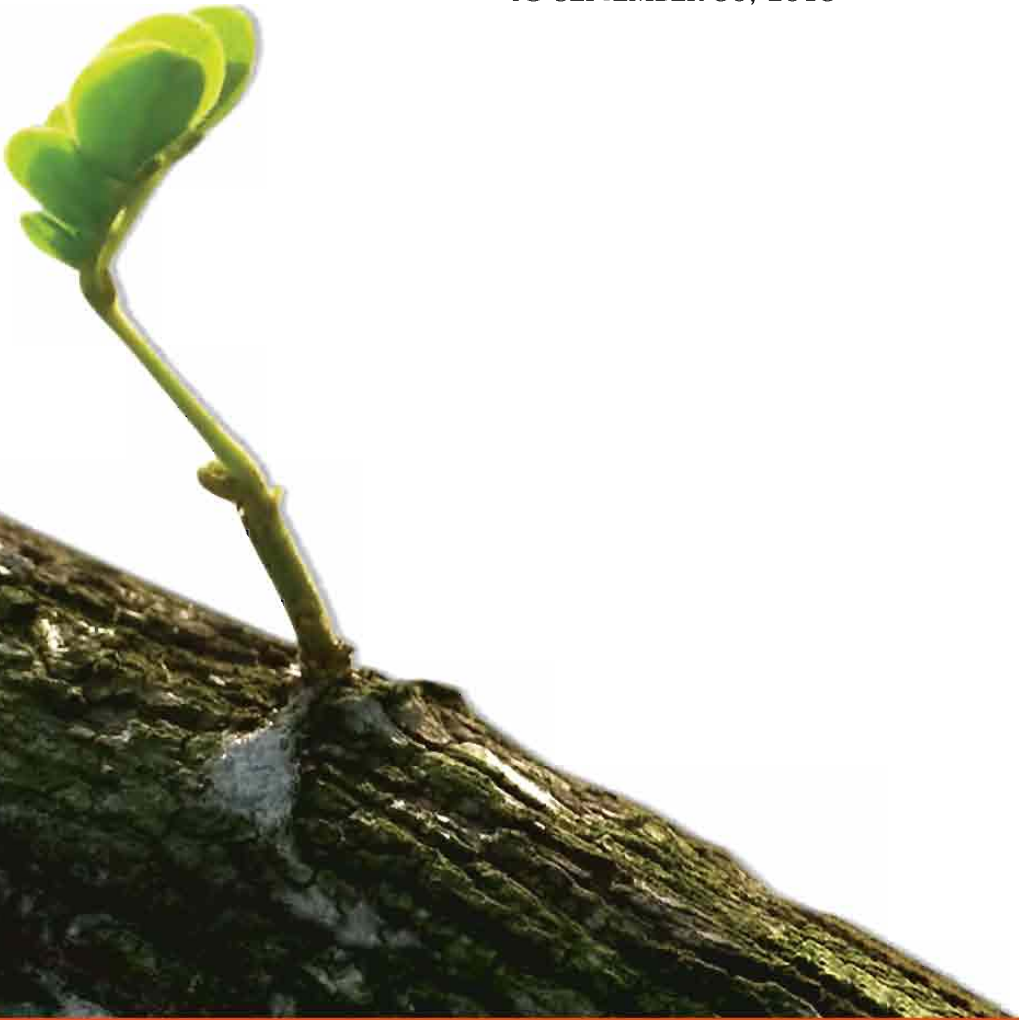




ABL Islamic Stock Fund

CONDENSED INTERIM FINANCIAL STATEMENT

FOR THE PERIOD FROM JUNE 12, 2013
TO SEPTEMBER 30, 2013



ABL Asset Management

Discover the potential
RATED AM2 (JCR-VIS)

(A wholly owned subsidiary of Allied Bank Ltd.)

