	-	10.0038	-	10.0095

11 EARNINGS PER UNIT (EPU)

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

12 TRANSACTIONS WITH CONNECTED PERSONS

12.1 Details of significant transactions carried out by the Fund with connected persons and balances with them, as at period end are as follows;

	September 30, 2013	September 30, 2012
	(Rupees in '000)	
	(Unaudited)	
ABL Asset Management Company Limited - Management Company		
Bonus of 87,317 units(2012: 561,566 units)	873	5,615
Remuneration for the period	6,932	33,864
Sindh Sales Tax on Management Company's Remuneration	1,110	5,418
Federal Excise Duty on remuneration of Management Company	1,110	-
Central Depository Company of Pakistan Limited-Trustee		
Remuneration for the period	605	9,763
Allied Bank Limited-Holding Company of the Management Company		
Issue of Nil units(2012: 3,963,077,871 units)	-	40,242
Redemption of Nil units (2012: 7,339,140,094 units)	-	73,508
Cash dividend	-	2,219,147
Mark up accrued on bank deposits	1,152	284
Amount placed in term deposits receipt	150,000	-
Mark up on Term Deposits Receipt	3,781	-
Bank charges	82	25
Island Textile Mills Limited -Connected Person		
Issue of 11,972,916 units(2012: Nil units)	120,000	-
Bonus of 344,953 units (2012: Nil units)	3,450	-
DIRECTORS OF THE MANAGEMENT COMPANY		
Khawaja Muhammad Almas		
Issue of 99,971 units (2012: 662,416 units)	1,000	6,650
Bonus of 1,444 units (2012: 78,656 units)	14	787
Redemption of 3,101,202 units (2012: Nil units)	31,153	-
KEY MANAGEMENT PERSONNEL OF THE MANAGEMENT COMPANY		
Chief Executive Officer		
Bonus of 5,858 units(2012: 947 units)	59	9
Executives		
Redemption of Nil units(2012: 1,059 units)	-	11



12.2 Amonnts outstanding as at period end / year end	September 30,	June 30,
	2013	2013
	'(Rupees in '000)	
	(Unaudited)	Audited
ABL Asset Management Company Limited - Management Company		
Outstanding 6,674,284 units (2013: 6,586,967 units)	66,768	65,932
Preliminary expenses and floatation costs payable	4,000	4,000
Remuneration payable	1,797	1,706
Sindh sales tax on remuneration of the Management Company	287	273
Federal Excise Duty on remuneration of Management Company	1,283	173
Sales Load Payable to Mangement Company	280	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	169	164
Allied Bank Limited-Holding Company		
Balances held in saving accounts	19,762	65,570
Term deposits receipts	150,000	150,000
Accrued mark-up on term deposits receipt	11,556	7,775
Mark-up accrued on deposits with banks	156	323
Island Textile Mills Limited -Connected Person		
Outstanding 26,367,442 units (2013: 14,049,573 units)	263,775	140,629
DIRECTORS OF THE MANAGEMENT COMPANY		
Khawaja Muhammad Almas*		
Outstanding 103,446 units (2013: 3,103,233 units)	1,035	31,062
KEY MANAGEMENT PERSONNEL OF THE MANAGEMENT COMPANY		
Chief Executive Officer		
Outstanding 447,804 units (2013: 441,946 units)	4,480	4,424

* Appointed as Director of the ABL AMCL in the 30th Meeting of the BOD of ABL AMCL held on February 15, 2013.

13 GENERAL

13.1 Figures have been rounded off to the nearest rupee.

13.2 Certain prior period's figures have been reclassified/re-arranged for the purposes of comparison. However, there were no material reclassifications to report

14 DATE OF AUTHORISATION FOR ISSUE

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


FARID AHMED KHAN
CEO

For ABL Asset Management Company Limited
(Management Company)


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

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