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FUND'S INFORMATION

Management Company:	ABL Asset Management Company Limited 11 - B, Lalazar M. T. Khan Road, Karachi.	
Board of Directors	Sheikh Mukhtar Ahmed	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
Audit Committee:	Mr. Kamran Nishat	Chairman
	Mr. Muhammad Waseem Mukhtar	Member
	Mr. Khawaja Muhammad Almas	Member
Human Resource Committee:	Mr. Jawaid Iqbal	Chairman
	Mr. Kamran Nishat	Member
	Mr. Farid Ahmed Khan	Member
Chief Executive Officer of The Management Company:	Mr. Farid Ahmed Khan	
Chief Financial Officer & Company Secretary:	Mr. Saqib Matin	
Chief Internal Auditor:	Mr. Mubeen Ashraf Bhimani	
Trustee:	MCB Financial Services Limited 3rd Floor, Adamjee House, I. I. Chundrigar Road, Karachi.	
Bankers to the fund:	Allied Bank Limited Bank Al- Falah Limited United Bank Limited	
Auditor:	KPMG Taseer Hadi & Co. Chartered Accountants Sheikh Sultan Trust Building No. 2 Beaumont Road Karachi, 75530 Pakistan	
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 Islamic Stock Fund (ABL-ISF), is pleased to present the un-audited Condensed Interim Financial Statements of ABL-ISF for the period ended September 30, 2013.

ECONOMIC PERFORMANCE REVIEW

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

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

MARKET OVERVIEW

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

MUTUAL FUND INDUSTRY REVIEW

Equity funds segment of the mutual fund industry did not perform well during the period under review despite solid gains made at local bourses. Equity funds' AUMs increased by 11.0% during 1QFY14 to close at Rs.68.5 billion against 3.9% appreciation in KSE-100 index. Islamic category of equity funds witnessed muted growth of 1.5% with AUMs standing at Rs.15.6 billion at quarter end. Growth in conventional Open-end equity fund AUMs was primarily due to multiple conversions of Close-end funds into Open-end category. Adjusting for these conversions the AUMs actually witnessed a decline during the period.

FUND PERFORMANCE

ABL Islamic Stock Fund's AUMs decreased by 9.3% to Rs.583.3million in Sep 30, 2013 compared to Rs.643.0million on June 30, 2013. The fund posted an absolute return of -0.1% against the benchmark return of 0.3%, an underperformance of 0.4% during the quarter. When measured from its inception date, ABL-ISF has posted a return of -3.3% as compared to its benchmark return of -2.0%, which reflects an underperformance of 1.3%.

ABL Islamic Stock Fund earned total loss of Rs.5.21 million for the period ended September 30, 2013, of which Rs.2.60 million was net capital gain on sale of investments, Rs.14.83 million was dividend income and Rs.24.60 million was unrealized diminution on re-measurement of financial assets at fair value. After accounting for expenses of Rs.10.30 million (comprising mainly of the management fee of Rs.5.88 million, Sindh Sales Tax on management fee of Rs.0.94 million and Brokerage expense of Rs.1.41 million) net loss from operating activities for the period ended September 30, 2013 stood at Rs.15.52 million. With the net element of loss and capital losses of Rs.4.31 million included in the prices of units issued less those in units redeemed, the net loss for the period ended September 30, 2013 stood at Rs.19.83 million.

OUTLOOK

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

AUDITORS

M/s. KPMG Taseer Hadi & Co. (Chartered Accountants), have been appointed as auditors for the period ending June 30, 2014 for ABL Islamic Stock Fund (ABL-ISF).

MANAGEMENT QUALITY RATING

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

ACKNOWLEDGEMENT

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

For and on behalf of the Board



FARID AHMED KHAN

Chief Executive Officer

Karachi, October 30, 2013

ABL ISLAMIC STOCK FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES (UNAUDITED)
AS AT SEPTEMBER 30, 2013

	Note	September 30, 2013 ----(Rupees)----
ASSETS		
Balances with banks	4	47,057,528
Investments	5	522,972,416
Dividend and profit receivable	6	15,057,224
Security deposits and prepayments		2,637,397
Preliminary expenses and floatation costs	7	4,696,078
Total assets		<u>592,420,643</u>
LIABILITIES		
Payable to ABL Asset Management Company Limited - Management Company	8	7,850,745
Payable to MCB Financial Services Limited - Trustee		51,584
Payable to Securities and Exchange Commission of Pakistan		186,226
Accrued expenses and other liabilities	9	988,557
Total liabilities		<u>9,077,112</u>
NET ASSETS		<u><u>583,343,531</u></u>
Unit holders' fund (as per statement attached)		<u><u>583,343,531</u></u>
Contingencies and commitments	10	Number of units
Number of units in issue		<u><u>60,317,116</u></u>
		----(Rupees)----
Net assets value per unit		<u><u>9.6713</u></u>
Face value per unit		<u><u>10.0000</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 ISLAMIC STOCK FUND
CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE PERIOD FROM JUNE 12, 2013 TO SEPTEMBER 30, 2013

	Note	For the period from June 12, 2013 to September 30, 2013 ----(Rupees)----
INCOME		
Dividend income		14,834,800
Capital gain on sale of investments - net		23,752,238
Profit on bank deposits		1,946,749
		40,533,787
Unrealised diminution on re-measurement of investments classified as financial assets at fair value through profit or loss-net		(45,747,945)
Total Income		(5,214,158)
EXPENSES		
Remuneration of ABL Asset Management Company Limited - Management Company		5,880,907
Sindh sales tax on Remuneration of Management Company		940,945
Federal excise duty on remuneration of Management Company		940,945
Remuneration of MCB Financial Services Limited - Trustee		196,027
Annual fee - Securities and Exchange Commission of Pakistan		186,225
Brokerage expense and other transaction costs		1,405,204
Auditors' remuneration		72,817
Amortisation of preliminary expenses and floatation costs	3.6	303,922
Printing charges		43,440
Rating fee		32,188
Listing fee		42,603
Settlement and bank charges		86,039
Other expenses		172,062
Total Operating Expenses		10,303,324
Net loss from operating activities		(15,517,482)
Element of income/ (loss) and capital gains/ (losses) included in prices of units issued less those in units redeemed - net		(4,311,101)
Provision for Worker's Welfare Fund		-
Net loss for the period before taxation		(19,828,583)
Taxation	3.7	-
Net loss for the period after taxation		(19,828,583)
Other comprehensive income for the period		-
Total comprehensive loss		(19,828,583)
Earnings per unit	11	

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 ISLAMIC STOCK FUND
CONDENSED INTERIM DISTRIBUTION STATEMENT (UNAUDITED)
FOR THE PERIOD FROM JUNE 12, 2013 TO SEPTEMBER 30, 2013**

**For the period from
June 12, 2013 to
September 30,
2013
----(Rupees)----**

Net loss for the period (19,828,583)

Undistributed loss carried forward (19,828,583)

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 ISLAMIC STOCK FUND
CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)
FOR THE PERIOD FROM JUNE 12, 2013 TO SEPTEMBER 30, 2013**

**For the period from
June 12, 2013 to
September 30,
2013**

---(Rupees)---

Issue of 84,621,909 units	854,212,370
Redemption of 24,304,792 units	(255,351,357)
	598,861,013
Element of income and capital gains included in prices of units issued less those in units redeemed	4,311,101
Other net income for the period	2,167,124
Net capital gain on sale of investments	23,752,238
Unrealised diminution on re-measurement of investments classified as financial assets at fair value through profit or loss - net	(45,747,945)
	(19,828,583)
Net assets at the end of the period	<u><u>583,343,531</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 ISLAMIC STOCK FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR PERIOD FROM JUNE 12, 2013 TO SEPTEMBER 30, 2013

For the period from
June 12, 2013 to
September 30,
2013

-----**(Rupees)**-----

CASH FLOWS FROM OPERATING ACTIVITIES

Net loss for the period before taxation (19,828,583)

Adjustments:

Unrealised diminution on re-measurement of investments
classified as financial assets at fair value through profit or loss-net 45,747,945

Dividend income (14,834,800)

Element of income / (loss) and capital gains / (losses) included in prices of units
issued less those in units redeemed 4,311,101

Amortisation of preliminary expenses and floatation costs 303,922

15,699,585

(Increase) in assets

Investments - net	(568,720,361)
Profit receivable	(222,424)
Security deposits and prepayment	(2,637,397)
Preliminary expenses and floatation costs	(5,000,000)
	(576,580,182)

Increase in liabilities

Payable to ABL Asset Management Company Limited - Management Company	7,850,745
Payable to MCB Financial Services Limited - Trustee	51,584
Payable to Securities and Exchange Commission of Pakistan	186,226
Accrued expenses and other liabilities	988,557
	9,077,112

Net cash used in operating activities (551,803,485)

CASH FLOWS FROM FINANCING ACTIVITIES

Receipts from issue of units	854,212,370
Payments on redemption of units	(255,351,357)
Net cash generated from financing activities	598,861,013

Net increase in cash and cash equivalents during the period 47,057,528

Cash and cash equivalents at the beginning of the period -

Cash and cash equivalents at the end of the period 47,057,528

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 ISLAMIC STOCK FUND
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR PERIOD FROM JUNE 12, 2013 TO SEPTEMBER 30, 2013**

1 LEGAL STATUS AND NATURE OF BUSINESS

ABL Islamic Stock Fund (the Fund) was established under a Trust Deed executed on May 15, 2013 between ABL Asset Management Company Limited as the Management Company and MCB Financial Services Limited (MCBFSL) as the Trustee. The Trust Deed was executed in accordance with the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (NBFC Rules). The Securities and Exchange Commission of Pakistan (SECP) approved the Trust Deed of the Fund on May 15, 2013. The Fund commenced its operations on June 12, 2013.

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate issued by SECP on December 7, 2007. The registered office of the Management Company is situated at 11-B, Lalazar, M.T Khan Road, Karachi.

The Fund is an open-ended fund and is listed on the Karachi Stock Exchange (Guarantee) Limited. The units of the Fund are offered for public 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 islamic equity as per the criteria laid down by the SECP for categorisation of Collected Investment Schemes (CISs).

The objective of the Fund is to provide capital appreciation to investors through higher, long term risk adjusted returns by investing in a diversified sharia compliant portfolio of equity instruments offering capital gains and dividends.

JCR-VIS Credit Rating Company Limited has assigned management quality rating of 'AM2 (stable outlook)' to the Management Company.

The assets of the Fund are held in the name of the MCB Financial Services Limited as the Trustee of the Fund.

The SECP vide their letter No. NBFC-II/ABLAMC/597/2013 dated June 20, 2013 regarding "Exemption for preparing and publication of financial statements of ABL Islamic Stock Fund for the period June 12, 2013 to June 30, 2013" has allowed the Fund to prepare its first quarterly financial statements for the period from June 12, 2013 to September 30, 2013.

The comparative information of the Statement of Assets & Liabilities, Income Statement, Statement of Movement in Unit Holder's Funds and Cash Flow Statement have not been presented in these condensed interim financial statements as this is the first year of the Fund's operation.

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. 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 financial statements have, however, been limited based on requirements of the International Accounting Standard 34; 'Interim Financial Reporting'.

2.2 Accounting convention

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

2.3 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 classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this classification on a regular basis.

Investments are classified 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 held for trading in the 'Financial assets at fair value through profit or loss' category.

b) Loans and receivables

These are non-derivatives 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, (b) held to maturity investments or (c) financial assets at fair value through profit or loss.

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 and 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 equity securities

The investment of the Fund in equity securities is valued on the basis of closing quoted market prices available at the stock exchange. A security listed on the stock exchange for which no sale is reported on the reporting date is valued at its last sale price on the next preceding date on which such exchange is open and if no sale is reported for such date the security is valued at an amount neither higher than the closing asked price nor lower than the closing bid price.

- 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 of financial assets carried at fair value through profit or loss are taken to the 'income statement'.

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

In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of an equity security below its cost is considered as an objective evidence of impairment. In case of impairment of available for sale securities, the cumulative loss previously recognised in other comprehensive income is removed therefrom and shown as part of income before taxation. Impairment losses recognised in the income statement on equity securities are only reversed when the equity securities are derecognised.

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 provision against these amounts is made as per the provisioning policy duly formulated and approved by the Board of Directors of the Management Company in accordance with the requirements of the Securities and Exchange Commission of Pakistan.

3.2.6 Derecognition

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

3.2.7 Offsetting of financial assets and 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.

3.3 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 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.

3.5 Collateral

Cash collateral provided by the Fund is identified in the statement of assets and liabilities as margin cash and is not included as a component of cash and cash equivalents. For collateral other than cash, if the party to whom the collateral is provided has the right by contract or custom to sell or re-pledge the collateral, the Fund classifies that asset in its statement of assets and liabilities separately from other assets and identifies the asset as pledged collateral. Where the party to whom the collateral is provided does not have the right to sell or re-pledge, a disclosure of the collateral provided is made in the notes to the financial statements.

3.6 Preliminary expenses and floatation costs

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of 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.

3.7 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 intends to distribute such income at the year end in order to avail this tax exemption. Accordingly, no tax liability has been recorded for the current year.

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 unutilised tax losses to the extent that it is no longer probable that the related tax benefit will be realised. However, the Fund has not recognised any amount in respect of deferred tax 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 reporting date are considered as non-adjusting events and are recognised in the period 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 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. Back end loads are recorded as income of the Fund.

4 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 the prices of the units issued less those 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 the accounting year which pertains to unrealised income / (loss) held in the unit holder's fund and undistributed income / (loss) of the Fund in a separate reserve account and any amount remaining in this reserve account at the end of 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.

3.10 Net assets 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 period end.

3.11 Revenue recognition

- Dividend income on equity securities is recognised in the income statement when the right to receive dividend is established.
- Realised capital gains / (losses) arising on sale of investments are included in the income statement on the date at which the transaction takes place.
- Profit on bank deposits and income from government securities is recognised on an accrual basis.

		September 30 2013 ----- (Rupees) -----
4	BALANCES WITH BANKS	
	Current Account	9,613,933
	Saving accounts	37,443,595
		<u><u>47,057,528</u></u>
4.1	These accounts carrying profit rates ranging from 6.00% to 8.50% per annum. Deposits in these accounts include Rs. 9,618,933 maintained with Allied Bank Limited, a related party.	
5	INVESTMENTS	September 30 2013 ----- (Rupees) -----
		Note
	At fair value through profit or loss	
	Listed equity securities	5.1 <u><u>522,972,416</u></u>

5.1 Listed equity securities

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

Name of investee company	Number of Shares				Balance as at September 30, 2013		Market value as a percentage of net assets	Market value as a total percentage of investment	Market value as a percentage of paid-up capital of investee company
	Purchases during the period	Bonus / right issue during the period	Sales during the period	As at September 30, 2013	Carrying value	Market value			
Rupees									
Oil and gas									
Oil and Gas Development Company Ltd	206,000	-	69,700	136,300	31,759,255	32,033,226	5.49%	6.13%	0.07%
Pakistan Oilfields Limited	165,800	-	36,300	129,500	64,671,807	55,520,535	9.52%	10.62%	2.35%
Pakistan State Oil	251,500	-	57,900	193,600	62,815,284	50,742,560	8.70%	9.70%	2.05%
Pakistan Petroleum Limited	399,500	64,580	100,200	363,880	65,090,151	69,355,528	11.89%	13.26%	0.35%
	1,022,800	64,580	264,100	823,280	224,336,496	207,651,849	35.60%	39.71%	4.83%
Chemicals									
Fatima Fertilizer Bin Qasim Limited	427,000	-	81,000	346,000	13,433,513	13,009,600	2.23%	2.49%	0.06%
Fauji Fertilizer Company	613,600	-	125,900	487,700	52,890,928	49,438,149	8.47%	9.45%	0.53%
	1,040,600	-	206,900	833,700	66,324,441	62,447,749	10.71%	11.94%	0.59%
General Industries									
Packages Limited	65,900	-	3,500	62,400	15,762,917	15,918,240	2.73%	3.04%	1.89%
	65,900	-	3,500	62,400	15,762,917	15,918,240	2.73%	3.04%	1.89%
Food Producers									
Engro Foods Limited	223,200	-	74,900	148,300	15,304,194	15,080,627	2.59%	2.88%	0.20%
	223,200	-	74,900	148,300	15,304,194	15,080,627	2.59%	2.88%	0.20%
Electricity									
Hub Power Company	1,557,000	-	451,000	1,106,000	68,762,588	70,485,380	12.08%	13.48%	0.61%
	1,557,000	-	451,000	1,106,000	68,762,588	70,485,380	12.08%	13.48%	0.61%
Personal Goods									
Nishat Mills Limited	705,500	-	229,800	475,700	45,515,560	44,083,119	7.56%	8.43%	1.25%
	705,500	-	229,800	475,700	45,515,560	44,083,119	7.56%	8.43%	1.25%
Construction and materials									
Cherat Cement Company Limited	123,000	-	123,000	-	-	-	0.00%	0.00%	0.00%
Lucky Cement Limited	241,200	-	71,400	169,800	37,086,213	39,273,042	6.73%	7.51%	1.21%
D.G. Khan Cement Company Ltd	807,000	-	388,000	419,000	35,045,929	28,856,530	4.95%	5.52%	0.66%
Maple Leaf Cement Factory Ltd	2,416,000	-	1,839,000	577,000	14,486,600	12,336,260	2.11%	2.36%	0.23%
	3,587,200	-	2,421,400	1,165,800	86,388,978	80,465,832	13.79%	15.39%	2.11%
Fixed line Telecommunication									
Pakistan Telecommunication Company Limited	1,061,000	-	514,500	546,500	12,264,906	14,296,440	2.45%	2.73%	0.04%
	1,061,000	-	514,500	546,500	12,264,906	14,296,440	2.45%	2.73%	0.04%
Commercial Banks									
Meezan Bank Limited	350,000	-	12,000	338,000	12,675,000	12,543,180	2.15%	2.40%	0.13%
	350,000	-	12,000	338,000	12,675,000	12,543,180	2.15%	2.40%	0.00%
	9,613,200	64,580	4,178,100	5,499,680	547,564,845	522,972,416	90%	72.17%	7.56%

5.1.1 The above investment includes shares having a market value (in aggregate) amounting to Rs 83,651,968 which have been pledged with National Clearing Company of Pakistan for guaranteeing settlement of the Fund's trades in accordance with Circular no. 11 dated October 23, 2007 issued by the Securities & Exchange Commission of Pakistan. The details of shares which have been pledged are as follows:

- Pakistan Petroleum Limited : 200,000 shares
- Pakistan Telecommunication Company Limited : 500,000 shares

		September 30, 2013
		—(Rupees)—
6	DIVIDEND AND PROFIT RECEIVABLE	
	Dividend Receivable	14,834,800
	Profit receivable on saving accounts	222,424
		<u>15,057,224</u>
7	PRELIMINARY EXPENSES AND FLOATATION COSTS	
	Preliminary expense and floatation costs	5,000,000
	Less: amortised during the period	(303,922)
	Balance as at September 30, 2013	<u>4,696,078</u>
8	PAYABLE TO ABL ASSET MANAGEMENT COMPANY LIMITED - MANAGEMENT COMPANY	
	Remuneration of Management company	1,547,590
	Sindh sales tax payable on remuneration of Management company	247,614
	Fed payable to the management company	8.1 940,945
	Sales load payable	114,596
	Preliminary expenses and floatation cost	5,000,000
		<u>7,850,745</u>

- 8.1** 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. 940,946.

		September 30, 2013
		—(Rupees)—
9	ACCRUED EXPENSES AND OTHER LIABILITIES	
	Auditors' remuneration	72,818
	Rating fee	32,188
	Brokerage and other charges	147,185
	Withholding tax payable	411,500
	Other payables	324,866
		<u>988,557</u>

10 CONTINGENCIES AND COMMITMENTS

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

11 EARNINGS PER UNIT (EPU)

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

12 TRANSACTIONS WITH CONNECTED PERSONS

For the period from
June 12, 2013 to
September 30, 2013
——(Rupees)——

12.1 Details of transactions with connected persons during the period are as follows:

ABL Asset Management Company Limited - Management Company	
Issue of 10,000,000 units	100,000,000
Redemption of 2,327,928 units	25,000,000
Remuneration of the Management Company	5,880,907
Sindh sales tax on remuneration of the Management Company	940,945
FED on remuneration of the Management Company	940,945
	-
Allied Bank Limited - Holding company of the Management Company	
Bank charges	5,077
ABL AMCL Staff Provident Fund	
Issue of 377,739 units	4,000,000
CHAIRMAN OF THE BOARD OF MANAGEMENT COMPANY	
Sheikh Mukhtar Ahmad	
Issue of 1,000,000 units	10,000,000
CHIEF EXECUTIVE OFFICER	
Issue of 2,500 units	25,000
EXECUTIVES	
Issue of 1,500 units	15,000
TRUSTEE	
MCB Financial Services Limited	
Remuneration for the period	196,027

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

September 30
2013
——(Rupees)——

ABL Asset Management Company Limited - Management Company	
Outstanding 7,672,015 units	74,198,357
Preliminary expenses and floatation costs payable	5,000,000
Remuneration payable to management company	1,547,590
Sindh Sale Tax on Management Company's Remuneration	247,614
FED Payable to the management company	940,945
Sales load payable	114,596
Allied Bank Limited - Holding company of the Management Company	
Bank balances	9,618,933
ABL AMCL Staff Provident Fund	
Outstanding 377,739 units	3,653,231
MCB Financial Services Limited - Trustee	
Remuneration and CDC connection fee payable	51,584
CHAIRMAN OF THE BOARD OF MANAGEMENT COMPANY	

September 30
2013
—(Rupees)—

Sheikh Mukhtar Ahmad
Outstanding 1,000,000 units

9,671,300

CHIEF EXECUTIVE OFFICER

Outstanding 2,500 units

24,178

EXECUTIVES

Outstanding 1,500 units

14,507

13 GENERAL

Figures have been rounded off to the nearest rupee.

14 DATE OF AUTHORISATION FOR ISSUE

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


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.)

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